



**GREATER LETABA
MUNICIPALITY**



2022 23

ANNUAL REPORT



Table of contents

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

2.10. Administrative governance structure.....	35
2.11. Intergovernmental relations.	38
2.12. Public Accountability and Participation.....	38
2.13. Ward committee.....	39
2. Corporate governance.....	39
2.15. Risk management	40
2.16. Anti-corruption and fraud.....	43
2.17. Supply chain management.....	43
2.18. By-laws.....	43
2.19. Websites.....	43
2.20. Governance highlights.....	45
Chapter 3: Service delivery performance	48
3.1. Annual performance report 2022/2023.....	49
Chapter 4: Organisational development performance	91
4.1. Introduction	92
4.2. Managing municipal workforce levels.....	92
4.3. Staff establishment	93
4.4 Staff turnover rate.....	93
4.5. Employment equity.....	94
4.6. Capacitating the employment workforce.....	95
4.7. Performance management system.....	96
4.8. Municipal workforce expenditure.....	102
4.9. Organisational development performance highlights.....	104
Chapter 5: Financial performance.....	105
5.1. Introduction	106
5.2. Statement of financial performance.....	106
5.3. Greater Letaba Municipality financial performance analysis.....	107

5.4. Audited 2022/23 financial statement and information management.....	108
Chapter 6: Auditor General Audit findings.....	197
6.1. Introduction	198
6.2. Auditor General's opinion for 2022/23 financial year.....	199

Tables

Table 1.1. Population distribution in terms of gender and group.....	12
Table 1.2. Disability by type.....	13
Table 1.3. Levels of education in Greater Letaba and Mopani District.....	14
Table 2.1. Municipal committees.....	20
Table 2.2 MPAC committee.....	32
Table 2.3. Statistical report on attendance of meetings.....	33
Table 2.4. Statistical report on attendance of audit committee meetings.....	35
Table 2.5. Major risks identified during risk assessment workshop.....	40
Table 3.1. Service delivery backlog.....	42
Table 4.1 Total staff establishment.....	93
Table 4.2. Workforce profile per occupational category.....	94
Table 4.3. Remuneration packages 2022/2023.....	95
Table 4.4. Personnel expenditure.....	103
Table 4.5. Remuneration package 2022/23.....	104
Table 5.1. Operating ratio.....	106
Table 5.2. Financial overview.....	106
Table 5.3. Capital expenditure.....	107

Figure

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

Appendices

Appendix A: Councillors, committee allocation and council attendance

Appendix B: Committees and committee purposes

Appendix C: Third tier administrative structure

Appendix D: Functions of municipality entity

Appendix E: Ward reporting

Appendix F: Ward information

Appendix G: Long terms contracts and public-private partnerships

Appendix H: Service connection backlogs at schools and clinics

Appendix I: Service backlog

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

Appendix K: Service backlogs experienced by the municipality

Appendix L: Disclosure of financial interests

Appendix M: Councillors posters

1.1 MAYOR'S FOREWORD



The financial year 2022/23 is a year the current council was able to input on the budget and IDP and give direction the municipality is supposed to head in the coming four years of the term.

We are highly enthusiastic in fulfilling the core mandate of the people. We stand firm, having acquired the right technocrats who will lead the municipality in the right direction administratively. We trust them to spearhead this ship for us.

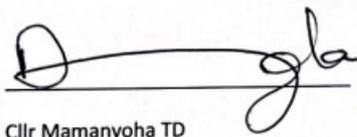
It is an honour and privilege to present the Annual Report of Greater Letaba Municipality for the 2022/23 financial year to the community and all its stakeholders. This report is published in terms of the Municipal Finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken 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. 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 2022/23 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.

A handwritten signature in black ink, appearing to read 'Dingla', written over a horizontal line.

Cllr Mamanyoha TD

Mayor

1.2. MUNICIPAL MANAGER'S FOREWORD



The 2022/23 Annual Report of Greater Letaba Municipality has been compiled in compliance to the provisions of the Section 46 of the Local Government: Municipal Systems Act, 32 of 2000, which stipulates that municipalities must prepare annual report for each year that reflect the municipality's performance during the financial year against set deliverables. Section 121 (1) of the Local Government: Municipal Finance Management Act 56 2003 also obligates municipality's to prepare annual report for each financial year. This Annual Report is therefore premised not only on a quest to improve accountability but also on legislative compliance.

The key intent of the annual report is to provide a record of all the activities that transpired in the financial year under review, provide a report on performance against the approved budget and to promote accountability to residents of Greater Letaba Municipality. The Annual Report outlines the performance of the municipality in line with its developmental mandate, municipal objectives and priorities set in the Integrated Development Plan (IDP).

Provision of basic services such as water, sanitation, electricity, waste removal and roads remained the key priority for Greater Letaba Municipality. The Municipality achieved an overall performance of 67% against set targets, an improvement from the 64% in the previous reporting cycle. The low revenue base as well as reluctance to pay for services rendered by the residents play a major role towards the municipality funding its developmental objectives.

As part of the commitment towards improving the audit outcome and ultimately achieve clean audit, management implemented the AG Action Plan. The implementation of the AG Action has yielded positive outcomes, as the municipality improved the audit outcome when considering the number and materiality of issues raised by the Auditor General.

As the Accounting Officer, I would like to appreciate the political leadership led by the Mayor, the Audit Committee, Senior Management and the entire workforce of Greater Letaba Municipality for the

excellence and precision within which services were delivered. I, therefore, present the Annual Report for the 2022/2023 financial year



MR SEWAPÉ M.O
MUNICIPAL MANAGER

1.3. MUNICIPAL OVERVIEW

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

Community consultation as championed by the Speaker, Cllr. M.M Mokgwati and the Mayor, Cllr. T.D. Mamanyoha is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2022/23 financial year has seen Greater Letaba Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads, construction of community hall and sport complex, and erection of high mast lights and electrification in rural areas and spent 100% on MIG, EPWP, INEP and FMG.

Greater Letaba Municipality continued with its mandate to increase creation of jobs to its local community through EPWP projects as outlined in the report. During the IDP/Budget process our community has again given the municipality a mandate to continue to implement projects in line with Government priorities, hence infrastructure development was again outlined as the main priority of the municipality. The municipality appointed a Municipal Manager, Senior Manager Corporate Services and Director technical Services. The positions of Senior Manager Community Services, Senior Manager Planning and Development and Chief Financial Officer remained

1.4. A short description of the municipality

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

Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although aquatic resources within the boundaries of the Municipality are scarce, the proximity of natural resources (tourist's attractions, intensive economic activity, nature reserves and vast arable land) to the borders of the municipality creates an opportunity for capitalization.

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². Greater

Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are a 132 rural villages within the municipal area. More than 45 paving projects were implemented since 2013/14 financial year to date.

1.5. Social Analysis

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

1.6 Population and Household Size

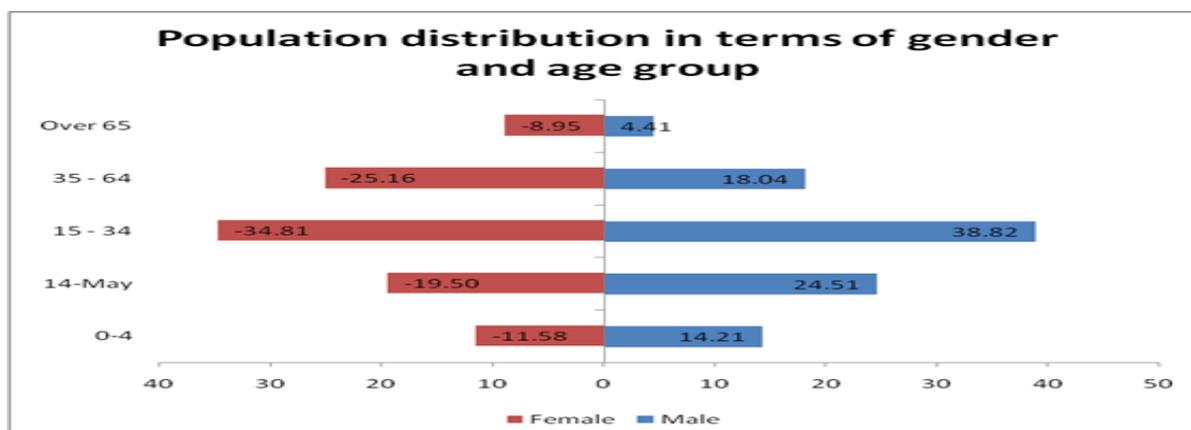
Table 1.1: Population distribution in terms of Gender and Age Group

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

1.7. Age and Gender Profile

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

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



Source: Census 2011

1.8. People with Disability and types of disability

Greater Letaba Municipality has 3993 people with disability.

Table 1.2 Disability by type

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

1.9. Educational Profile

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

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

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

Source: 2011, STATSSA.

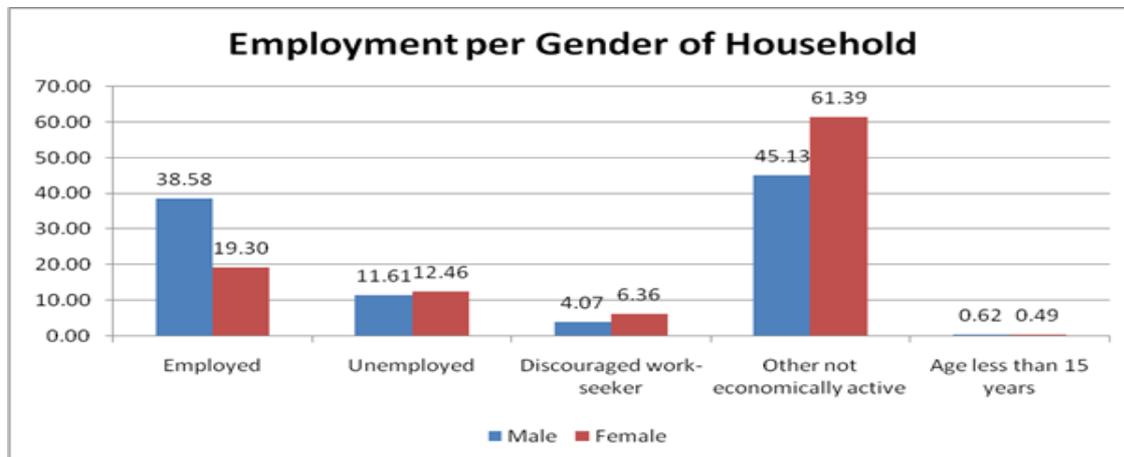
The percentage of illiteracy is estimated at 28,5%, which shows a decline in the level of illiteracy by 17,3%. The progress thereof is satisfactory; the level of illiteracy is still worrying since it impacts on the employability of the population. The number of existing schools in the municipality is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

1.10. Employment Profile

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

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

Figure 1.2: Employment per gender of household



Source: Census 2011

1.11. Employment and Unemployment Rate

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

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

1.12. Multipurpose Community Centres

Greater Letaba municipality has two Multi-purpose Community Centres. The two centres are at Mokwakwaila and Soetfontein. These multipurpose centres play a critical role in ensuring that information regarding government activities is made accessible to the community. Key basic services by government and parastatals are provided to communities through the centres.

1.13. Community facilities

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

in Sekgopo, Senwamokgope Shotong and Rotterdam are completed and are currently in the process of resourcing.

There are ten (10) sports facilities around Greater Letaba Municipality's area of jurisdiction targeting to benefit the community thus promote social cohesion. These social amenities are located at Sekgopo, Kgapane, Lebaka, Rotterdam, Thakgalane, Senwamokgope, Mamanyoha, Mokwakwaila, Madumeleng and Shamiriri.

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

1.14. Water

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

Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. Indigent households which reside in the proclaimed towns do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 132 villages which receive unmetered free water supply, which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers at no cost to the recipients. Municipality has 723 beneficiaries.

- **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 sixty seven (167) high mast lights were erected from 2009/2010 until 2021/22 financial years benefiting all the wards. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

1.15. Transport Infrastructure

- **Road Networks and Backlogs**

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

- **Public transport**

Greater Letaba municipality public transport is accessible to communities; some villages take less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards. Total transport network is 1228.8(Paved/Tarred-590KM unpaved 638.8Km. The municipality has paved a total of 3.38 in 2023/24

1.16. Access to Health Care

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

1.17. Heritage Sites

Greater Letaba Municipality has a number of heritage sites:

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

❖ *Lebjene Ruins

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

1.18 Thusong Service Center

MOKWAKWAILA THUSONG SERVICE CENTRE PROFILE



WHAT IS A THUSONG SERVICE CENTRE?

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

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

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

OBJECTIVE OF THE PROGRAMME IS:

- To facilitate access to services
- To promote intergradation of services
- To build sustainable partnership
- To create platform for dialogue between citizens and government

Background of Mokkwawaila TSC

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

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

Mokkwawaila Thusong Services centre is situated in ward 27 of Greater Letaba Municipality in Mokkwawaila village, because of its strategic location. It services 13 wards comprising 56 villages of GLM, two villages of GGM and 13 Villages of GTM. Several departments such as SASSA, Department of Social Development, Department of Correctional Service are housed within the premises while others such as SAPS, Post Offices and Mokkwawaila stadium are within walking distance from the centre. By Mokkwawaila Thusong Service Centre, there is Hlanganani-Bolobedu Day care centre which enrolls kids from the surrounding villages.

WHO IS RESPONSIBLE FOR THUSONG SERVICE CENTRES?

1. Municipality's main responsibility.

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

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

The department is responsible for:

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

3. Department of Public Service and Administration.

- The DPSA is responsible for establishment & implementation of ICT services in the centre.

- The DPSA is also responsible for development of geographic access norms and standards to ensure all TSC are properly located.
- Implementation of the prototypes general service counters (GCS)

4. Department of public works (DPW)

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

5. South African Local Government Association (SALGA)

SALGA's role is to:

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

6. Department of Government Communication Information System (GCIS)

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

How does Mokwakwaila Thusong Service Centre assist in the development of communities?

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

Ownership and Governance of Thusong service centres.

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

- The National Intersectoral Steering Committee (NISSC)

Mokwakwaila Thusong Service centre hosts the following service providers:

SERVICE PROVIDER	SERVICES OFFERED	CONTACT PERSON
<p>GREATER LETABA MUNICIPALITY</p> 	<ul style="list-style-type: none"> • Bookings of facilities • Proof of residence • Grading of internal streets • Cleaning the surrounding 	<p>Mr Monaiwa MP</p> <p>Cell no: 082 564 1362</p> <p>Email: petermm@glm.gov.za</p>
<p>SASSA</p> 	<ul style="list-style-type: none"> • Old age and Child grant • Disability grant • War veterans grant • Foster child support grant • Grant in aid • Social relief of distress 	<p>Mrs Ranaga MD</p> <p>Cell no: 060 656 5659</p>
<p>DEPARTMENT OF SOCIAL DEVELOPMENT</p> 	<ul style="list-style-type: none"> • Community mobilisation • NPO capacitation • Poverty alleviation & sustainable livelihood • Community based research and planning • Youth development • Women development 	<p>Mr Ramothwala M</p> <p>Cell No: 078 838 8835</p>
<p>SOCIAL WORKER SERVICES</p> 	<ul style="list-style-type: none"> • Social welfare services • Child & family services • Restorative services • Administrative duties 	<p>Mr Ngobeni</p> <p>Cell no: 072 606 9411</p>
<p>DEPARTMENT OF CORRECTIONAL SERVICE</p> 	<ul style="list-style-type: none"> • Monitoring of parolees • Monitoring of probationers 	<p>Mr Masetla M.R</p> <p>Cell No:076 533 0501</p>

MOKWAKWAILA SAPS 	<ul style="list-style-type: none"> • Combating crime • Document certification • Affidavits • Attending to complaints • Conducting CPF meeting • Rendering community safety 	W/O Mabale RM Cell no: 060 996 0060 Tell :015 386 9940
DEPARTMENT OF PUBLIC WORKS 	<ul style="list-style-type: none"> • Black top patching • Blading of gravel roads • Fixing potholes • Cleaning side drains 	Mr Nthangeni E Cell No:076 336 0772
MOKWAKWAILA LIBRARY 	<ul style="list-style-type: none"> • Libraries mirror • Free WI-FI • Books & magazine • Printouts • Copies and laminating 	Mr Nakana MP Cell no: 072 525 7756 Email:nakanamalekutu@gmail.com
VENDING POINT 	<ul style="list-style-type: none"> • Selling electricity • Selling airtime • Dstv payment 	Mr Mashao M.J Cell No: 072 752 0910
INTERNET CAFE	<ul style="list-style-type: none"> • Access to internet • Copies • Email • Printing services 	Mr Ramahlo O Cell No : 076 993 9911 onesmusofficesupplies@gmail.com
DAY CARE CENTRE	<ul style="list-style-type: none"> • Day care. • After care. 	Mrs Masedi G Cell No : 072 369 4226
MOKWAKWAILA POST OFFICE	<ul style="list-style-type: none"> • Grant payments • Banking services • Post office services 	Ally

		
DEPARTMENT OF HOME AFFAIRS	<ul style="list-style-type: none"> • Smart card application • Birth certificate application • Passport application 	Mabasa Billy 06309619936
DEPARTMENT OF LABOUR	<ul style="list-style-type: none"> • UIF application • Signing for Payments • Enquiry 	Nyeleti 0734404288
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT	<ul style="list-style-type: none"> • Extension services • Advisory services to farmers 	Baloyi KV 082 660 6006
COMMUNITY DEVELOPMENT WORKERS (CDW) UNDER THE DEPARTMENT OF COOPARATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS	<ul style="list-style-type: none"> • Community profiling • Home visits • Assist with LRB • Assist with social grant 	Setloane Annah 082 959 2566
SOUTH AFRICAN REVENUE SERVICES (SARS)	<ul style="list-style-type: none"> • Tax clearance • Tax filling • Tax registration • Tax compliance 	Pauline Maluleke 076 060 0879
INDEPENDENT ELECTORAL COMMISSION (IEC)	<ul style="list-style-type: none"> • Registration verification • Registration 	Melidah 0825317971
PERFECT RADIO	<ul style="list-style-type: none"> • Credible source of Information for communities • Local Breaking News Updates • Platform for communities to engage. • Providing graduates with training and students with practicals. • Empowering local businesses • Sponsoring community building events 	Mr Selowa Raymond Cell no: 079 595 9854 Email: info@perfectradio.co.za

	<ul style="list-style-type: none"> • Youth empowerment programmes • Health, Local Sport. Education, Economic Updates • Crime and Traffic Reports • Updating the public about government decisions and campaigns, including programs 	
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There is a need to upgrade the Soetfontein Rural Development Agency facility in Sekgosese to a Thusong Centre. The establishment of this Centre will empower the poor and disadvantaged through access to information, services and resources from governmental organizations, parastatals, and business.

1.18. 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.

1.19. 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.

1.20. 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.

- The transfer stations in Senwamokgope and Ga-Kgapane are fully functional.
- The rate of service delivery was accelerated by procurement of plants and equipments..
- 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 2022/23 financial year.

1.7 CHALLENGES

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

CHAPTER 2

GOVERNANCE

2.1 INTRODUCTION

Good governance has eight major characteristics namely, participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. The municipality through its Anti-fraud and corruption policy and Labour Relations policy has ensured that corruption is minimised, and corrective disciplinary actions are taken.

2.2 GOVERNANCE STRUCTURE

The municipality during the financial year 2022/23 focused on governance and related matters. The Council decision-making and oversight functioning including the administrative tools were regarded as fundamental to

enable effective and efficient decision-making and oversight. Fifty-Five (55) policies were implemented covering the entire administrative ambit to enforce compliance to legislations.

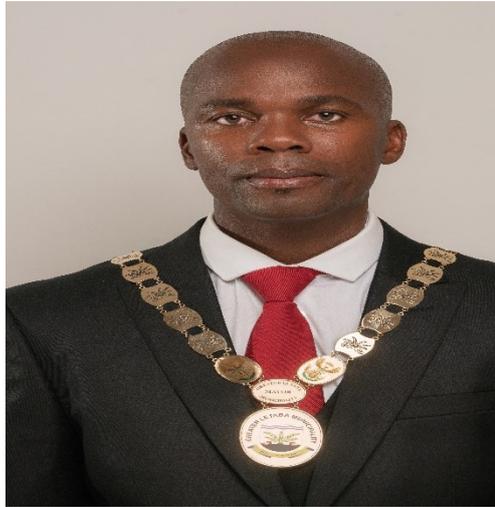
Section 151 (3) of the constitution of the Republic of South Africa stipulates that municipalities have the right to govern, on their own initiative, the local government affairs of their communities, subject to provincial legislations.

The Constitution further specifies in section 155 (2) that, “national Legislation must define different types of municipalities that may be established within each category.

2.2.1 Political Structure

In realizing the ideals referred to above, Greater Letaba Municipality was established as a category B municipality in terms of Section 12 of the Municipal Structure’s Act No. 117 of 1998. It was established as a municipality with a collective executive system combined with a ward participatory system as per provision of Section 9 (b) of the Municipal Structures Act. During the 2022/23 financial year, Councillor Mamanyoha TD served as the Mayor of Greater Letaba Municipality; Cllr Mokgwati M.M, the Speaker of Council while Cllr Ramalatso R.R as the Chief Whip. The African National Congress had 30 ward Councillors and 17 PR Councillors, Economic Freedom Fighters had 8 Proportional Representative (PR) Councillors, Congress of the People had 2 PR Councillors, Democratic Alliance had 1 PR councillors and LIRA party had 1 each PR Councillor and MIM had 1 PR Councillor. The total number of councillors for Greater Letaba was 60.

2.1. Municipality's Political Structure 2021/22



**Honourable Mayor
Cllr Mamanyoha T.D**



**SPEAKER
Cllr MOKGWATHI
M.M**



**CHIEFWHIP
Cllr Ramalatso R. R**

2.2. EXECUTIVE COMMITTEE MEMBERS



Cllr Selowa M.G
Head Water & Sanitation



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



Cllr Lebeko N.F
**Head Corporate & Shared
Services**



Cllr Kgapane T.J
Head Finance



Cllr Baloyi R.G
Head Infrastructure



Cllr M.R Mosila
Head Community Services



Cllr Mohlele MD
**Head Public Transport
and Roads**



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



Cllr Mangena M.S
**Head Environmental
Affairs**

The Executive Committee which is the principal committee of council is chaired by the Mayor, receive reports from different portfolio committees of the council which are forwarded to council with

recommendations if they cannot dispose the matter in terms of delegated powers. The Chief Whip plays his whipping role during party caucus. Traditional Leaders participate in council in line with the provisions of Section 81 of the Municipal Structure's Act.

2.3. Municipal Committees

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

Table 2.1: Municipal Committees

PORTFOLIO COMMITTEE	HEAD	CHAIRPERSON	COMMITTEE MEMBERS
Corporate and Shared Services	Cllr. Lebeko N. F	Cllr Mashao M.G	Cllr. Mamatlepa DD Cllr. Lebepe R.R Cllr Maluleke M.J Kgosi Mamaila N.T
Finance	Cllr. Kgapane T. J	Cllr. Mohale M.C	Cllr. Mokgomola N.P Cllr. Kgatla M.E Cllr. Mothomogolo P.S Cllr. Morwatshehla M.B Cllr. Maake N Cllr. Rasebotja S.M Kgosigadi Raphahlelo
Infrastructure	Cllr Baloyi R. G	Cllr Mankgeru M.M	Cllr Rasebotsa.S.M Cllr. Malatji M.C Cllr. Ramalatsoa M.A Cllr. Mulaudzi P Cllr Maake S.M Kgosigadi Modjadji
Economic Development, Housing & Spatial planning	Cllr. Ramaremela M.J	Cllr Moroatshehla M.F.	Cllr. Rasebotja M.J Cllr. Makgati T.E Cllr. Nakana M.R Kgosigadi Sekgopo
Environmental Affairs	Cllr. Ramalobela M. L	Cllr. Ngobeni M.P	Cllr. Mampeule P,J Cllr. Mamatlepa D.D Cllr. Raseropo M.S Kgosi Rakwadu
Community Services	Cllr. Mosila M. R	Cllr. Mamaila B.A	Cllr. Hlungwane S.J Cllr. Maake M.S Cllr. Senyolo T.J

PORTFOLIO COMMITTEE	HEAD	CHAIRPERSON	COMMITTEE MEMBERS
			Hosi Mahuntsi M.T
Public Transport and Roads	Cllr. Mathaba E.M	Cllr. Mokhabukhi M.S	Cllr Rasebotsa M.S Cllr. Mothomoholo P.S Cllr Morwatshehla M.B Kgosi Phooko N.C
Water and Sanitation Services	Cllr. Selowa M. G	Cllr. Malatja T.P	Cllr. Makgatho T.E Cllr. Rampyapedi S.E Cllr Malatji M.E Kgosi Mamaila Kolobetona
Sports Arts and Culture	Cllr. Ramaano K.E	Cllr. Lebeya M.J	Cllr. Rampyapedi S.E Cllr. Serumula M.L Cllr. Mokgomola N.P Kgosi Pheeha M.B

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

2.4.Municipal Public Accounts Committee (MPAC)

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

Table 2.2: MPAC Committee

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

Cllr Mohale R.W	Male
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2.5.Rules and Ethics Committee

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

The Rules and Ethics Committee consist of:

Name of the Committee Member	Capacity
Cllr. Manyama M.I	Chairperson
Cllr. Seoka LM	Member
Cllr. Matlou M.P	Member
Cllr. Mothomoholo P.S	Member
Cllr. Makhananesa M.D	Member
Cllr Modika M.S	Member
Cllr Kgatla M.E	Member

2.6.Disciplinary Board

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

Name of the Committee Member	Designation	Capacity
Raphalalane R	Chairperson of the Audit Committee	Chairperson
Mokhufi E	Assistant Director: Internal Audit	Member
Chuene KR	Assistant Director: Legal Services	Member
Ramutsheli M.P	Chairperson Risk Committee	Member

2.7. Municipal Council

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensures that council meetings are conducted in line with council rules and orders and those they meet quarterly. The Council of Greater Letaba Municipality is stable. 4 Ordinary meetings were held as legislated and three (03) special councils meetings held for 2022/23 financial year.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	STATUS
Council	8	4 Ordinary & 10 Special	Target exceeded
EXCO	8	4 Ordinary & 10 Special	Target exceeded
Corporate & Shared Services	12	12 meetings held	Below target
Infrastructure	4	6 meetings held	Target exceeded
Economic Development, Housing & Spatial Planning	12	11 meetings held	Below target
Public Transport and Roads	4	4 meetings held	Target met
Community Services	4	5 meetings held	Target exceeded
Environment Affairs	4	4 meetings held	Target met
Sports, Arts and Culture	3	3 meetings held	Target met
Water & Sanitation	4	5 meetings held	Target exceeded
Finance	7	7	Below target
Audit Committee	6	8	Target exceeded
MPAC	12	14	Target Exceeded
Risk Committee	4	4	Target met
ICT Steering committee	4	4	Target met
Ethics Committee	4	5	Target exceeded

2.8. Portfolio Committees functionality

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

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

2.9. Audit Committee functionality.

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

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

All 4 ordinary Audit Committee meetings and 5 special Audit committee to consider the Annual Financial Statements, Annual Performance Report and Auditor General Report were held. The Audit Committee submitted the (04) ordinary meetings report to Council in 2022/23.

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

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

2.10. Administrative Governance Structure

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

The Accounting Officer of Municipality during in 2022/23 was Ms Mankgabe F.M and later Mr Sewape M.O. The administrative structure of the municipality has been reviewed and adopted by council on the 30th of May 2022 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 2022/23 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 2022/23. 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	Mr Sewape M.O
Acting Chief Financial Officer	Mr Mamatlepa M.L
Senior manager: Corporate Services	Mr Lekhota MP
Acting Senior Manager: Community Services	Miss Shoroma M.L
Senior Manager ; Technical Services	Ms Nhlane G.I
Acting Senior Manager: Development & Town Planning	Mr Rababalela M. E

MUNICIPALITY'S ADMINISTRATIVE STRUCTURE 2022/23



Mr Sewape M.O
Municipal Manager



Ms Nhlane GI
Senior
Manager
Technical
Services



Mr Lekhota MP
Senior Manager:
Corporate Services



Mr Mamatlepa M.L
Acting Chief Financial
Officer



Miss Shoroma L.M
Director: Community
Services



Mr Rababalela
Acting Senior
Manager
Development
& Town
Planning

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

As part of the Institutional transformation and in an endeavour to strengthen and build an efficient administration, alternate delivery mechanisms are reviewed to ensure improved services to

communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

- **The Municipal Manager's Office**

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

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

2.11. Intergovernmental Relations

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

2.12. Public Accountability and Participation

- **Communication**

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

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

COMMUNICATION ACTIVITY	YES/NO
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Language policy	Yes
Whistle Blowing Policy	Yes
Customer Satisfaction Survey	No
Functional Complaints Management system	Yes
No. of Newsletters issued in 2022/23	0
No. of public participations held as per Section 16 of the Municipal Systems Act	11
No. of Imbizos held	04
No. of newspaper articles/notices published	655

2.13. Ward Committees

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

In addition to ward committees, the SDBIP were made public. The SDBIP contained projected financial and service delivery Indicators and deliverables. Members of the public were invited to participate in the Oversight process related to the Annual Report. To promote public accountability and participation, members of the public were invited to attend all meetings of the Council meetings. These were held prior to developing the draft budget in order to provide feedback to the community about the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

2.14. Corporate Governance

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

2.15. Risk Management

Risk management forms part of management’s core responsibilities and it is an integral part of the internal processes of the municipality. Members of the Risk Committee were Risk Committee Chairperson, Municipal Manager, All Directors, Assistant Director ICT, Assistant Director Internal Unit and Risk Officer. When properly executed, risk management provides reasonable assurance, that the municipality will be successful in achieving its goals and objectives. MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient, and transparent system of risk management.

The municipality is aware of the impact of risk on service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks that have been identified. The King III report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented, can create and sustain stakeholder value. The following are risks that the municipality have identified during the 2022/23 financial year.

Table 2.5: Major risk identified during risk assessment workshop.

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
1	Access to sustainable quality basic services.	Basic services disruptions	<ul style="list-style-type: none"> Review of electricity master plan Review of road master plan Development and implementation of infrastructure maintenance plan (IT, electricity, roads and properties) 	<ul style="list-style-type: none"> Dir: Technical Dir: Technical Dir: Technical

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
			<ul style="list-style-type: none"> • Increase revenue collection. • Establishment of local IGR structure • Development of service delivery by-laws • Law enforcement on illegal service delivery protest 	<ul style="list-style-type: none"> • CFO • MM • MM • MM
2	Improved quality of life	Unsafe working environment and conditions	<ul style="list-style-type: none"> • Conducting Occupational Health and Safety risk assessment • Conduct office space need analysis 	<ul style="list-style-type: none"> •Dir: Corporate •Dir: corporate
3	Improved governance and organization excellence	Fraud and corruption	<ul style="list-style-type: none"> • Ongoing financial interest disclosure • Pre-employment screenings • Review of fraud prevention plan • Conduct fraud and corruption risks assessment • Employee induction programs (integrity, ethics, and conduct) • Investigation of fraud and corruption cases reported. • Implementation of consequence management 	<ul style="list-style-type: none"> •Dir: Corporate •Risk Officer •Risk Officer •Risk Officer •Dir: Corporate •Legal Unit •MM
4	Sustainable financial institution	Inability to raise sufficient revenue	<ul style="list-style-type: none"> • Review and implementation of revenue enhancement strategy • Sale of stands at Ga-Kgapane township extension and Modjadjiskloof 	<ul style="list-style-type: none"> •CFO •Dir planning and Technical
5	Improved quality of life	Inadequate response to current and future climate change impacts (New)	<ul style="list-style-type: none"> • Strengthening of infrastructure to prepare for increase in climate change. • Development of climate change response strategy 	<ul style="list-style-type: none"> •Dir: Technical •Dir: Community

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
6	Improved human resource	Ineffective human resource management (New)	<ul style="list-style-type: none"> • Development of effective training program • Establishing appropriate organizational structures with clear roles and accountabilities • Implementing codes of ethics and fair labour practices. • Effective communication with employees 	<ul style="list-style-type: none"> •Dir: Corporate •Dir: Corporate •Dir: Corporate •MM
7	Improved governance and organization excellence	Cyber-attack and phishing	<ul style="list-style-type: none"> • Implementation of information security management framework • Conducting of vulnerability test assessment • Information security awareness campaign 	<ul style="list-style-type: none"> •Manager IT •Manager IT •Manager IT
8	Sustainable financial institution	Inability to collect debt	<ul style="list-style-type: none"> • Implementation of credit control policy • Development of property rates and debt collection by-laws • Conducting of data cleansing 	<ul style="list-style-type: none"> •CFO •CFO •CFO
9	Integrated sustainable development	Inadequate participation of Sector departments in the review of the IDP. (New) Disruption of IDP Public participation Meetings (New)	<ul style="list-style-type: none"> • Development of detailed IDP Stakeholder database. • Feedback on progress on implementation of IDP to be provided during Rep forums 	<ul style="list-style-type: none"> • Dir: Planning • Dir: Planning
10	Integrated sustainable Human settlement	Uncoordinated land development	Effective communication with landowners	<ul style="list-style-type: none"> • Dir: Planning
11	Improved and inclusive local economy	Unregistered businesses. (New)	Conduct door to door campaigns for unregistered businesses.	<ul style="list-style-type: none"> • Dir: Planning

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
		Uncoordinated informal and street trading (New)	Develop Street trading by-Laws	• Dir: Planning
12	Integrated sustainable Human settlement	Land invasion	<ul style="list-style-type: none"> • Development and implementation of land invasion strategy • Implementation of SPLUMA by-laws 	<ul style="list-style-type: none"> • Dir: Planning • Dir: Planning

2.16. Anti-Corruption and Fraud

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

2.17. Supply chain Management

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

2.18. By-laws

The Municipal Systems Act of 2000, Section 11 (3) (m) provides Municipal Councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. During the financial year 2022/23 the municipality did not gazette any new by-laws.

2.19. Website

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

The municipality's website is functional and operational.

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

Table

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Annual and adjustments budgets and all budget-related documents / reports	Yes
All current budget-related policies	Yes
The annual report (2021/22 published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2022/23)	Yes
All service level agreements 2022/23	No
All long-term borrowing contracts (2021/22)	N/A
All supply chain management contracts above a prescribed value of R200 000 for 201/20	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2020/21	No

Public-private partnership agreements referred to in section 120 made in 2021/22	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	Yes
Integrated Development Plan (IDP) 2022/23	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2022/23	Yes

2.20. Governance Highlights

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

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

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

GREATER LETABA MUNICIPALITY



2022/23

ANNUAL PERFORMANCE

REPORT



Table of Contents	Page number
Introduction	3
Municipal Strategic Intent	4
Monthly Projections of Revenue and Expenditure	5
Summary Of Results	7
Municipal Transformation and Organisational Development KPIs	9
Municipal Financial Viability KPIs	10
Basic Service Delivery KPIs	14
Good Governance and Public Participation KPIs	16
Local Economic Development KPIs	19
Project Implementation plan for 2022/23 - quarterly milestones	22
Projects removed during Budget Adjustment	30
Service provider Performance	36
Capital Works Plan for MTREF 2022/23 - 2024/25	40
Service Delivery Backlog as at 30 June 2023	45
Annexures:	
MFMA Circular 88 Compliance KPIs	46
Approval	55

INTRODUCTION	
Introduction	<p>In terms of Section 46 of Municipal Systems Act, a municipality must prepare for each financial year a performance report reflecting a) the performance of the municipality and each with the key Performance Indicators and of each external service provider during that financial year, b) a comparison of the performance referred to in paragraph(a) with targets set for and performance in the previous financial year. c) measures taken to improve the performance. An Annual Performance Report must form part of the municipality's Annual Report in terms of Chapter 12 of Municipal Finance Management Act. The 2021/22 performance of Greater Letaba Municipality was monitored through the Service Delivery and Budget Implementation Plan. The Plan was drafted in line with the approved Intergrated 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 2022/23 financial year compared to the performance of the previous year 2021/22 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 as well as Service Delivery Backlog and Assessments of Service providers.</p>

MUNICIPAL STRATEGIC INTENT

Vision and Mission

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

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

The strategic mission speaks about what the purpose of Greater Letaba

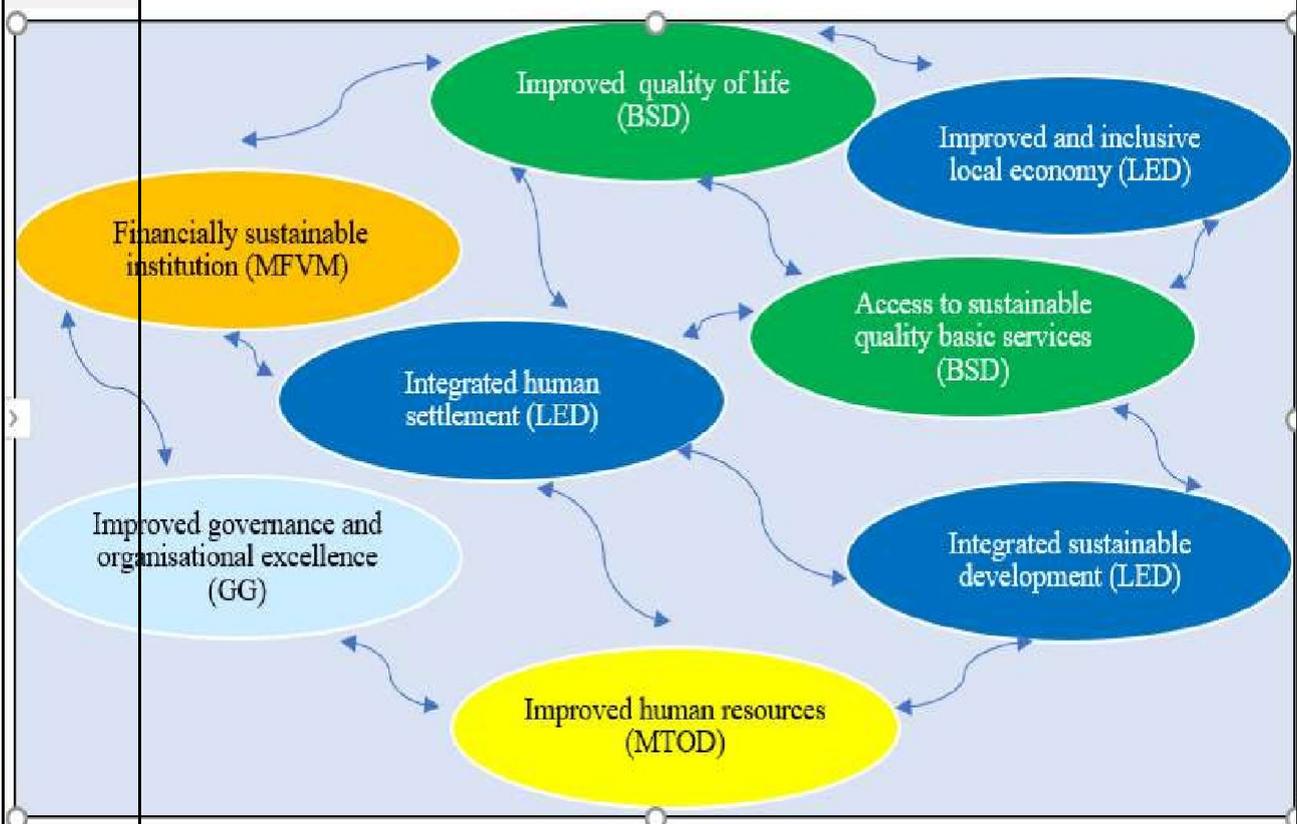
Municipality is: To ensure an effective, efficient and economically viable

municipality through:

- 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
- Utilisation of smart technology

Strategy map

The strategic Objectives of the municipality are presented in the Strategy Map below:



2022/23 MONTHLY REVENUE AND EXPENDITURE PROJECTIONS													
	Jul '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23	Mar '23	Apr '23	May '23	Jun '23	Total
Budgeted Revenue By Source													
Property rates	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R 982 417	R11 789 000.00
Service charges - electricity revenue	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R 1 572 328	R18 867 933.66
Service charges - water revenue	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R-
Service charges - sanitation revenue	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Service charges - refuse revenue	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R 437 826	R5 253 911.64
Rental of facilities and equipment	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R 19 722	R236 659.36
Interest earned - external investments	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R 108 976	R1 307 709.06
Interest earned - outstanding debtors	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R 502 467	R6 029 604.07
Dividends received													R -
Fines, penalties and forfeits	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R 16 048	R192 570.00
Licences and permits	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R 1 703 333	R20 440 000.00
Agency services	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R 296 772	R3 561 261.00
Transfers and subsidies	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R 31 162 029	R373 944 350.00
Other revenue	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R 762 500	R9 150 000.00
Gains on disposal of PPE	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R 166 667	R2 000 000.00

Total Revenue (excluding capital transfers and contributions)	R 37 731 085	R452 772 998.79												

2022/23 MONTHLY REVENUE AND EXPENDITURE PROJECTIONS														
	Jul '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23	Mar '23	Apr '23	May '23	Jun '23	Total	
Budgeted Expenditure by Vote														
Vote 1 - Executive & Council	R 4 582	R 54 983												
Vote 2 - Finance and Administration	R 12 126	R 145 507												
Vote 3 - Internal Audit	R 250	R 3 002												
Vote 4 - Community and Public Safety	R 3 019	R 36 228												
Vote 5 - Sports and Recreation	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Vote 6 - Housing	R 75	R 896												
Vote 7 - Planning and Development	R 1 697	R 20 362												
Vote 8 - Road Transport	R 5 484	R 65 806												
Vote 9 - Energy Sources	R 4 624	R 55 492												
Vote 10 - Waste Water Management	R 84	R 1 003												
Vote 11 - Waste Management	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Operational Expenditure	R 27 359	R 328 296												

DRAFT ANNUAL PERFORMANCE REPORT SUMMARY FOR 2022/2023

KPA's Performance Indicators	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational D	11	5	6	45%	55%
Basic Service Delivery	10	4	6	40%	60%
Local Economic Development	20	14	6	70%	30%
Municipal Finance Management Viability	25	15	10	60%	40%
Good Governance and Public Participation	18	11	7	61%	39%
	84				

KPA's Projects	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational D	3	3	0	100,00%	0,00%
Basic Service Delivery	27	24	3	89,00%	11,00%
Local Economic Development	2	1	1	50,00%	50,00%
Municipal Finance Management Viability	0	0	0	0,00%	0,00%
Good Governance and Public Participation	4	3	1	75,00%	25,00%
	36				

KPA's Performance Indicators and Projects	No. of Applicable Indicators including projects	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational Development	14	8	6	57%	43%
Basic Service Delivery	37	28	9	76%	24,00%
Local Economic Development	22	15	7	68%	32,00%
Municipal Finance Management Viability	25	15	10	60%	40,00%
Good Governance and Public Participation	22	14	8	64%	36,00%
	120	80			

A SUMMARY OF COMPARISON OF ANNUAL PERFORMANCE FOR 2021 /22 AND 2022 /23 FINANCIAL YEARS RESPECTIVELY

2021/22 FINANCIAL YEAR

2022/23 FINANCIAL YEAR

KEY PERFORMANCE AREA	NO.TARGETS	ACHIEVED	NOT ACHIEVED	NO. TARGETS	ACHIEVED	NOT ACHIEVED
Municipal Transformation and Organisational Development	54		1	148		6
Basic Service Delivery	38	26	12	37	28	9
Local Economic Development	19	9	10	22	15	7
Municipal Finance Management Viability	26	15	11	25	15	10
Good Governance and Public Participation	32	15	17	22	14	8
TOTAL	118			120		
		65%			67%	

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/Variation	Intervention	Responsible Dept	Evidence required
"0046	Improved human resources	Human Resource Management	Approved organisational structure	Number	The approval of the organisational structure by 31 May will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Council Approved Organizational structure, Council Minutes
"0046	Improved human resources	Human Resource Management	Number of employees trained	Number	Number of employees trained in line with the approved Workplace Skills Plan	77	100	Operational	89	TARGET NOT ACHIEVED	Late appointment of service providers	appoint service providers in time	CORP	WSP Attendance Registers
"0046	Improved human resources	Human Resource Management	Approved HRM Strategy	Number	Human Resource Management Strategy approved in Council will result in a 1 being achieved	1	1	Operational	0	TARGET NOT ACHIEVED	The strategy not yet complete	To complete the strategy in the next financial year	CORP	HRM strategy, Council Resolution
"0046	Improved human resources	Human Resource Management	Developed Change management strategy	Number	Developed Change management strategy approved in Council will count as 1 being achieved	1	1	Operational	0	TARGET NOT ACHIEVED	The strategy not yet complete	To complete the strategy in the next financial	CORP	Change Management strategy, Council Resolution

											year			
"0046	Improved human resources	Human Resource Management	Number of team building sessions held	Number	Simple count of the number of team building session held	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Team building session report
"0046	Improved human resources	Special Programmes	# of Youth Council meetings held	Number	Simple count of the number of Youth Council meetings held	0	4	Operational	0	TARGET NOT ACHIEVED	Youth Council was never launched	To launch the youth Council in 2023 24 FY	Comm	Agenda Attendance Registers
"0046	Improved human resources	Special Programmes	# of Gender Forum meetings held	Number	Simple count of the number of Gender Forum meetings held	0	4	Operational	3	TARGET NOT ACHIEVED	competing activities	Plan properly in the next FY	Comm	Agenda Attendance Registers
"0046	Improved human resources	Special Programmes	# of HIV/AIDS Council meetings held	Number	Simple count of the number of HIV/AIDS Council meetings held	0	4	Operational	1	TARGET NOT ACHIEVED	Budget constraints	Budget in 2023 24 FY	Comm	Agenda Attendance Registers
"0046	Improved human resources	Sport, Arts and Culture	Number of Sports Committee meetings held	Number	Simple count of the number of Sports Committee meetings held	0	4	Operational	4	TARGET ACHIEVED	NONE	NONE	Comm	Agenda Attendance Registers
"0046	Improved human resources	Human Resource Management	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number	Number of people in 3 highest levels in compliance with EE Plan	17	21	Operational	21	TARGET ACHIEVED	NONE	NONE	CORPS	Employment Equity reports

	Improved human resources	Human Resource Management	Percentage of a municipality's budget actually spent on implementing its workplace skills plan	Percentage	(1) (R-value of operating budget spent on training) / (2) (Total Operating Budget) *100	0.2%	0,2%	Operational	6.0%	TARGET ACHIEVED	NONE	NONE	CORPS	Financial Report
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KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0040	Financially sustainable institution	Revenue	% of revenue collected	Percent	R-value revenue collected as a percentage of the R- value revenue billed	48%	95%	Operational	67%	TARGET NOT ACHIEVED	No response from debtors	Implement credit and collection policy	Finance	Revenue Reports
*0040	Financially sustainable institution	Asset Management	Approved fleet management plan	Number	Fleet Management Plan approved by Council will count as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	Delay in completion of the plan	Complete the plan in 2023 24 FY	Finance	Fleet Management Plan Council Resolution
*0040	Financially sustainable institution	Asset Management	Approved asset management plan	Number	Asset Management Plan approved by Council will count as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	Delay in completion of the plan	Complete the plan in 2023 24 FY	Finance	Asset Management Plan Council Resolution

*0040	Financially sustainable institution	Supply Chain Management	Percentage of Bids awarded within 90 days after advertisement	Percent	Number of Bids awarded within 90 of days after advertisement as percentage of the total number of bids advertised	New KPI	100%	Operational	93%	TARGET NOT ACHIEVED	Delay in SCM processes	Speed up SCM processes and forward planning	Finance	Bid register
*0040	Financially sustainable institution	Revenue	Percentage of debts collected	Percentage	R-value debt collected as a percentage of the R-value outstanding debtors	29%	60%	Operational	37%	TARGET NOT ACHIEVED	Old debts were not paid	Consider writing off old debts	CFO	Financial reports
*0040	Financially sustainable institution	Budget and Reporting	Number of quarterly financial statements submitted to Provincial Treasury	Number	Number of quarterly Financial statements compiled and submitted to Provincial Treasury	4	4	Operational	0	TARGET NOT ACHIEVED	Delay in completion of monthly statements	Completion of monthly statements in time	CFO	Dated proof of submission Financial Statements
*0040	Financially sustainable institution	Budget and Reporting	Draft budget for 2023/24 tabled by 31 March annually	Number	The tabling of the draft Budget, for the following financial year, by 31 March will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Draft Budget, Council Resolution

*004 0	Financially sustainable institution	Budget and Reporting	Final budget for 2023/24 approved by 31 May annually	Number	The approval of the final Budget, for the following financial year, by 31 May will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Final Budget, Council Resolution
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KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0040	Financially sustainable institution	Budget and Reporting	Number of Budget related policies approved by Council	Number	Number of budget related policies approved along with the budget	21	21	Operational	21	TARGET ACHIEVED	NONE	NONE	CFO	Budget related policies, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Council to approve the Adjusted Budget annually by 28 February	Number	The approval of an Adjustment budget, for the current financial year, by Council by 28 February will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Adjustment budget, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Submit annual financial statements to the Auditor General by 31	Number	The submission of the Annual Financial Statements by 31 August	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of submission of AFS to AG

			August annually		will result in a score of 1									
*0040	Financially sustainable institution	Budget and Reporting	Number of updated Unauthorised, Irregular, fruitless and wasteful expenditure (UIF) registers signed off by the CFO (Sect 32 of MFMA)	Number	Monthly updated UIF registers is expected	12	12	Operational	12	TARGET ACHIEVED	NONE	NONE	CFO	Monthly updated of UIF Register signed off by CFO
*0040	Financially sustainable institution	Budget and Reporting	Financial By-laws to be approved by Council along with the final budget by 31 May annually	Number	The approval of the financial by-laws by Council by 31 May will result in a score of 1	0	4	Operational	4	TARGET ACHIEVED	NONE	NONE	CFO	Finance by-laws, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Average number of working days taken to submit monthly MFMA Sect	Number	Any number of days, less than an average of 10 working days, will result in an	10	10	Operational	10	TARGET ACHIEVED	NONE	NONE	CFO	Sect 71 reports Dated proof of submission to Treasury

			71 reports to Treasury after month- end		overachievement and exceeding 10 days will reflect as underachievement									
*0040	Financially sustainable institution	Budget and Reporting	Cost coverage	Ratio	R-value cash plus investments / Fixed operating expenditure	tbd	1,1	Operational	1,1	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports, reflecting calculations

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0040	Financially sustainable institution	Supply Chain Management	Supply Chain committees (BSC, BEC & BAC) appointed by 31 July	Number	The appointment of BSC, BEC and BAC by 31 July will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Appointment Letters for BSC, BEC and BAC members

*004 0	Financially sustainable institution	Supply Chain Management	Percentage of invoices paid within 30 days of receipt from the service providers	Percentage	Number of invoices paid within 30 days of receipt as a percentage of the Total number of invoices received for the period	100%	100%	Operational	85%	TARGET NOT ACHIEVED	Cash flow challenges	Reduce planned activities and own funded projects	CFO	Register of Invoices Dated proof of payment
*004 0	Financially sustainable institution	Assets Management	Number Assets verifications conducted in line with GRAP standards	Number	Number of Asset Verifications undertaken that covers all municipal assets with a report issued will count as 1	2	2	Operational	2	TARGET ACHIEVED	NONE	NONE	CFO	Assets verification reports
*004 0	Financially sustainable institution	Expenditure Management	Percentage of the approved capital budget spent	Percentage	R-value capital expenditure as a percentage of the capital budget	56%	100%	Capital	91%	TARGET NOT ACHIEVED	Not all projects were implemented	Spended as budgeted	CFO	Financial reports

*0040	Financially sustainable institution	Expenditure Management	Percentage of the Operational budget spent	Percentage	R-value operational expenditure as a percentage of the operational budget	100%	100%	Operational	102%	TARGET NOT ACHIEVED	Under-budgeting	Proper budgetting	CFO	Financial reports
*0029	Financially sustainable institution	Expenditure Management	Percentage of Municipal Infrastructure Grant (MIG) budget spent	Percentage	R-value MIG expenditure as a percentage of the MIG budget	100%	100%	Capital	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
*0029	Financially sustainable institution	Expenditure Management	Percentage of Integrated National Energy Programme (INEP) budget spent	Percentage	R-value INEP expenditure as a percentage of the INEP budget	0%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of Finance Management Grant (FMG) budget spent	Percentage	R-value FMG expenditure as a percentage of the FMG budget	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0040	Financially sustainable institution	Expenditure Management	Percentage of Expanded Public Works Programme (EPWP) budget spent	Percentage	R-value EPWP expenditure as a percentage of the EPWP budget	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of Free Basic Services (FBS) budget spent	Percentage	R-value FBS expenditure as a percentage of the FBS budget	100%	100%	Operational	103%	TARGET NOT ACHIEVED	Under-budgeting	Proper budgetting	TECH	Financial reports

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Revised Annual Target(30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0029	Improved quality of life	Electricity	Developed Maintenance Plan	Number	Electricity Network Maintenance plan developed will be counted as 1 achieved	New KPI	1	1	Operational	0	TARGET NOT ACHIEVED	Delay of inputs from DMRE	Make follow-up with DMRE	Tech	Signed Electricity Maintenance Plan
*0029	Improved quality of life	Water Services	Reviewed Water Service Provider (WSP) Agreement	Number	Signed Water Service Provider Agreement with Mopani District Municipality will count as 1 achieved	New KPI	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Tech	Signed Water Service Provider Agreement
*0029	Improved quality of life	Roads Infrastructure	Developed road master plan	Number	Developed road master plan approved by Council will count as 1 achieved	New KPI	1	1	Operational	0	TARGET NOT ACHIEVED	The plan is not yet reviewed	Take the plan Council as soon as it is reviewed	Tech	Road Master Plan Council Minutes
*0029	Improved quality of life	Infrastructure management	Number of MIG projects	Number	Simple count of the number of PMU	New KPI	8	8	R 62 421 650	8	TARGET ACHIEVED	NONE	NONE	Tech	Quarterly Project Progress

		ment	implemen ted		projects on the MIG Implementatio n plan for 22/23, implemented						ED				Reports
*002 9	Improved quality of life	Electr icity	# of househol ds having access to electricity (in GLM service area)	Number	Simple count of the number of households within the GLM service area that are supplied with electricity according to the billing system	1005	823	1022	Operatio nal	823	TARGET NOT ACHIEV ED	difference of technical report and billing system	Reconcile the difference between the billing system and technical report	Tech	Billing Report
*002 9	Access to sustainable quality basic services	Solid waste manage ment	Number of househol ds with access to kerbsid e solid waste collection	Number	Simple count of the number of households in the GLM service area with access to kerbside solid waste collection	2742	2742	2731	Operatio nal	268 6	TARGET NOT ACHIEV ED	difference of community service report and billing system	Reconcile the difference between the billing system and communit y service report	CSD	Billing Report
*002 9	Access to sustainable quality basic services	Solid waste manage ment	Number of environme ntal awarenes s	Number	Simple count of the number of environmental awareness campaigns	4	4	4	Operatio nal	4	TAR GET ACHIE VED	NONE	NONE	CSD	Attendan ce Register s Pictures Programm

			campaigns		held										es
*0029	Access to sustainable quality basic services	Solid waste management	Number of villages serviced through solid waste skip bins	Number	Simple count of the number of villages where skip bins are placed and emptied at least once per quarter	60	60	60	Operational	60	TARGET ACHIEVED	NONE	NONE	CSD	Waste collection truck log books (village names reflecting)
*0029	Access to sustainable quality basic services	Solid waste management	Number of Solid-waste management By-laws Gazetted	Number	By-law developed to control illegal dumping Gazetted will count as 1	Draft By-law developed, awaiting gazetting	1	1	Operational	0	TARGET NOT ACHIEVED	Delay in gazetting	prioritise gazetting in 2023 24 FY	CSD	Illegal Dumping By-law Government Gazette

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Revised Annual Target(30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/Variance	Intervention	Responsible Dept	Evidence required
*0029	Access to sustainable quality	Transport	Approved Integrated	1	A signed Integrated Transport Plan	New KPI	1	1	Operational	0	TARGET NOT ACHIEVED	Budget constraints	Review in 2023 24 FY	CSD	Integrated Transport

	basic services		Transport Plan (ITP) by the MEC		will be counted as 1						ED				Plan signed by MEC
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KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/Variance	Interventions	Responsible Dept	Evidence required
*0046	Improved governance and organisational excellence	Council Support	Approved Aldermanship Policy	Number	Aldermanship Policy approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Aldermanship Policy Council Resolution
*0046	Improved governance and organisational excellence	Council Support	Approved Protocol Policy	Number	Protocol Policy approved by Council will be counted as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	Delay in finalising the policy due to investigations	Approve the policy as soon as investigations are finalised	CORP	Protocol Policy Council Resolution
*0046	Improved governance and organisational excellence	Customer Care	Number of Community satisfaction surveys completed	Number	Community satisfactory survey conducted and report submitted will be counted as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	Preparation for survey not complete	Conduct the survey as soon as preparations	CORP	Community Satisfaction Survey Report

											are completed			
*0046	Improved governance and organisational excellence	Customer Care	% of customer complaints registered on the Presidential and Premier hotlines addressed within 30 days	Percentage	Number of complaints registered on the Presidential and Premier hotlines addressed within 30 days as a percentage of the total number of complaints registered	New KPI	100%	Operational	74%	TARGET NOT ACHIEVED	Some challenges need budgeting	Consider raised issues when budgeting	CORP	Presidential and Premier Hotline reports
*0046	Improved governance and organisational excellence	Human Resource Management	% of prioritised vacancies filled in line with the approved recruitment plan	Percentage	Number of vacancies filled as a percentage of the number of vacancies prioritised in the recruitment plan for the financial year	New KPI	100%	Operational	40%	TARGET NOT ACHIEVED	readvertise positions of 3 Senior Managers position	Fill the posts in the first Quarter of the new FY	CORP	Recruitment Plan Appointment Letters
*0046	Improved governance and organisational excellence	Records Management	File plan approved by 30 November	Number	File plan approved by Council by 30 November will count as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Approved File Plan Council Resolution
*0046	Improved governance and organisational excellence	Audit Management	% of AG findings resolved	Percentage	Number of AG findings resolved as a percentage of the total number of AG findings received in the prior year audit	tbd	100%	Operational	80%	TARGET NOT ACHIEVED	Awaiting finalisation of APR and AFS	Finalise during AFS and APR preparation	MM	Audit Action Plan Reports

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/Variance	Interventions	Responsible Dept	Evidence required
*0046	Improved governance and organisational excellence	Revenue Management	Approved and gazetted property rates by-law	Number	Property Rates By-law approved by Council will be counted as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	By law not public participated	Take the Draft BY-law for public participation in the next FY	Finance	Property Rates By-law Council Resolution
*0046	Improved governance and organisational excellence	Development Planning	Approved ward-based planning framework	Number	Ward Based Planning Framework approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Ward Based Planning Framework Council Resolution
*0046	Improved governance and organisational excellence	Development Planning	Approved stakeholder management framework	Number	Stakeholder Management Framework approved by Council will be counted as 1 being achieved	New KPI	1	Operational	0	TARGET NOT ACHIEVED	Framework not yet completed	to take it to Council for approval as soon	CORP	Stakeholder Management Framework Council Resolution

												as it is completed		
*0046	Improved governance and organisational excellence	Risk Management	Approved Risk Management Framework	Number	Risk Management Framework approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Risk Management Framework Council Resolution
*0046	Improved governance and organisational excellence	Risk Management	Approved Strategic Risk Assessment	Number	Risk Assessment report approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Risk Assessment report Council Resolution
*0046	Improved governance and organisational excellence	Risk Management	# of risk registers approved	Number	Risk Register approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Risk Register report Council Resolution
*0046	Improved governance and organisational excellence	Risk Management	# of risk monitoring reports submitted to Council	Number	Simple count of the number of risk monitoring reports submitted to Council	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Risk Monitoring Report Council Resolution

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/Variance	Interventions	Responsible Dept	Evidence required
*0046	Improved governance and organisational excellence	Ward Committee Support	# training session conducted for ward committees	Number	Simple count of the number of ward committee training sessions conducted	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Invitations Agenda Attendance Register
*0046	Improved governance and organisational excellence	Ward Committee Support	# of ward committee meetings held	Number	Simple count of the number of ward committee meetings held (1 meeting per ward per month)	270	360	Operational	360	TARGET ACHIEVED	NONE	NONE	CORP	Monthly Ward Committee reports
*0046	Improved governance and organisational excellence	Ward Committee Support	# of meetings held with the broader community by the ward committee	Number	Simple count of the number of meetings held by the Ward Committee with the community of that ward (one per quarter)	0	120	Operational	120	TARGET ACHIEVED	NONE	NONE	CORP	Attendance Registers Reports
*0046	Improved governance and organisational excellence	Council Support	Number of Ordinary Council meetings held	Number	Number of Council meetings approved on the Council calendar that took place	4	4	Operational	1	TARGET ACHIEVED	NONE	NONE	CORP	Council Calendar Council Resolution

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0022	Integrated human settlement	Spatial Planning	Approved Land Invasion Strategy	Percentage	Land Invasion Strategy Approved by Council will be counted as 1 being achieved	New KPI	1	operational	1	TARGET ACHIEVED	NONE	NONE	PLAN	Inception Report, Draft Strategy, Advert/ Land Invasion Strategy Council Minutes
*0022	Integrated human settlement	Spatial Planning	Approved Rural Development Strategy	Percentage	Rural Development Strategy approved by Council will be counted as 1 being achieved	New KPI	1	Operational	1	TARGET ACHIEVED	NONE	NONE	PLAN	Inception Report, Draft Strategy, Advert/ Rural Development Strategy Council Minutes
*0022	Integrated human settlement	Spatial Planning	Approved Precinct Plan for Kgapane and Modjadjiskloof	Percentage	Precinct Plan approved by Council will be counted as 1 being achieved	New KPI	2	Operational	0	TARGET NOT ACHIEVED	Poor performance by the service provider	Terminate the contract3	PLAN	Inception Report, Draft Plans, Advert Precinct plans for Kgapane & Modjadjiskloof Council Minutes
*0022	Improved and inclusive local	Local Economic Development	# of SMME's training conducted	Number	Simple count of the number of SMME training sessions arranged by GLM	New KPI	3	Operational	3	TARGET ACHIEVED	NONE	NONE	PLAN	SMME Training session Invitation, Agenda &

	economy													Attendance Register
*002 2	Integrated and sustainable development	Integrated Planning	Percentage of capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP)	Percentage	R-value spent on capital projects as contained in the approved IDP as a percentage of the total capital expenditure	tbd	100%	Capital	91%	TARGET NOT ACHIEVED	Not all projects were implemented	Implement all budgeted projects	MM	IDP Capital allocation Capital Budget expenditure reconciliation
*002 2	Improved and inclusive local economy	Local Economic Development	Number of jobs created through municipal funded Capital Projects	Number	Number of jobs (Full time equivalent) created through municipal funded Capital Projects	302	600	Operational	672	TARGET ACHIEVED	NONE	NONE	TECH	Capital Project Job creation reports
*002 2	Improved and inclusive local economy	Local Economic Development	Number of local SMMEs appointed through the GLM procurement process	Number	Number of local based SMMEs utilised to provide goods and services to GLM	559	120	Operational	224	TARGET ACHIEVED	NONE	NONE	CFO	SCM Reports

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

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Previous Performance	Annual Target (30/06/2023)	Budget 2022/23	Annual Actual Performance	Remarks	Challenges/ Variance	Intervention	Responsible Dept	Evidence required
*0022	Improved and inclusive local economy	Local Economic Development	Number of EPWP reports compiled and submitted to Council and Dpt of Public Works, Roads and Transport	Number	Number of EPWP progress reports compiled and submitted to Council and Dpt of Public Works, Roads and Transport	12	12	Operational	12	TARGET ACHIEVED	NONE	NONE	TECH	EPWP reports Council Resolutions, Signed receipt from DPW & DRT
*0022	Improved and inclusive local economy	Local Economic Development	Number of LED Forums coordinated	Number	Number of quorate LED Forum meetings coordinated by the GLM	4	4	Operational	4	TARGET ACHIEVED	NONE	NONE	PLAN	Agenda, Minutes & Attendance register
*0022	Integrated and sustainable development	Integrated Planning	IDP/Budget/PMS Process Plan to be approved by Council on 31 July annually	Number	The approval of the IDP/Budget /PMS process plan by 31 July will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Council Approved IDP/ Budget/ PMS Process plan, Council Resolution
*0022	Integrated and sustainable development	Integrated Planning	Draft IDP to be tabled in Council by 30 March annually	Number	The approval of the draft IDP by 30 March will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Draft IDP Council Resolution

	ment													
*002 2	Integrate d and sustaina ble develop ment	Integrated Planning	Final IDP to be approved by Council by 30 May annually	Number	The approval of the Final IDP by 30 May will result in a score of 1	1	1	operati onal	1	TARG ET ACHIEV ED	NONE	NONE	MM	Final IDP Council Resolution
*002 2	Integrate d and sustaina ble develop ment	Integrated Planning	Number of IDP/Budget/ PMS REP Forum meetings held	Number	Simple count of the number of quorate meetings of the IDP/ Budget/ PMS Representative forum	5	5	Operati onal	4	TARGE T NOT ACHIEV ED	postpon ements due to compet ing activitie s	Stick to corpor ate calen der	MM	Agenda, Minutes & attendance register
*002 2	Integrate d and sustaina ble develop ment	Integrated Planning	Number of IDP/Budget/ PMS Steering Committee meetings held	Number	Simple count of the number of quorate meetings of the IDP/ Budget/ PMS steering committee	5	5	Operati onal	4	TARGE T NOT ACHIEV ED	postpon ements due to compet ing activitie s	Stick to corpor ate calen der	MM	Agenda, Minutes & attendance register
*002 2	Integrated human settlement	Spatial Planning	Percentage of land use applications processed within 90 days	Percent age	Number of land use applications processed within 90 days as a percentage of the total number of land use applications	100%	100%	Operati onal	89%	TARGE T NOT ACHIEV ED	Incompl ete applicati ons	Awaren ess program me	PLAN	Dated register recording land use applications and approval dates

					received									
*002 2	Improve d and inclusive local econom y	Local Economic Develop ment	Number of Marketing initiatives conducted	Number	Number of initiatives undertaken to market the municipality at a formal event	tbd	3	Operati onal	3	TARG ET ACHIEV ED	NONE	NONE	PLAN	Attendance Register Marketing Material/ Presentatio n
*002 2	Improve d and inclusive local econom y	Local Economic Develop ment	Number of LED Sub-forums launched	Number	Number of LED Sub- forums launched	tbd	3	Operati onal	3	TARG ET ACHIEV ED	NONE	NONE	PLAN	Agenda, Minutes & Attendance register

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

Vote Nr	Strategic Objective	Municipal Programm e	Key Performanc e Indicator	KPI Unit of measur e	Description of unit of measure	Baseli ne / Previo us Perform anc e	Annual Target (30/06/2 023)	Bud get 2022/ 23	Annual Actual Perform anc e	Remar ks	Challeng es/ Varian ce	Interven tion	Respon sible Dept	Evidence required
*002 2	Improve d and inclusive local econom y	Local Economic Develop ment	Development of partnerships with agricultural businesses	Number	Number of partnership agreements concluded with Businesses	New KPI	2	Operati onal	2	TARG ET ACHIEV ED	NONE	NONE	PLAN	Signed partnership agreement s

*002 2	Improve d and inclusive local econom y	Local Economic Develop ment	Operationalizati on of the Caravan Park	Percent age	Percentage progress measured against pre determined project milestones for Leasing of Caravan Park to a private operator	New KPI	100%	Operati onal	0%	TARGE T NOT ACHIEV ED	operato r not yet appointe d due to that only one applicat ion was received	readverti se for private operator	PLAN	Concept documents, advert, Appointment letter, Council Resolution, SLA
*002 2	Improve d and inclusive local econom y	Local Economic Develop ment	Operation of business registration centre	Number	Simple count of number of Businesses visited for awareness	New KPI	360	Operati onal	363	TARG ET ACHIEV ED	NONE	NONE	PLAN	Attendance Register

2022/23 PROJECT MILESTONES

Region/ Ward	Strategic Objective	Programme	Project Name	Project description	Funding Type	Budget for 2022/23	Revised Budget for 2022/23	Start Date	Completion date	Project Owner	Baseline/ Previous Performance	Annual Target(30/ 06/2023)	Annual Actual Performance	Remarks	Challenges/ Variance	Interventions	Evidence required	Source of Funding
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Good Governance

Head office	Improved governance and organisational excellence	Information Technology	Procurement of Laptops	Procure 70 Laptops to replace desktops	Capex	R 2 000 000	R 100 000	01/07/2022	30/06/2023	CORPS	10 Laptops procured	Delivery of 70 laptops completed - (100%)	10 Laptops procured	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment Letter Delivery	Own revenue
Head office	Improved governance and organisational excellence	Information Technology	UPS	Procure 15 UPS's for sub offices	Capex	R 600 000	R 600 000	01/07/2022	30/06/2023	CORPS	New Project	Delivery of 15 UPS's completed - (100%)	15 UPS's procured	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment Letter Delivery	Own revenue
Head office	Improved governance and organisational excellence	Safety and Security	Security Door for Modjadji kloof	Installation of security door at Modjadji sklo of RA	Capex	R 20 000	R 20 000	01/07/2022	30/06/2023	Comm	New Project	Delivery and installation of security door - (100%)	Security door is installed	TARGET ACHIEVED	NONE	NONE	Delivery note/ GRN and completion certificate	Own revenue

Head office	Improved governance and organisational excellence	Safety and Security	Guard Room Kgapane Old Sub Office	Design and construction of Guardroom at Kgapane old sub	Capex	R 150 000	R 150 000	01/07/2022	30/06/2023	Comm	New Project	Construction of Guard room - (100%)	Guardroom not constructed	TARGET NOT ACHIEVED	Budget constraints	Priority in the next Financial year	GRN and Completion Certificate	Own revenue	

MUNICIPAL TRANSFORMATION AND ORGNISATIONAL DEVELOPMENT

Head office	Improved governance and organisational excellence	Assets Management	Diesel Bowsers with meter readings	To procure a Diesel Bowser with meter reading capability	Capex	R 100 000	R 100 000	01/07/2022	30/06/2023	CO	New Project	Diesel Tanker delivered - 80% (100%)	Diesel Bowser with meter reading procured	TARGET ACHIEVED	NONE	NONE	Delivery note/ GRN and Payment Certificate	Own revenue
Head office	Improved governance and organisational excellence	Assets Management	Mayor Vehicle	Procurement of a vehicle for the Mayor	Capex	R 700 000	R 700 000	01/07/2022	30/06/2023	CO	New Project	Vehicle for the Mayor delivered - 80% (100%)	Mayors vehicle is procured	TARGET ACHIEVED	NONE	NONE	Delivery note/ GRN and Payment Certificate	Own revenue

Head office	Improved governance and organisational excellence	Assets Management	Speaker Vehicle	Procurement of a vehicle for the Speaker	Cape R 500 000	R 500 000	01/07/2022	30/06/2023	CFO	New Project	Vehicle for the Speaker delivered - 80% (100%)	Speakers vehicle is procured	TARGET ACHIEVED	NONE	NONE	Delivery note/ GRN and Payment Certificate	Own revenue
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BASIC SERVICE DELIVERY

01, 06 & 07	Access to sustainable quality basic services	Sports & Recreation	Madumelen g/ Shotong Sports Complex	Construction of Madumelen g/ Shotong Sports Complex	Cape R 5 127 000	R 6 293 416	01/07/2022	30/06/2023	Tech	Project at 60% physical progress (construction)	Construction of the Madumelen g/ Shotong Sports Complex at 5% physical progress (80%)	Construction is at 85%	TARGET ACHIEVED	NONE	NONE	Progress report	Own revenue & MIG
All wards	Access to sustainable quality basic services	Stormwater management	Low level bridges	To construct level bridges at Phooko / Dikgwathi	Cape R 2 500 000	R 1 499 996	01/07/2022	30/06/2023	Tech	Project under construction (70%)	Construction of Low level bridge completed - 100% (100%)	Construction of Low level bridge is completed	TARGET ACHIEVED	NONE	NONE	Progress reports/ Completion Certificates	Own revenue

Ward 3	Access to sustainable quality basic services	Storm water management	Melodi ng Storm water Canal	To construc t a stormw ater canal at Melodin g(M ulti-year)	Cape x	R 7 000 000	R 5 000 000	01/07/2 022	30/06/2 023	Tech	Projec t at 40% physic al progre ss (constru ctio n)	Constru ctio n of the Melodi ng Stormw ater Canal at 100% complet ed (100%)	Constru ctio n storm water chann el comple te	TARGE T ACHIEV ED	NONE	NONE	Progress reports, Completi on Certificate s	Own revenue
1	Access to sustainable quality basic services	Roads	Makhutu kwe Street Pavin g	Constru ction of Street Paving at Makhutu kwe (Muulti-year)	Cape x	R 9 000 000	R 8 000 000	01/07/2 022	30/06/2 023	Tech	Projec t at 68% physic al progre ss (constru ctio n)	Physic al progres s for construc tion of 1,8km at 1% (100%)	Physic al progres s is at 100%	TARGE T ACHIEV ED	NONE	NONE	Progres s report/Pr actic al completi on certificate /Co mplertio n certificat e	Own revenue

6	Access to sustainable quality basic services	Roads	Thibeni Street Paving	Construction of Street Paving at Thibeni (Multi-year)	Cape X	R 4 000 000	R 4 600 000	01/07/2022	30/06/2023	Tech	Project design complete 2%	Physical progress for construction of 2km-30% (33,5%)	The physical progress is at 20.2%	TARGET NOT ACHIEVED	Delay on the delivery of paving bricks	contractor to submit revised program of works	Proof of submission of Specification document to SCM, Tender advert, Appointment	Own revenue
15	Access to sustainable quality basic services	Roads	Raphahlelo / Phooko street paving	Construction of Street Paving at Raphahlelo/ Phooko (Multi-year)	Cape X	R 10 400 000	R 11 400 000	01/07/2022	30/06/2023	Tech	Physical progress for construction of 2,5km at 40%	Physical progress for construction of 2,5km-15% (100%)	Physical progress is at 99%	TARGET NOT ACHIEVED	insufficient budget	finalise in the 2023/24 FY	Progress report/Practical completion certificate/Completion certificate	Own revenue
13	Access to sustainable quality basic services	Roads	Ward 13 (Senwamokgope) street paving	Construction of Street Paving at Senwamokgope (Multi-year)	Cape X	R 3 800 000	R 1 440 004	01/07/2022	30/06/2023	Tech	Project design completed-2%	Development specification and submit to SCM 0.5%(2.5%)	Specification submitted to SCM	TARGET ACHIEVED	NONE	NONE	Proof of submission of Specification document to SCM	Own revenue

16	Access to sustainable quality basic services	Roads	Sephukubye Street Paving	Construction of Street Paving at Sephukubye (Multi-year)	Cape X	R 4 800 000	R 4 800 000	01/07/2022	30/06/2023	Tech	Physical progress for construction of 2,98km of 2,98km-89%	Physical progress for construction of 2,98km - 2% (100%)	Physical progress is at 100%	TARGET ACHIEVED	NONE	NONE	Progress report/Practical completion certificate/Completion certificate	Own revenue
2	Access to sustainable quality basic services	Roads	Motsinoni Street paving	Construction of Street Paving at Motsinoni (Multi-year)	Cape X	R 4 900 000	R 5 499 996	01/07/2022	30/06/2023	Tech	Project design completed-2%	Physical progress for construction of 1,5km 30% (33,5)	Physical progress report is at 67%	TARGET ACHIEVED	NONE	NONE	Proof of submission of Specification document to SCM, Tender advert, Appointment	Own revenue

26	Access to sustainable quality basic services	Roads	Ramodumo Street Paving	Construction of Street Paving at Ramodumo (Multi-year)	Cape X	R 9 500 000	R 8 628 967	01/07/2022	30/06/2023	Tech	Project design complete	Physical progress for construction of 3,5km 30% (33,5)	Physical progress is at 41%	TARGET ACHIEVED	NONE	NONE	Proof of submission of Specification document to SCM, Tender advert, Appointment letter, Progress report	MIG
27	Access to sustainable quality basic services	Roads	Rampepe Access Bridge	Construction of Access Bridge at Rampepe (Multi-year)	Cape X	R 6 913 900	R 5 351 524	2022/01/07	30/06/2023	Tech	Project at 30% physical progress (construction)	Physical progress for construction of 20m Access Bridge at 70% (100%)	Physical progress is At 79%	TARGET ACHIEVED	NONE	NONE	Progress reports	MIG
24	Access to sustainable quality basic services	Roads	Mamokgadi Street paving	Construction of Street Paving at Mamokgadi (Multi-year)	Cape X	R 15 400 000	R 11 297 375	01/07/2022	30/06/2023	Tech	Project at 50% physical progress (construction)	Physical progress for construction of 2,6km at 10% (100%)	Physical progress is at 100%	TARGET ACHIEVED	NONE	NONE	Progress report/Practical completion certificate /Completion	MIG

																		n certificat e	
19	Acces s to sustai nab le qualit y basic servic es	Roads	Mohlaban eng Street Pavin g	Construc tion of Street Paving at Mohlaban eng (Multi- year)	Cape x	R 10 000 000	R 10 000 000	01/07/2 022	30/06/2 023	Tech	Physic al progre ss for constru ctio n of 3,3km streets includi ng 40m bridge at 45%	Physica l progres s for construc tion of 3,3km streets includin g 40m bridge at 10%(80 %)	Progre ss is at 87%	TARGE T ACHIEV ED	NONE	NONE	Progres s report	MIG	

2	Access to sustainable quality basic services	Roads	Moshakga / Makaba Street paving (Designs)	Development of Street Paving Design at Moshakga/ Makaba	Cape X	R 1 000 000	R 986 425	01/07/2022	30/06/2023	Tech	Project planning	Development and approve Detailed Design Report - 1% (2%)	Designs completed	TARGET ACHIEVED	NONE	NONE	Design approval letter, Proof of submission of specification document to SCM	MIG
ALL	Access to sustainable quality basic services	Roads	Highmast lights in various villages	Construction of Highmast Lights in various villages	Cape X	R 5 502 750	R 5 502 750	01/07/2022	30/06/2023	Tech	Project planning	Construction of the Highmast lights at 100% complete	Highmast lights completed	TARGET ACHIEVED	NONE	NONE	Proof of submission of Specification document to SCM, Tender advert, Appointment of Contractor, Progress	MIG
29	Access to sustainable quality basic	Electricity	Transformers Acquisition	Procurement of 16kva (2) and 25kva (1) and 100kva	Cape X	R 1 500 000	R 1 500 000	01/07/2022	30/06/2023	Director Tech	New Project	Delivery of the 100kva transformers - 45% (100%)	Transformer is acquired	TARGET ACHIEVED	NONE	NONE	Appointment letter Delivery Note	Own revenue

	servic es			(2) transfor mers														
	Acces s to sustai nab le qualit y basic servic es	Electri city	Khudu gan e village Electrifi cat ion	New electrici ty connecti ons at Khudug ane (Phase 2)	Ope x (INE P)	R 1 762 000	R 1 762 000	01/07/2 021	30/06/2 022	Direct or Tech	New Project	Connec tion s complet ed at Khudug ane phase 2 (88 Connec tion s) 80% (100%	connecti ons comple ted	TARGE T ACHIEV ED	NONE	NONE	Appointm ent letter and Progress report	INEP

10	Access to sustainable quality basic services	Electricity	Sekgopo / Matlou village electrification	New electricity connections at Sekgopo Mabok e / Matlou	Open (INEP)	R 3 220 000	R 3 220 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Sekgopo Mabok e / Matlou (161 Connections) - (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP
14	Access to sustainable quality basic services	Electricity	Iketleng (Lomondokop) village electrification	New electricity connections at Iketleng (Lomondokop)	Open (INEP)	R 1 200 000	R 1 200 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Iketleng (Lomondokop) (60 Connections) - (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP
10	Access to sustainable quality basic services	Electricity	Lehlang (Mojetla) village electrification	New electricity connections at Lehlang (Mojetla)	Open (INEP)	R 2 880 000	R 2 880 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Lehlang (Mojetla) (144 Connections)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP

												tion s) 80% (100%						
28	Access to sustainable quality basic services	Electricity	Rotterdam village electrification	New electricity connections at Rotterdam	Open (INEP)	R 1 500 000	R 1 500 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Rotterdam (75 Connections) 80% (100%	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP

13	Access to sustainable quality basic services	Electricity	Lebepane village electrification	New electricity connections at Lebepane	Open (INEP)	R 3 160 000	R 3 160 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Lebepane (158 Connections) - 80% (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP
7	Access to sustainable quality basic services	Electricity	Makhurpetji village electrification	New electricity connections at Makhurpetji	Open (INEP)	R 1 220 000	R 1 220 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Makhurpetji (61 Connections) 80% (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP
26	Access to sustainable quality basic services	Electricity	Mpepule village electrification	New electricity connections at Mpepule	Open (INEP)	R 1 460 000	R 1 460 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Mpepule (73 Connections) 80% (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP

25	Access to sustainable quality basic services	Electricity	Lekgware village electrification	New electricity connections at Lekgwareng	Open (INEP)	R 2 880 000	R 2 880 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Lekgwareng (144 Connections) - (100%)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP
	Access to sustainable quality basic services	Electricity	Rajeke village electrification	New electricity connections at Rajeke	Open (INEP)	R 2 880 000	R 2 880 000	01/07/2021	30/06/2022	Director Tech	New Project	Connections completed at Rajeke (71 Connections)	connections completed	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report	INEP

All wards	Access to sustainable quality basic services	Solid Waste Collection	22 Skip Bins	Supply and delivery of 22 Skip Bins	Capex	R 200 000	R 1 200 000	01/07/2022	30/06/2023	Comm	New Project	Appointment of Service provider and procurement of 22 Skip Bins	Skip Bins not yet delivered	TARGET NOT ACHIEVED	delay by the service provider to deliver	Make follow up with the service provider	Specifications Advertisement Appointment Letter Delivery Notes	Own revenue
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LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL CAPITAL PROJECTS

All Wards	Improved and inclusive local	Local Economic Development	SMM E Support	To support SMMEs	Opex	R 780 000	R 780 000	01/07/2022	30/06/2023	Plan	312 SMMEs supported -- (100%)	12 SMMEs were supported	TARGET ACHIEVED	NONE	NONE	Concept development/ Report of SMMEs	Own revenue
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All Wards	Improved and inclusive local economy	Local Economic Development	Review of Integrated Transport Plan	Integrated Transport plan reviewed	Opex	R 2 000 000	R 2 000 000	01/07/2022	30/06/2023	Plan	New Project	Integrated Transport plan revision completed - (100%)	Integrated Transport Plan not yet completed	TARGET NOT ACHIEVED	Budget constraints	prioritise in the next financial year	Specifications Advertisement Appointment letter Reviewed Integrated transport plan	Own Funding
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*Footnote: The first % reflected in the quarterly milestone is the quarterly target (to the weight of the activity planned for the quarter alone, the percentage in brackets is the cumulative performance for the project up to the end of that period (adding one quarter to t

2022/23 PROJECT REMOVED DURING BUDGET ADJUSTMENT

Region/ Ward	Strategic Objective	Programme	Project Name	Project description	Funding Type	Budget for 2022/ 23	Start Date	Comple tion date	Proje ct Own er	Baseli ne (Proje ct progre ss as at end June 2022	Project Mileston e Qtr 1 (1 Jul-30 Sept '22)	Project Mileston e Qtr 2 (1 Oct -31 Dec '22)	Project Mileston e Qtr 3 (1 Jan - 31 Mar '23)	Project Mileston e Qtr 4 (1 Apr- 30 Jun '23)	Eviden ce requir ed	Source of Fundi ng
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Good Governance

Head office	Improve d governance and organisational excellence	Information Technology	IT network installat ion in new offices	Installation of IT network in new offices (2 Houses)	Capex	R 350 000	01/07/2 022	30/06/2 023	CORP S	New Project	Develop Specification & Advertisem ent *25%	Adjudicatio n and appointm ent of service provider - 25% (50%)	Installation of IT network in new offices (2 houses) completed - 50% (100%)	n/a	Specificat ions Advertisem ent Appoint ment Letter Delivery note/GRN and	Own revenue
Head office	Improve d governance and organisational excellence	Information Technology	Server	Replacem ent of the Domain Controller Server	Capex	R 200 000	01/07/2 022	30/06/2 023	CORP S	New Project	Develop Specification & Advertisem ent *25%	Adjudicatio n and appointm ent of service provider - 25% (50%)	Installation of Domain Controller Server completed - 50% (100%)	n/a	Specificat ions Advertisem ent Appoint ment Letter Delivery note/GRN and	Own revenue
Head office	Improve d governance and organisational	Assets Managemen t	Furnitur e	Procurem ent of furniture for new offices and	Capex	R 1 000 000	01/07/2 022	30/06/2 023	CORP S	New Project	Develop Specification & Advertisem ent *25%	Adjudicatio n and appointm ent of service provider -	Delivery of furniture completed - 50% (100%)	n/a	Specificat ions Advertisem ent Appoint ment	Own revenue

	excellence			replacement of damaged furniture								25% (50%)			Letter Delivery note/GRN and Payment Certificate	
Head office	Improved governance and organisational excellence	Safety and Security	Guard Room Kgapane Old Sub Office	Design and construction of Guardroom at Kgapane old sub office DLTC	Capex	R 150 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Construction of Guard room - 80% (100%)	GRN and Completion Certificate	Own revenue
Head office	Improved governance and organisational excellence	Safety and Security	Guard room Modjadji sklo of DLTC	Design and construction of Guardroom at Modjadji sklo of DLTC	Capex	R 150 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Construction of Guard room - 80% (100%)	GRN and Completion Certificate	Own revenue
Head office	Improved governance and organisational excellence	Assets Management	Cubicles - Kgapane Old Sub-Office	Installation of Cubicles at Kgapane DLTC	Capex	R 350 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Installation of cubicles - 80% (100%)	Delivery note/GRN and completion Certificate	Own revenue

MUNICIPAL TRANSFORMATION AND ORGNISATIONAL DEVELOPMENT

Head office	Improved governance and organisational excellence	Assets Management	Installation of security cameras (Municipal Stores)	Procurement and installation of security cameras at the Municipal stores	Capex	R 50 000	01/07/2022	30/06/2023	CFO	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Security cameras installed at the stores 80% (100%)	Delivery note/ GRN and Payment Certificate	Own revenue
BASIC SERVICE DELIVERY																
5	Access to sustainable quality basic services	Community Halls & Facilities	Ward 5 Community hall	To construct a community hall at Ward 5 by 30 June 2023 (Multi-year)	Capex	R1 000 000	01/07/2022	30/06/2023	Tech	Project halted due to location dispute between Meidingen & Rabothatha Villages. Construction at 15% physical progress.	Negotiations with Tribal Authorities to resume Works on site 5%	Progress with physical construction at 5%(25%)	Progress with physical construction at 20% (45%)	Progress with physical construction at 20% (65%)	Minutes of Negotiations, Progress report	Own revenue
29	Access to sustainable quality basic services	Disaster Management	Fire Extinguishers	To purchase and install Fire extinguishers for various facilities	Capex	R100 000	01/07/2022	30/06/2023	CORP S	Project removed during budget adjustment	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Fire Extinguishers supplied & installed - 80% (100%)	Delivery note/ GRN and Payment Certificate	Own revenue

				in the municipality by 30 June 2023												
29	Access to sustainable quality basic services	Traffic Services	Modjadji sklo of Taxi rank (upgrading)	Refurbishment of toilets and Market Stalls	Capex	R500 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Physical construction of toilets and market stalls at the Taxi rank 100% completed	Specifications Advertisement Appointment letter Progress reports Completion Certificate	Own revenue
30	Access to sustainable quality basic services	Roads	Boshakhe Bridge (Designs)	Development of Bridge Design at Boshakge	Capex	R 500 000	01/07/2022	30/06/2023	Tech	Project planning	Appointment of service provider - 5% (20%)	Develop Preliminary Design Report - 50%	Develop and approve Detailed Design Report - 100%	n/a	Appointment letter, Preliminary Design Report and Detailed Design Report	Own Revenue

5	Access to sustainable quality basic services	Roads	Malematja Street Paving	Construction of Street Paving at Malematja (Multi-year)	Capex	R 9 678 000	01/07/2022	30/06/2023	Tech	project design completed- 2%	Develop Specifications and submit to SCM - 0,55%(2.5%)	Tender Advertisement for contractor- 0.5%(3%)	Appointment of service provider- 0.5(3.5)	Physical progress for construction of 2,9km 30% (33,5)	Proof of submission of Specification document to SCM, Tender advert, Appointment letter, Progress report	MIG
9	Access to sustainable quality basic services	Roads	Sekgopo Moshate Street Paving	Construction of Street Paving at Sekgopo Moshate (Multi-year)	Capex	R 2 000 000	01/07/2022	30/06/2023	Tech	Project planning	Development of scoping report 0,5% (0,5%)	Development of preliminary designs (0,5%) (1%)	Develop and approve Detailed Design Report - 1% (2%)	N/A	Design approval letter	Own revenue
Head Office	Access to sustainable quality basic services	Roads	TLB	Procure a TLB for the Bellevue cluster	Capex	R 1 500 000	01/07/2022	30/06/2023	Tech	Project removed during budget adjustment	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	TLB delivered - 80% (100%)	Specifications Advertisment Appointment letter Delivery note/GRN and Payment Certificates	Own revenue

Head Office	Access to sustainable quality basic services	Roads	Street Name Signage	Installation of street names signage	Capex	R 300 000	01/07/2022	30/06/2023	Tech	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Street signage delivery and installation - 80% (100%)	Specifications Advertisement Appointment letter, Payment Certificates and Completion Certificate	Own revenue
Head Office	Access to sustainable quality basic services	Roads	Grader	Procure a Grader for Sekgose Cluster	Capex	R 5 000 000	01/07/2022	30/06/2023	Tech	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Grader delivered - 80% (100%)	Specifications Advertisement Appointment letter Delivery note/GRN and Payment Certificates	Own revenue
Head Office	Access to sustainable quality basic services	Traffic & Licensing	Traffic Vehicle	Supply and delivery of 2 Traffic Patrol vehicles	Capex	R 1 500 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Appointment of service provider - 5% (20%)	Appointment of service provider - 5% (20%); Patrol Vehicles delivered - 100% (100%)	N/A	Specifications Advertisement, Appointment letter, Delivery note	Own revenue

Head office	Access to sustainable quality basic services	Traffic & Licensing	Learner's Licence Class at Modjadji sklo of DLTC	Design and Construction of Learner's License Classroom	Capex	R 500 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Construction of classroom - 80% (100%)	Specifications Advertisement Appointment letter .Designs /GRN and Completion Certificates	Own revenue
Head office	Access to sustainable quality basic services	Traffic & Licensing	Establishment of DLTC at Mokwak wail (Design)	Designs for Mokwak waila DLTC	Capex	R 500 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Designs of DLTC - 80% (100%)	Specifications Advertisement Appointment letter /Designs	Own revenue
Head Office	Access to sustainable quality basic services	Traffic & Licensing	Traffic equipment	Procure mobile speed camera and Road block trailer	Capex	R 1 200 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Procurement of Roadblock Trailer and Mobile speed camera - 80% (100%)	Specifications Advertisement Appointment letter Delivery note/GRN and Payment Certificates	Own revenue

Head Office	Access to sustainable quality basic services	Electricity	Electricity Master Plan	To develop an Electricity Master Plan by 30 June 2023	Capex	R 300 000	01/07/2021	30/06/2022	Tech	Budget insufficient to complete the project	n/a	Appointment of a consultant from the Panel for the drafting of the Master plan - 10% (10%)	Inception report submitted by the consultant - 45% (55%)	Data collection for detailed report - 45% (100%)	Electricity Master Plan Inception Report Monthly Progress report from the Consultant	Own revenue
29	Access to sustainable quality basic services	Electricity	Refurbishing of LV network	Replace overhead conductor by underground cables and replacement of metering kiosk	Capex	R 900 000	01/07/2022	30/06/2023	Director Tech	Not implemented due to low revenue collection	Develop Specification and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Replacement of overhead conductor by underground cables and replacement of metering kiosk completed - 80% (100%)	Specifications Advertisement Appointment letter Completion Certificate	Own revenue

29	Access to sustainable quality basic services	Electricity	HV Cable Network Refurbishment - ringfeed	To refurbish HV cables from Panorama connecting the Hospital and install cable to complete the normal open points	Capex	R 1 000 000	01/07/2022	30/06/2023	Director Tech	Not implemented due to low revenue collection	Submit to SCM - 10% Tender Advertisement - 5% (25%)	Appointment of service provider - 5% (30%)	Refurbishment of HV cables commence, physical progress at 40% (70%)	Refurbishment of HV cables from Panorama connecting the Hospital and installation cable to complete the normal open points completed	Specifications Advertisement Appointment letter Completion Certificate	Own revenue
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 11	Establish Electrical Bulk service at Extension 11	Capex	R 250 000	01/07/2022	30/06/2023	Tech	Project removed during budget adjustment	n/a	n/a	n/a	Secure maps of development area from service provider (100%)	Maps of development area	Own revenue
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 12	Establish Electrical Bulk service at Extension 12	Capex	R 250 000	01/07/2022	30/06/2023	Tech	Project removed during budget adjustment	n/a	n/a	n/a	Secure maps of development area from service	Maps of development area	Own revenue

														provider (100%)		
29	Access to sustainable quality basic services	Electricity	Civil Bulk Service Extension 11	Establish Civil Bulk service at Extension 11	Capex	R 250 000	01/07/2022	30/06/2023	Tech	Project removed during budget adjustment	n/a	n/a	n/a	Secure maps of development area from service provider (100%)	Inception report Design report Specifications Appointment letter	Own revenue
29	Access to sustainable quality basic services	Electricity	Civil Bulk Service Extension 12	Establish Civil Bulk service at Extension 12	Capex	R 250 000	01/07/2022	30/06/2023	Tech	Project removed during budget adjustment	n/a	n/a	n/a	Secure maps of development area from service provider (100%)	Specifications Advertisement Appointment letter	Own revenue

29	Access to sustainable quality basic services	Electricity	Modjadji sklo of Electrical Network Integration	Design and Construction of a substation and lines to Platteland (Ext 11)	Capex	R 1 000 000	01/07/2022	30/06/2023	Tech	n/a	Appointment of service provider from the panel (10%)	Development of designs completed - 20% (30%)	Develop Specifications for the appointment of a contractor - 35% (65%)	Advertisement for the appointment of a contractor - 35% (100%)	Appointment Letter Design approval Letter Advertisement	Own revenue
All wards	Access to sustainable quality basic services	Solid Waste Collection	Concrete Bins	Installation of 10 concrete bins in Modjadjiskloof	Capex	R 200 000	01/07/2022	30/06/2023	Comm	New Project	Develop Specifications and submit to SCM (10%)	Advertisement and appointment of a service provider - 5% (15%)	Installation of 10 concrete waste bins in Modjadjiskloof completed - 85% (100%)	n/a	Specifications Advertisement Appointment Letter Delivery Notes	Own revenue

SERVICE PROVIDER PERFORMANCE FOR 2022/23 FINANCIAL YEAR

Tender Number	Project Name	Name of Service Provider	Source of Funding	Budget 2022/23	Start Date	Completion date	Progress to Date	Challenges and Intervention	Assessment of Service Provider, Poor, Average, Satisfactory, Excellent
Good Governance									
Order 43756	Procurement of Laptops	Maepa Group.K Brand	Own revenue	R 100 000	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM027/2023	UPS	The Five Star Trading	Own revenue	R 600 000	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
Order No:43402	Security Door for Modjadjiskloof	DHARI FOOD	Own revenue	R 20 000	01/07/2022	30/06/2023	completed	NONE	Satisfactory
RFQ 003/2023	Diesel Bowser with meter readings	Kgosibokang Business Development	Own revenue	R 100 000	01/07/2022	30/06/2023	completed	NONE	Satisfactory
Order No:43483	Mayor Vehicle	BMW(SA)	Own revenue	R 700 000	01/07/2022	30/06/2023	completed	NONE	Satisfactory

Order No:43719	Speaker Vehicle	TOYOTA(SA)	Own revenue	R 700 000	01/07/2022	30/06/2023	completed	NONE	Satisfactory
GLM019/2016	Madumeleng/ Shotong Sports Complex	Madoke Trading	Own revenue & MIG	R 6 293 416	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM005/2022	Low level bridges	Lepalathabeni Investments(PTY)	Own revenue	R 1 499 996	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM006/2022	Meloding Stormwater Canal	GPMVR	Own revenue	R 5 000 000	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM009/2021/2c	Makhutukwe Street Paving	Mamonama	Own revenue	R 8 000 000	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM008/2023	Thibeni Street Paving	Double Hot Spot	Own revenue	R 4 600 000	01/07/2022	30/06/2023	Not completed	Slow progress/revise the programme	Poor
GLM009/2021/3c	Raphahlelo / Phooko street paving	Zevofusion JV Dzungeri Group JV Machaba Tav Construction	Own revenue	R 11 400 000	01/07/2022	30/06/2023	Not completed	insuffient budget/budget accordingly	Satisfactory
	Ward 13 (Senwamokgope) street paving		Own revenue	R 1 440 004	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM009/2021/4c	Sephukubye Street Paving	Sello Ramotwala	Own revenue	R 4 800 000	01/07/2022	30/06/2023	Completed	NONE	Satisfactory

GLM007/2023	Motsinoni Street paving	Martmol Trading	Own revenue	R 5 499 996	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM003/2023	Ramodumo Street Paving	GPMVR JV Mothikeni Investment	MIG	R 8 628 967	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM 013/2022	Rampepe Access Bridge	Tzaneen Afri Investment	MIG	R 5 351 524	2022/01/07	30/06/2023	Completed	NONE	Satisfactory
GLM012/2022	Mamokgadi Street paving	Martmol Trading	MIG	R 11 297 375	01/07/2022	30/06/2023	Completed	NONE	Satisfactory
GLM 009/2021/1c	Mohlabaneng Street Paving	LebP Construction	MIG	R 10 000 000	01/07/2022	30/06/2023	completed	NONE	Satisfactory
GLM009/2020	Moshakga/ Makaba Street paving (Designs)	Morwa consulting Engineers	MIG	R 986 425	01/07/2022	30/06/2023	completed	NONE	Satisfactory

GLM016 GLM017 GLM 018	Highmasts lights in various villages	NNC properties Thotogelo Mpfu mo	MIG	R 5 502 750	01/07/20 22	30/06/20 23	completed	NONE	Satisfactory
GLM029/202 1	Transformers Acquisition	OTS electrical	Own revenue	R 1 500 000	01/07/20 22	30/06/20 23	completed	NONE	Satisfactory
GLM001/202 2	Khudugane village Electrification	Madzi Electrcial cc	INEP	R 1 762 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM001/202 2	Sekgopo Maboke / Matlou village electrification	Madzi Electrcial cc	INEP	R 3 220 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM013/202 2	Iketteng (Lomondokop) village electrification	MANCO Business Enterprise	INEP	R 1 200 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM013/202 2	Lehlareng (Mojeketla) village electrification	MANCO Business Enterprise	INEP	R 2 880 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM001/202 3	Rotterdam village electrification	Risima Project Management	INEP	R 1 500 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM001/202 3	Lebepane village electrification	Risima Project Management	INEP	R 3 160 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM001/202 3	Makhurupetji village electrification	Risima Project Management	INEP	R 1 220 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM012/202 3	Mpepule village electrification	Bilmond Trading	INEP	R 1 460 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM012/202 3	Lekgwareng village electrification	Bilmond Trading	INEP	R 2 880 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM012/202 3	Rajeke village electrification	Bilmond Trading	INEP	R 2 880 000	01/07/20 21	30/06/20 22	Completed	NONE	Satisfactory
GLM029	22 Skip Bins	Daily Breeze	Own revenue	R 1 200 000	01/07/20 22	30/06/20 23	Not completed	Awaiting delivery	poor
*Footnote:									

3-year Capital Works Plan by Ward																			
Ward	Project name	Start date	Completion date	2022/23 Monthly Expenditure Projections												MTREF Budget allocation			Source of funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	MTREF 2022/23	MTREF 2023/24	MTREF 2024/25	
Good Governance																			
Head office	Procurement of Laptops	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R1 000 000	R0	R0	R1 000 000	R0	R0	R0	R2 000 000	R0	R0	Own revenue
Head office	UPS	01/07/2022	30/06/2023	R0	R0	R0	R0	R600 000	R0	R0	R0	R0	R0	R0	R0	R600 000	R0	R0	Own revenue
Head office	IT network installation in new offices	01/07/2022	30/06/2023	R0	R0	R0	R0	R350 000	R0	R0	R0	R0	R0	R0	R0	R350 000	R0	R0	Own revenue
Head office	Server	01/07/2022	30/06/2023	R0	R0	R0	R0	R200 000	R0	R0	R0	R0	R0	R0	R0	R200 000	R0	R0	Own revenue
Head office	Furniture	01/07/2022	30/06/2023	R0	R0	R0	R0	R1 000 000	R0	R0	R0	R0	R0	R0	R0	R1 000 000	R0	R0	Own revenue
Head	Security	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R20 000	R0	R0	R0	R0	R20 000	R0	R0	Own revenue

office for Modjadjiskloof																			e
Head office Room Kgapane Old Sub Office	01/07/2022	30/06/2023	R0	R150 000	R0	R0	R0	R0	R150 000	R0	R0	Own revenue							
Head office room modjadjiskloof	01/07/2022	30/06/2023	R0	R150 000	R0	R0	R0	R0	R150 000	R0	R0	Own revenue							
Head office Cubicles - Kgapane Old Sub-Office	01/07/2022	30/06/2023	R0	R350 000	R0	R0	R0	R0	R350 000	R0	R0	Own revenue							
MUNICIPAL TRANSFORMATION AND ORGNISATIONAL DEVELOPMENT																			

Head office	Diesel Bowsler with meter readings	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R100 000	R0	R0	Own revenue
Head office	Installation of security cameras (Municipal Stores)	01/07/2022	30/06/2023	R0	R0	R50 000	R0	R0	R0	R0	R0	R0	R0	R0	R0	R50 000	R0	R0	Own revenue
Head office	Mayor Vehicle	01/07/2022	30/06/2023	R0	R0	R0	R0	R 700 000	R0	R700 000	R0	R0	Own revenue						

3-year Capital Works Plan by Ward																			
Ward	Project Name	Start date	Completion date	2022/23 Monthly Expenditure Projections												MTREF Budget allocation			Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	MTREF 2022/23	MTREF 2023/24	MTREF 2024/25	
Head office	Speaker Vehicle	01/07/2022	30/06/2023	R0	R0	R0	R0	R 500 000	R0	R500 000	R0	R0	Own revenue						

ce	e																		
BASIC SERVICE DELIVERY																			
5	Ward 5 Community hall	01/07/2022	30/06/2023	R0	R0	R0	R500 000	R0	R0	R0	R0	R500 000	R0	R0	R0	R1 000 000	R4 000 000	R0	Own revenue
29	Fire Extinguishers	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R100 000	R0	R100 000	R0	R0	Own revenue
29	Modjadjiskloof Taxi rank (upgrading)	01/07/2022	30/06/2023	R0	R0	R0	R0	R250 000	R0	R0	R0	R0	R250 000	R0	R0	R500 000	R0	R0	Own revenue
All wards	Low level bridges	01/07/2022	30/06/2023	R0	R500 000	R0	R0	R0	R500 000	R0	R0	R500 000	R500 000	R0	R500 000	R2 500 000	R3 000 000	R0	Own revenue
Ward 3	Meloding Storm water Canal	01/07/2022	30/06/2023	R0	R0	R7 000 000	R0	R7 000 000	R0	R0	Own revenue								
1	Makhutwe Street Paving	01/07/2022	30/06/2023	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R750 000	R9 000 000	R0	R0	Own revenue

	g																		
6	Thibe ni Stre et Pavi ng	01/07/ 2022	30/06/ 2023	R0	R0	R0	R1 000 000	R0	R0	R1 000 000	R0	R1 000 000	R0	R0	R1 000 000	R4 000 000	R7 000 000	R8 000 000	Own revenu e
15	Rapha hlelo / Phoo ko stre et pavi ng	01/07/ 2022	30/06/ 2023	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R866 667	R10 400 000	R6 600 000	R0	Own revenu e
13	Ward 13 (Senw amok gope) street pavin g	01/07/ 2022	30/06/ 2023	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R316 667	R3 800 000	R7 000 000	R8 000 000	Own revenu e
16	Sephu kuby e Street Pavin g	01/07/ 2022	30/06/ 2023	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R400 000	R4 800 000	R0	R0	Own revenu e

2	Motsinoni Street paving	01/07/2022	30/06/2023	R408 333	R4 900 000	R7 000 000	R8 000 000	Own revenue											
26	Ramodumo Street Paving	01/07/2022	30/06/2023	R791 667	R9 500 000	R15 000 000	R20 353 167	MIG											

3-year Capital Works Plan by Ward

Ward	Project Name	Start date	Completion date	2022/23 Monthly Expenditure Projections												MTREF Budget allocation			Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	MTREF 2022/23	MTREF 2023/24	MTREF 2024/25	
27	Ramp epe Access Bridge	2022/01/07	30/06/2023	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R576 158	R6 913 900	R0	R0	MIG
5	Malematja Street Paving	01/07/2022	30/06/2023	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R806 500	R9 678 000	R15 183 300	R7 519 282	MIG
24	Mamokgadi Street	01/07/2022	30/06/2023	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R1 283 333	R15 400 000	R15 000 000	R12 456 744	MIG

	paving																		
19	Mohlabane Street Paving	01/07/2022	30/06/2023	R833 333	R10 000 000	R0	R0	MIG											
2	Moshakga/Makaba Street paving (Designs)	01/07/2022	30/06/2023	R83 333	R1 000 000	R5 000 000	R20 000 000	MIG											
	Highmast lights in various villages	01/07/2022	30/06/2023	R458 563	R5 502 750	R3 000 000	R0	MIG											
30	Boshakhe Bridge	01/07/2022	30/06/2023	R0	R500 000	R0	R500 000	R2 000 000	R4 000 000	Own revenue									

	(Designs)																		
9	Sekgopo Moshate Street Paving	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R 1 000 000	R0	R0	R 1 000 000	R0	R2 000 000	R4 000 000	R6 000 000	Own revenue
Head Office	TLB	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R500 000	R0	R0	R0	R1 000 000	R0	R0	R1 500 000	R0	R0	Own revenue
Head Office	Street Name Signage	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R0	R200 000	R0	R0	R0	R200 000	R0	R0	Own revenue
Head Office	Traffic Vehicle	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R700 000	R0	R800 000	R0	R0	R0	R1 500 000	R0	R0	Own revenue
	Learners Licences Class at Modja	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R 500 000	R0	R0	R0	R0	R0	R500 000	R0	R0	Own revenue

djjskl oof DLTC																			
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3-year Capital Works Plan by Ward

Ward	Project name	Start date	Completion date	2022/23 Monthly Expenditure Projections												MTREF Budget allocation			Source of funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	MTREF 2022/23	MTREF 2023/24	MTREF 2024/25	
	Establishment of DLTC at Mokwankwaila (Designs)	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R 500 000	R0	R0	R0	R0	R0	R500 000	R0	R0	Own revenue
Head Office	Traffic equipment	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R 1 200 000	R0	R0	R0	R0	R0	R1 200 000	R0	R0	Own revenue
Head Office	Grader	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R0	R1 000 000	R0	R3 000 000	R1 000 000	R5 000 000	R5 000 000	R0	Own revenue
Head Office	Electricity master	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R0	R0	R300 000	R0	R0	R0	R300 000	R1 800 000		Own revenue

	Plan																		
29	Refurbishing of LV network	01/07/2022	30/06/2023	R0	R0	R400 000	R500 000	R0	R0	R900 000	R1 000 000	R0	Own revenue						
29	HV Cable Network Refurbishment - ringfed	01/07/2022	30/06/2023	R0	R0	R500 000	R500 000	R0	R0	R1 000 000	R0	R0	Own revenue						
29	Transformers Acquisition	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R500 000	R0	R500 000	R0	R500 000	R0	R1 500 000	R1 400 000		Own revenue
29	Electrical Bulk Service Extension 11	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R250 000	R250 000	R2 000 000	R5 500 000	Own revenue						

29	Electrical Bulk Service Extension 12	01/07/2022	30/06/2023	R0	R250 000	R250 000	R2 000 000	R5 500 000	Own revenue											
29	Civil Bulk Service Extension 11	01/07/2022	30/06/2023	R0	R250 000	R250 000	R2 000 000	R5 500 000	Own revenue											
29	Civil Bulk Service Extension 12	01/07/2022	30/06/2023	R0	R250 000	R250 000	R2 000 000	R5 500 000	Own revenue											

3-year Capital Works Plan by Ward																				
Ward	Project name	Start date	Completion date	2022/23 Monthly Expenditure Projections												MTREF Budget allocation			Source of funding	
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	MTREF 2022/23	MTREF 2023/24	MTREF 2024/25		

29	Modjadjiskloof Electrical Network Intergration	01/07/2022	30/06/2023	R0	R0	R0	R0	R250 000	R0	R0	R750 000	R0	R0	R0	R0	R1 000 000	R2 000 000	R0	Own revenue
01, 06 & 07	Madumelen g/Shoting Sports Complex	01/07/2022	30/06/2023	R0	R0	R0	R0	R0	R0	R0	R0	R300 000	R400 000	R0	R0	R700 000	R0	R0	Own revenue & MIG
All wards	Concrete Bins	01/07/2022	30/06/2023	R0	R0	R200 000	R0	R0	R0	R0	R0	R0	R0	R0	R0	R200 000	R0	R0	Own revenue
25	Abel street paving	01/07/2023	30/06/2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R12 000 000	R6 700 000	MIG
8	Burkina Faso Street Paving	01/07/2024	30/06/2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R1 091 477	MIG
5	Rabotata Community	01/07/2024	30/06/2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R4 000 000	R0	Own revenue

	Hall																		
3, 4	Kgapane Street lights	01/07/2024	30/06/2025	n/a	R1 000 000	R1 000 000	Own revenue												
All wards	Mechanical Broom	01/07/2024	30/06/2025	n/a	R0	R1 000 000	R0	Own revenue											

SERVICE DELIVERY BACKLOG AS AT JUNE 2023

SERVICES	HOUSEHOLDS	ACCESS	% ACCESS	BACKLOG	% BACKLOG
Water	58 261	48 934	84%	9 328	16%
Sanitation		50 853	87%	7408	13%
Electricity		57 737	96%	2 626	4%
Housing		55 443	95%	2818	5%
Roads		487.2	40%	726	60%
Waste(Proclaimed Areas)		4 954	9%	53 308	91%

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimate d)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
EE1.11	Number of dwellings provided with connections to mains electricity supply by										
EE1.11(1)		(1) Number of residential supply points energised and commissioned by the municipality	823	823	n/a	n/a	n/a	823	n/a	n/a	n/a
EE3.11	Percentage of unplanned outages that are restored to supply within industry										
EE3.11(1)		(1) Number of unplanned outages restored within x hours	11	0	0	0	0	0	n/a	n/a	n/a
EE3.11(2)		(2) Total number of unplanned outages	11	0	0	0	0	0	n/a	n/a	n/a
EE3.21	Percentage of planned maintenance performance										
EE3.21(1)		(1) Actual number of maintenance 'jobs' for planned or preventative maintenance	6	4	1	1	1	1	n/a	n/a	n/a
EE3.21(2)		(2) Budgeted number of maintenance 'jobs' for planned or preventative maintenance	6	4	1	1	1	1	n/a	n/a	n/a
WS1.11	Number of new sewer connections meeting minimum standards										
WS1.11(1)		(1) Number of new sewer connection to consumer units	0	0	0	0	0	0	District Function	District Function	District Function
WS1.11(2)		(2) Number of new sewer connections to communal toilet facilities	0	0	0	0	0	0	District Function	District Function	District Function

WS2.11	Number of new water connections meeting minimum standards										
WS2.11 (1)		(1) Number of new water connections to piped (tap) water	0	0	0	0	0	0	District Function	District Function	District Function
WS2.11 (2)		(2) Number of new water connections to public/communal facilities	0	0	0	0	0	0	District Function	District Function	District Function
WS3.11	Percentage of callouts responded to within 24 hours (sanitation/wastewater)										
WS3.11 (1)		(1) Number of callouts responded to within 24 hours (sanitation/wastewater)	144	0	0	0	0	0	Call-outs not planned for	n/a	n/a
WS3.11 (2)		(2) Total number of callouts (sanitation/wastewater)	144	0	0	0	0	0	Call-outs not planned for	n/a	n/a
WS3.21	Percentage of callouts responded to within 24 hours (water)										
WS3.21 (1)		(1) Number of callouts responded to within 24 hours (water)	144	0	0	0	0	0	Call-outs not planned for	n/a	n/a
WS3.21 (2)		(2) Total water service callouts received	144	0	0	0	0	0	Call-outs not planned for	n/a	n/a
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and										
TR6.12(1)		(1) Kilometres of municipal road lanes resurfaced and resealed	0	0	0	0	0	0	No budget for the financial year	n/a	n/a

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING											
Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22)	Annual target for 2022/2023	1st Quarter Planned output	2nd Quarter Planned output	3rd Quarter Planned output	4th Quarter Planned output	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide	Estimated date when data will be available

			estimate d)		as per SDBIP	as per SDBIP	as per SDBIP	as per SDBIP		data in the future	
TR6.12(2)		(2) Kilometres of surfaced municipal road lanes	0	0	0	0	0	0	No budget for the financial year	n/a	n/a
TR6.13	KMs of new municipal road lanes built										
TR6.13(1)		(1) Number of kilometres of resurfaced road lanes built	0	6,30	0,00	0,00	1,25	5,05	n/a	n/a	n/a
TR6.13(2)		(2) Number of kilometres of unsurfaced road lanes built	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TR6.21	Percentage of reported pothole complaints resolved within standard municipal										
TR6.21(1)		(1) Number of pothole complaints resolved within the standard time after being reported	0	0	0	0	0	0	No records kept of potholes	n/a	n/a
TR6.21(2)		(2) Number of potholes reported	0	0	0	0	0	0	No records kept of potholes	n/a	n/a
FD1.11	Percentage of compliance with the required attendance time for structural										
FD1.11(1)		(1) Number of structural fire incidents where the attendance time was less than 14 minutes	District function	n/a	n/a	n/a	n/a	n/a	District Function	n/a	n/a
FD1.11(2)		(2) Total number of distress calls for structural fire incidents received	District function	n/a	n/a	n/a	n/a	n/a	District Function	n/a	n/a
LED1.1	Percentage of total municipal operating expenditure spent on contracted		100%	100%	100%	100%	100%	100%			
LED1.1(1)		(1) R-value of operating expenditure on contracted	70676000	92683000,00	23170750,00	23170750,00	23170750,00	23170750,00	n/a	n/a	n/a

		services within the municipal area									
LED1.1 1(2)		(2) Total municipal operating expenditure on contracted services	70676000	92683000,00	23170750,00	23170750,00	23170750,00	23170750,00	n/a	n/a	n/a
LED1.2 1	Number of work opportunities created through Public Employment										
LED1.2 1(1)		(1) Number of work opportunities provided by the municipality through the Expanded Public Works Programme	1029	90,00	90,00	90,00	90,00	90,00	n/a	n/a	n/a
LED1.2 1(2)		(2) Number of work opportunities provided through the Community Works Programme and other related infrastructure initiatives	1120	217,00	50,00	100,00	150,00	217,00	n/a	n/a	n/a
LED2.1 2	Percentage of the municipality's operating budget spent on indigent relief for		0%	0,28%	0,28%	0,28%	0,28%	0,28%			
GG6.11 (1)		(1) R-value of operating budget expenditure spent on free basic services	203926	1011696,00	252924,00	252924,00	252924,00	252924,00	n/a	n/a	n/a
GG6.11 (2)		(2) Total operating budgets for the municipality	265041000	365365000	91341250	91341250	91341250	91341250	n/a	n/a	n/a

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimate d)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
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LED3.1 1	Average time taken to finalise business licence applications											
LED3.1 1(1)		(1) Sum of the total working days per business application finalised	0	0	0	0	0	0	0	Establishment of Business Registration Centre will be concluded by 30 June '22, no registrations currently possible	n/a	n/a
LED3.1 1(2)		(2) Number of business applications finalised	0	0	0	0	0	0	0	Establishment of Business Registration Centre will be concluded by 30 June '22, no registrations currently possible	n/a	n/a
LED3.3 1	Average number of days from the point of advertising to the letter of award per											
LED3.3 1(1)		(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award	90	90	90	90	90	90	90	n/a	n/a	n/a

LED3.3 1(2)		(2) Total number of 80/20 tenders awarded as per the procurement process	43	38	10	10	10	8	n/a	n/a	n/a
LED3.3 2	Percentage of municipal payments made to service providers who submitted										
LED3.3 2(1)		(1) Number of municipal payments within 30- days of complete invoice receipt made to service providers	100	100	100	100	100	100	n/a	n/a	n/a
LED3.3 2(2)		(2) Total number of complete invoices received (30 days or older)	0	0	0	0	0	0	n/a	n/a	n/a
GG1.21	Staff vacancy rate		19%	10%	n/a	n/a	10%	n/a			
GG1.21 (1)		(1) The number of employees on the approved organisational structure	321	321	0	0	321	0	n/a	n/a	n/a
GG1.21 (2)		(2) The number of permanent employees in the municipality	259	288	9	0	288	0	n/a	n/a	n/a
GG1.22	Percentage of vacant posts filled within 3 months			100,0%			100,0%				

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimated)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
GG1.22 (1)		(1) Number of vacant posts filled within 3 months since the date (dd/mm/yyyy) of authority	0	29,0	0,0	0,0	25,0		n/a	n/a	n/a

		to proceed with filling the vacancy									
GG1.21 (2)		(2) Number of vacant posts that have been filled	9	29,0	0,0	0,0	25,0		n/a	n/a	n/a
GG2.11	Percentage of ward committees with 6 or more ward committee members		100%	100%	100%	100%	100%	100%			
GG2.11 (1)		(1) Total number of ward committees with 6 or more members	30	30	30	30	30	30	n/a	n/a	n/a
GG2.11 (2)		(2) Total number of wards	30	30	30	30	30	30	n/a	n/a	n/a
GG2.12	Percentage of wards that have held at least once councillor-convened										
GG2.12 (1)		(1) Total number of councillor convened ward community meetings	30	480	120	120	120	120	n/a	n/a	n/a
GG2.12 (2)		(2) Total number of wards	30	30	30	30	30	30	n/a	n/a	n/a
GG2.31	Percentage of official complaints responded to through the municipal complaint		100%								
GG2.31 (1)		(1) Number of official complaints responded to according to municipal norms and standards	54	0,00	0,00	0,00	0,00	0,00	No complaints planned for	n/a	n/a
GG2.31 (2)		(2) Number of official complaints received	54	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
GG4.11	Number of agenda items deferred to the next council meeting										
GG4.11 (1)		(1) Sum total number of all council agenda items deferred to the next meeting	0	0	0	0	0	0	None, not planned for	n/a	n/a
GG5.11	Number of active suspensions longer than three months										
GG5.11 (1)		(1) Simple count of the number of active suspensions in the municipality lasting more than three months	0	0,00	0,00	0,00	0,00	0,00	No cases, none planned	n/a	n/a

GG5.12	Quarterly salary bill of suspended officials										
GG5.12 (1)	(1) Sum of the salary bill for all suspended officials for the reporting period	0	0,00	0,00	0,00	0,00	0,00	0,00	No suspensions	n/a	n/a
OUTPUT INDICATORS FOR ANNUAL REPORTING											
WS5.31	Percentage of total water connections metered										
WS5.31 (1)	(1) Number of water connections metered	not known	not known	n/a	n/a	n/a	n/a	n/a	District Function	n/a	n/a
WS5.31 (2)	(2) Number of connections unmetered	not known	not known	n/a	n/a	n/a	n/a	n/a	District Function	n/a	n/a
ENV4.1 1	Percentage of biodiversity priority area within the municipality										

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimate d)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
ENV4.1 1(1)		(1) Total land area in hectares classified as "biodiversity priority areas"	District function	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENV4.1 1(2)		(2) Total municipal area in hectares	189100	189100	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENV4.2 1	Percentage of biodiversity priority areas protected										
ENV4.2 1(1)		(1) Area of priority biodiversity area in hectares which is protected	District function	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENV4.2 1(2)		(2) Total area identified as a priority biodiversity area in hectares	District function	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TR6.11	Percentage of unsurfaced road graded		5,0%	5,0%	1,2%	1,2%	1,2%	1,2%			
TR6.11(1)		(1) Kilometres of municipal road graded	40	40,00	10,00	10,00	10,00	10,00	n/a	n/a	n/a
TR6.11(2)		(2) Kilometres of unsurfaced road network	806	806	806	806	806	806	n/a	n/a	n/a
GG3.12	Percentage of councillors who have declared their financial interests		100%	100%	100%	100%	100%	100%			
GG3.12 (1)		(1) Number of councillors that have declared their financial interests	60	60,00	60,00	60,00	60,00	60,00	n/a	n/a	n/a
GG3.12 (2)		(2) Total number of municipal councillors	60	60,00	60,00	60,00	60,00	60,00	n/a	n/a	n/a
QUARTERLY COMPLIANCE INDICATORS											
C1.	Number of signed performance agreements by the MM and section 56		6	6	6	n/a	n/a	n/a	n/a	n/a	n/a
C2.	Number of ExCo or Mayoral Executive meetings held		4	4	1	1	1	1	n/a	n/a	n/a

C3.	Number of Council portfolio committee meetings held	12	12	3	3	3	3	n/a	n/a	n/a
C4.	Number of MPAC meetings held	4	4	1	1	1	1	n/a	n/a	n/a
C6.	Number of formal (minuted) meetings between the Mayor, Speaker and MM	12,00	12,00	3,00	3,00	3,00	3,00	n/a	n/a	n/a
C7.	Number of formal (minuted) meetings - to which all senior managers were	12	12	3	3	3	3	n/a	n/a	n/a
C8.	Number of councillors completed training	36	60	60	60	60	60,00	n/a	n/a	n/a
C9.	Number of municipal officials completed training	28	100,00	25,00	25,00	25,00	25,00	n/a	n/a	n/a
C10.	Number of work stoppages occurring	0	0	0	0	0	0	Not happened	n/a	n/a
C11.	Number of litigation cases instituted by the municipality	0	0,00	0,00	0,00	0,00	0,00	Npt happened	n/a	n/a
C12.	Number of litigation cases instituted against the municipality	0	0,00	0,00	0,00	0,00	0,00	Not happened	n/a	n/a
C13.	Number of forensic investigations instituted	0	0	0	0	0	0	Not happened	n/a	n/a
C14.	Number of forensic investigations conducted	0	0	0	0	0	0	Not happened	n/a	n/a
C15.	Number of days of sick leave taken by employees	40	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C16.	Number of permanent employees employed	262	39,00	25,00	0,00	0,00	9,00	n/a	n/a	n/a
C17.	Number of temporary employees employed	0	0	0	0	0	0	n/a	n/a	n/a

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimate d)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
C18.	Number of approved demonstrations in the municipal area		0	0	0	0	0	0	No demonstrations took place, none planned	n/a	n/a
C19.	Number of recognised traditional and Khoi-San leaders in attendance (sum of)		10	10	10	10	10	10	n/a	n/a	n/a
C20.	Number of permanent environmental health practitioners employed by the		0	0	0	0	0	0	District Function	District Function	District Function
C22.	Number of Council meetings held		4	4	1	1	1	1	n/a	n/a	n/a
C23.	Number of disciplinary cases for misconduct relating to fraud and corruption		0	0	0	0	0	0	No cases, none planned	n/a	n/a
C24.	Number of council meetings disrupted		0	0	0	0	0	0	n/a	n/a	n/a
C25.	Number of protests reported		0	0	0	0	0	0	No protests took place, none planned	n/a	n/a
C26.	R-value of all tenders awarded		173439607	1161798,00	29044950,00	29044950,00	29044950,00	29044950,00	n/a	n/a	n/a
C27.	Number of all awards made in terms of Section 36 of the MFMA Municipal		0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C28.	R-value of all awards made in terms of Section 36 of the MFMA Municipal		0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C29.	Number of approved applications for rezoning a property for commercial		0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C30.	Number of business licenses approved		0	0	0	0	0	0	System not yet in place to register	n/a	n/a

								business, will be ready by June 2022		
C32.	Number of positions filled with regard to municipal infrastructure	74	13,00	0,00	0,00	0,00	13,00	n/a	n/a	n/a
C33.	Number of tenders over R200 000 awarded	43	38,00	10,00	10,00	10,00	10,00	n/a	n/a	n/a
C34.	Number of months the Municipal Managers' position has been filled (not	5	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C35.	Number of months the Chief Financial Officers' position has been filled (not	0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C36.	Number of vacant posts of senior managers	1	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C38.	Number of filled posts in the treasury and budget office	30	1,00	0,00	0,00	0,00	1,00	n/a	n/a	n/a
C40.	Number of filled posts in the development and planning department	11	1,00	0,00	0,00	0,00	1,00	n/a	n/a	n/a
C42.	Number of registered engineers employed in approved posts	7	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C43.	Number of engineers employed in approved posts	7	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C44.	Number of disciplinary cases in the municipality	0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C45.	Number of finalised disciplinary cases	0	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C47.	Number of waste management posts filled	94	25,00	25,00	0,00	0,00	0,00	n/a	n/a	n/a
C49.	Number of electricians employed in approved posts	3	1,00	0,00	0,00	0,00	1,00	n/a	n/a	n/a
C51.	Number of filled water and wastewater management posts	15	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C56.	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	0	0	0	0	0	0	Not a municipal function	n/a	n/a
C57.	Number of registered electricity consumers with a mini grid-based system in	1002	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22)	Annual target for 2022/2023	1st Quarter Planned output	2nd Quarter Planned output	3rd Quarter Planned output	4th Quarter Planned output	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide	Estimated date when data will be available
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			estimate d)		as per SDBIP	as per SDBIP	as per SDBIP	as per SDBIP		data in the future	
C58.	Total non-technical electricity losses in MWh (estimate)	15	0,00	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C59.	Number of municipal buildings that consume renewable energy	0	0	0	0	0	0	0	n/a	n/a	n/a
C61.	Total number of chemical toilets in operation	0	0	0	0	0	0	0	District function	District function	District function
C63.	Total volume of water delivered by water trucks	6000000	6000000	1500000	1500000	1500000	1500000	1500000	n/a	n/a	n/a
C67.	Number of paid full-time firefighters employed by the municipality	0	0	0	0	0	0	0	District function	District function	District function
C68.	Number of part-time and firefighter reservists in the service of the municipality	0	0	0	0	0	0	0	District function	District function	District function
C69.	Number of 'displaced persons' to whom the municipality delivered assistance	0	0	0	0	0	0	0	No known displaced people within the Municipal area	n/a	n/a
C71.	Number of procurement processes where disputes were raised	0	0,00	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
C73.	Number of structural fires occurring in informal settlements	0	0	0	0	0	0	0	District function	District function	District function
C74.	Number of dwellings in informal settlements affected by structural fires	0	0	0	0	0	0	0	District function	District function	District function
C76.	Number of SMMEs and informal businesses benefitting from municipal	170	200,00	50,00	50,00	50,00	50,00	50,00	N/a	N/A	N/A
C77.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51%	95	100,00	25,00	25,00	25,00	25,00	25,00	N/a	N/A	N/A
C78.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30%	8	3,00	3,00	3,00	3,00	3,00	3,00	N/a	N/A	N/A
C79.	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-	101	120,00	30,00	30,00	30,00	30,00	30,00	N/a	N/A	N/A
C86.	Number of households in the municipal area registered as indigent	382	382	382	382	382	382	382	n/a	n/a	n/a
C89.	Number of meetings of the Executive or Mayoral Committee postponed due to	0	0,00	0,00	0,00	0,00	0,00	0,00	n/a	n/a	n/a
ANNUAL COMPLIANCE INDICATORS											

C5.	Number of recognised traditional leaders within your municipal boundary	10	10	0	0	0	10	n/a	n/a	n/a
C21.	Number of approved environmental health practitioner posts in the municipality	0	0	0	0	0	0	District function	District function	District function
C31.	Number of approved posts in the municipality with regard to municipal	74		0	0	0	0	n/a	n/a	n/a
C37.	Number of approved posts in the treasury and budget office	30		0	0	0	0	n/a	n/a	n/a
C39.	Number of approved posts in the development and planning department	11		0	0	0	0	n/a	n/a	n/a
C41.	Number of approved engineer posts in the municipality	7		0	0	0	0	n/a	n/a	n/a
C46.	Number of approved waste management posts in the municipality	94		0	0	0	0	n/a	n/a	n/a
C48.	Number of approved electrician posts in the municipality	6		0	0	0	0	n/a	n/a	n/a
C50.	Number of approved water and wastewater management posts in the	15		0	0	0	0	n/a	n/a	n/a
C52.	Number of maintained sports fields and facilities	7	9,00	0	0	0	9	n/a	n/a	n/a
C53.	Square meters of maintained public outdoor recreation space	2500	2500,00	625	625	625	625	n/a	n/a	n/a
C54.	Number of municipality-owned community halls	13	14,00	0	0	0	14	n/a	n/a	n/a
C60.	Total number of sewer connections	0	0	0	0	0	0	MDM function	n/a	n/a
C62.	Total number of Ventilation Improved Pit Toilets (VIPs)	0	0	0	0	0	0	MDM function	n/a	n/a
COMPLIANCE QUESTIONS										

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimate d)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
Q1.	Does the municipality have an approved Performance Management		Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a

Q2.	Has the IDP been adopted by Council by the target date?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q3.	Does the municipality have an approved LED Strategy?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	None	None	None	None	None	None	No work stoppage planned	n/a	n/a
Q5.	How many public meetings were held in the last quarter at which the Mayor or	0	4	1	1	1	1	COVID regulations	n/a	n/a
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	Never	None	None	None	None	None	No budget or capacity to conduct such surveys internally	None - funding from CoGHSTA will be required	n/a
Q7.	What are the biggest causes of complaints or dissatisfaction from the	n/a	n/a	n/a	n/a	n/a	n/a	No survey done	n/a	n/a
Q8.	Please list the locality, date and cause of each incident of protest within the	0	0	0	0	0	0	No protests planned	n/a	n/a
Q9.	Does the municipality have an Internal Audit Unit?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q10.	Is there a dedicated position responsible for internal audits?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q11.	Is the internal audit position filled or vacant?	Filled	Filled	Filled	Filled	Filled	Filled	n/a	n/a	n/a
Q12.	Has an Audit Committee been established? If so, is it functional?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q13.	Has the internal audit plan been approved by the Audit Committee?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q15.	Does the internal audit plan set monthly targets?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q16.	How many monthly targets in the internal audit plan were not achieved?	0	0	0	0	0	0	Internal Audit plan have quarterly targets per project	n/a	n/a
Q17.	Does the Municipality have a dedicated SMME support unit or facility in place either directly or in partnership with a relevant role-player?	No	No	No	No	No	No	No budget or capacity for	n/a	n/a

								this service		
Q18.	What economic incentive policies adopted by Council does the municipality have by date of adoption?	None	None	None	None	None	None	No budget or capacity for this service	n/a	n/a
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q20.	What is the number of steps a business must comply with when applying for a construction permit before final document is received?	tbd	tbd	tbd	tbd	tbd	tbd	Business registration centre to be completed by June 2023	n/a	n/a

CIRCULAR 88: OUTPUT INDICATORS FOR QUARTERLY REPORTING

Indicator Code	Performance indicator	Data element	Baseline (Annual Performance of 2021/22 estimated)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:		1	tbd	tbd	tbd	tbd	tbd	IGR structures attended on request no internal control and therefore no target can be set	n/a	n/a

Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	Office of the Mayor	n/a	n/a	n/a					
Q24.	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
Q25.	Has a report by the Executive Committee on all decisions it has taken been	Yes	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a



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 55 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, Selection Appointment 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*
- *Language Policy*
- *Anti-Fraud and Corruption Policy*
- *Protective Clothing and Allowance Policy*
- *Internship and Experiential Learning Policy.*
- *Subsistence and Travelling Allowance Policy*
- *Car Allowance Policy*
- *Performance Management Policy*
- *Succession Planning Policy*
- *Discrimination Policy*
- *Overtime Policy*
- *Sports Policy*
- *ICT Policy Handbook*
- *Whistle Blowing Policy*
- *Aldermanship Policy*
- *Bursary Policy For Employees*
- *Employment Equity Policy*
- *Risk Cover and Loss Control Policy*
- *Protocol policy*
- *Code of Conduct for Councillors*

- *Leave Management Policy*
- *Council rules of Order*
- *Social media policy*
- *Job Evaluation Policy*
- *Clocking, attendance and punctuality policy*
- *Discipline Policy*
- *Incapacity Policy*
- *Legal Aid Policy*
- *Private work and Declarations of Interest Policy*
- *Human Resources Communication Policy*
- *Staff Establishment*
- *Placement Policy*
- *Termination of Services Policy*
- *Bursary Policy for members of the public*
- *Grievance Resolution Policy*
- *Remuneration Policy*
- *Advance Reimbursement Expenses Policy*
- *Intoxicating Substance Abuse Policy*
- *Staff members wellness program 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 332 posts in terms of the approved organogram for 2022/23 financial year and had 271 posts filled as of 30 June 2023. It is worth indicating that the municipality had a vacancy rate of 18%. 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 2023

Directorate	Approved Posts	Filled	Vacant
Municipal Manager's Office	37	28	9
Corporate Services	35	26	9
Budget and Treasury	27	24	3
Technical Services	133	111	22
Community Services	89	72	17
Development and Town Planning	11	10	1
Total	332	271	61
INTERNS	5		

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 2022/23 was 2% which is higher as compared to 2021/22 which is 6.8%. 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 38% and 33% on Senior / Top management in 2022/23. 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 38% of which is 12% 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 3.3% representation of people with disabilities in the year 2022/2023.

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 2023. It is worth noting that the five year EE plan has expired which required the municipality to develop a new plan with new targets.

Table 4.2 Workforce profile per occupational category as of 30 June 2023.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	01	0	0	0	0	0	0	0	01
Senior management	01	0	0	0	01	0	0	0	02

Professionally qualified and experienced specialists and mid-management	30	0	0	01	12	0	0	01	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	25	0	0	0	21	0	0	0	46
Semi-skilled and discretionary decision making	47	0	0	0	32	0	0	0	79
Unskilled and defined decision making	43	0	0	01	53	0	0	0	97
TOTAL PERMANENT	137	1	0	2	117	0	0	1	258
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	147	0	0	02	119	0	0	01	269

4.6. Capacitating the municipal workforce

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

- **Skills Development Budget Allocation**

The table below indicates that a total amount of R840.000 was allocated to the Workplace Skills Plan and that 3% of the total amount was spent in 2022/23 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
2021/22	R148 462 000	R474 178	R346 866	73%
2022/2023	R161 850 000	R840 000	R 24 196	3%

- **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	01				01				02
Professionals and Legislators	08				07				15
Senior officials and managers	02				01				03
Clerks	02				07				09
Labourers	07				03				10
Interns	02				03				05
Councillors	20				25				45

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	01	01	-
MFMP	43	16	05
Project Management	-	02	-
Audit	-	01	-
First Aid for First Aiders	01	03	-
Customer Care Excellency	-	03	-
Records Management	-	03	-
Handling and Disposal of Waste	-	05	-
ORHVS	-	05	-

4.7. Performance Management System

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

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

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

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

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

- *White Paper on Local Government 1998*
- *Municipal Systems Act, 2000 (Act No. 32 of 2000)*
- *Municipal Finance Management Act, (Act No. 56 2003)*

- *Regulation 393 of 2009: Local Government Municipal Finance Management Act Municipal Budget and Reporting Regulation*
- *Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager (2006)*
- *Municipal Planning and Performance Management Regulations (2001)*
- *Batho Pele Principles*
- *Municipal Structures Act 1998 (ACT no 117 of 1998)*

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

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

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

- **Performance Management Tools**

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

- **Integrated Development Plan**

Greater Letaba Municipality has developed an Integrated Development Plan which was adopted by council. The performance management system is designed to monitor and evaluate the progress made in the implementation of the municipality's IDP objectives, taking into account the timeframe of projects and budget. The IDP is the strategic document of the municipality that gives direction in terms of service delivery objectives. Performance objectives, indicators, outcomes, and targets are derived from the IDP.

- **Performance Management Policy Framework**

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

- **Service Delivery and Budget Implementation Plan**

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

- **Performance Agreements and Performance Plans**

The Local Government Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (R805, 2006) indicate that Section 57 managers must be appointed in terms of a written employment contract and a separate

performance agreement. Regulations R805 regulate employment contracts, performance agreements including performance plans, and job descriptions of Municipal Managers and managers directly accountable to Municipal Managers. Greater Letaba Municipality developed performance agreements that were duly signed.

The purpose of a performance management agreement is to:

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

The 2001 Regulations Chapter 13 indicates that:

- (1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems, and processes for the monitoring, measurement, and review of performance in respect of the key performance indicators and performance targets asset.
- (2) The mechanisms, systems, and processes for monitoring in terms of sub-regulation (1) must:
 - a) provide for reporting to the municipal council at least twice a year.

- b) be designed in a manner that enables the municipality to detect early indications of under-performance; and
- c) provides corrective measures where under-performance has been identified.

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

- **Reports**

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

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

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

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

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

- ***Performance report***

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

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

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

- **Annual report**

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

- **Oversight report**

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

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

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

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

4.8. Municipal Workforce Expenditure

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

Table 4.: Personnel Expenditure (excluding Councillors allowances)

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2021/2022	122 636 589	404 336 488	30%
2022/2023	128 466 777	428 750 679	30%

Disclosure regarding the 2022/23 remuneration packages for the Mayor, Councillors, and Section 57 Managers was as follows

Table 4.3: Remuneration packages- 2022/23

Designation	Total Salaries & Wages
Mayor	R 963 578 .88
Full-Time Councillor-Speaker	R 779 508.00
Full-Time Councillor-Chief whip	R 779 508.00
Executive Councillors & MPAC Chairperson	R 733 485,84
Chairpersons of Committees	R 500 389.02
Councillors	R 334 466.04
Municipal Manager	R 1 330 884.96
Chief Financial Officer	R 1 116 686.04
Technical Services Director	R 1 116 686.04
Corporate Services Director	R 1 116 686.04
Community Services Director	R 1 116 686.04
Development and Town Planning Director	R 1 116 686.04

4.9.Organisational Development Performance Highlights

- Submission of Workplace skills plan and Annual training reports were submitted before the 30th April 2023.
- Employment Equity Report was submitted prior 15 January 2023.
- 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 2022/23 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 2020/2021, 2021/22, and 2022/2023.

Table: 5.1 Operating ratios

Operating Ratios			
Detail	2020/21 Ratio %	2021/22 Ratio %	2022/23 Ratio %
Employee Cost	34%	35%	36%
Repairs & Maintenance	7.3%	4.9%	5.1%
Finance Charges & Depreciation	10%	10%	10.2%

The table below indicates the financial overview of the 2022/2023 financial year.

Table: 5.2. Financial overview

Financial Overview – 2022/23			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	436 366 000	436 366 000	453 366 000
Taxes, Levies and tariffs	35 911 000	36 411 000	35 658 000
Other	64 919 000	45 919 000	15 639 000
Sub Total	527 196 000	518 696 000	504 663 000
Less Expenditure	389 889 000	405 294 000	424 095 000
Net Total *	137 307 000	113 402 000	80 567 000
*Note: Surplus/ Deficit			

The table below highlights capital expenditure for the period 2020/2021, 2021/2022, and 2022/2023 comparatively.

Table: 5.3. Capital expenditure

Total Capital Expenditure from 2020/21, 2021/2022 to 2022/23			
Detail	2020/2021	2021/22	2022/23
Original budget	119 672 000	116 244 000	110 032 000
Adjustment budget	149 621 000	131 756 000	127 214 000
Actual	106 641 000	106 667 000	121 163 000

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

- **Revenue**

The Municipality receives grants and equitable shares from national treasury. The grants amount to 90% of the total receipts. Own revenue accounts for 10% of the total receipts, the municipality depends more on grants though there is a slight increase in improvement on own funding and if Treasury were to withhold the grant, the municipality will not be able to sustain itself. Revenue income for 2022/2023 (R504 663 000) has an increase in comparison with the 2021/2022 (R440 747 000) financial year.

- **Debtors**

The total debt owed to the municipality has increased to R342 080 000 in 2022/23 while it was R324 849 000 in 2021/22. These total debts include total debtors of R161 375 528 for water and sewerage owed by Mopani District Municipality. 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 R3 218 530 at year end. The municipality's current assets are less than the current liabilities, current assets amount to R48 206 422 and current liabilities amount to R96 765 122. Although the municipality seems to be operating on going concern, there are several mitigating factors that will enable the municipality to continue.

- **Expenditure analysis**

Expenditure for 2022/2023 R424 095 000 has increased compared to 2021/2022 R404 336 000. These expenditures include non-cash expenditures such as depreciation and debts impairments.

Greater Letaba Municipality
Audited Annual Financial
Statements For the Year-ended
30 June 2023



Greater Letaba Municipality
Annual financial statements for the year ended
30 June 2023

Legal form of entity

Nature of business and principal activities

Mayoral committee

Executive committee

Local Municipality

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

Cllr Mamanyoha T.D

(Mayor) Cllr Mokwathi M.M

(Speaker)

Cllr Ramalatso R.R (Chief Whip)

Cllr Baloyi R.G.(Infrastructure)

Cllr Kgapane T.J (Finance)

Cllr Lebeko N.F (Corporate &Shared Services)

Cllr Mosila M.R(Community Services)

Cllr Ramaano M.R.(Sports,Arts &Culture)

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

Cllr Selowa M.G(Water &Sanitation)

Cllr Mangena M.S

Councillors

Cllr Hlungwani S.J
Cllr Kgatla M.E
Cllr Lebepe R.R.
Cllr Lebeya J.M
Cllr Lekitima M.V.
Cllr Maake M.S.
Cllr Maake N
Cllr Mabidilala E
Cllr MakgathoTE.
Cllr Makhananisa M.D.
Cllr Makhurupetse M.M. (Chairperson of
MPAC) Cllr Malatja T.P.
Cllr Malatji M.C
Cllr Malatjie M.E
Cllr Maluleke M.J
Cllr Mamaila B.A.
Cllr Mamanyoha T.D.
Cllr Mamatlepa D.D.
Cllr Mamapeule P.J.
Cllr Mankgero M.M
Cllr Manyama M.I.
Cllr Mashao M.C.
Cllr Mashao M.G.
Cllr Matlou M.P.
Cllr Modika M.S.
Cllr Mohale M.C.
Cllr Mohale M.J.
Cllr Mohale R.W.
Cllr Mokgomola N.P.
Cllr Mokgwathi M.M.
Cllr Mokhabukhi M.S
Cllr Monyela K.B
Cllr Moroatshehla F.M.
Cllr Morwatshehla M.B.
Cllr Mothomogolo P.S.
Cllr Mulaudzi P
Cllr Nakana M.R.
Cllr Ndimma B.H.
Cllr Ngobeni M.P.
Cllr Ramabubutla L
Cllr Ramalatso M.A.

Cllr Ramalatso R.R.
Cllr Rampyapedi S.E.
Cllr Rasebotja M.S
Cllr Raseropo M.S.
Cllr Rasetsoke M.C.
Cllr Selowa D.L.
Cllr Senyolo T.J.
Cllr Seoka L.M.
Cllr Serumula M.L.
Cllr Mothele M.D

Grading of local authority	Category 3 Local Municipality in terms Remuneration of Republic
Office Bearers Act(Act 20 of 1998)	
Audit committee	Mr R Raphalalani (Chairperson)
Mr N Marobane	
Ms MJ Mojapelo	
Ms MC Maloko	
Ms M Nkwane	
Acting Chief Financial Officer	Ms AN Sesene. (From June 2023 to 31 August 2023)
Mr L Mamatlepa. (September 2023 to May 2023)	
Accounting Officers	Mr MO Sewape
Mr PL Lekhota	
Mr MO Sewape	
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 No 3 of 2016)

Municipal Finance Management Act (Act No 56 of 2003)

Municipal Property Rates Act (Act No. 6 of 2000)

Municipal Systems Act (Act No 32 of 2000)

Municipal Structures Act (Act No 117 of 1998)

Index

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

	Page
Accounting Officer's Responsibility and Approval	5
Accounting Officer's Report	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 13
Accounting Policies	13 - 43
Notes to the Annual Financial Statements	43 - 87
GRAP	Generally Recognised Accounting Practice
MPAC	Municipal Public Accounts Committee
SDL	Skill Development Levy
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

Accounting Officer's Responsibility and Approval

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

are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

The accounting officers have reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on the 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 they are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's internal auditors.

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

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed on its behalf by:



Accounting Officer's Report

The accounting officers submit their report for the year ended 30 June 2023.

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 2023, the municipality had an accumulated surplus of R 1 096 142 830 and that the municipality's total assets exceed its total liabilities by R 1 096 142 830.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Going Concern disclosure is contained in note 50 of the notes to the financial statements

3. Subsequent events

No subsequent events identified for the year under review.

4. Accounting Officers' interest in contracts

None have been identified.

5. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board and in accordance with section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003). **6.Accounting officer**

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

Name

Mr MO Sewape
Mr PL Lekhota
Mr MO Sewape
Mrs MF Mankgaba

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed on its behalf by:



MR SEWAPÉ M.O
MUNICIPAL MANAGER

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	7	9 818 799	8 286 371
Receivables from exchange transactions	8	14 538 152	9 653 022
Receivables from non-exchange transactions	9	5 123 228	1 133 398
VAT receivable	10	2 892 777	1 740 947
Consumer debtors	11	8 307 619	3 241 920
Cash and cash equivalents	12	3 218 530	1 467 956
		43 899 105	25 523 614
Non-Current Assets			
Investment property	2	187 584	196 576
Property, plant and equipment	3	1 166 281 189	1 105 359 262
Intangible assets	4	69 431	133 302
Heritage assets	5	964 706	548 500
		1 167 502 910	1 106 237 640
Total Assets		1 211 402 015	1 131 761 254
Liabilities			
Current Liabilities			
Finance lease obligation	47	238 360	1 410 876
Payables from exchange transactions	15	82 685 801	80 251 418
Consumer deposits	16	411 065	399 158
Employee benefit obligation	6	2 161 371	2 074 815
Unspent conditional grants and receipts	13	3 900 000	-
Provisions	14	8 723 472	5 167 085
		98 120 069	89 303 352
Non-Current Liabilities			
Finance lease obligation	47	-	238 360

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Employee benefit obligation		6	16	17 139 116	
617 208				<u>17 139 116</u>	
	16 855 568			<u>115 259 185</u>	<u>106 158 920</u>
Total Liabilities				<u>1 096 142 830</u>	<u>1 025 602 334</u>
Net Assets				1 096 142 830	1 025 602 334
Accumulated surplus				<u>1 096 142 830</u>	<u>1 025 602 334</u>
Total Net Assets					

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Service charges	18	23 034 576	23 228 487
Rental of facilities and equipment	19	222 761	122 507
Interest received - outstanding receivables		5 070 313	2 468 903
Agency services	21	3 400 549	3 207 458
Licences and permits	22	1 731 857	3 507 960
Other income	23	2 206 792	670 836
Interest received - investment	24	2 117 199	1 200 751
Total revenue from exchange transactions		37 784 047	34 406 902
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	13 342 128	12 080 824
Interest - Property Rates		570 976	206 580
Transfer revenue			
Government grants & subsidies	26	453 366 000	390 672 000
Donations received	48	-	11 629
Fines, Penalties and Forfeits	20	632 200	560 950
Revenue from exchange transactions			
Total revenue from non-exchange transactions		467 911 304	403 531 983
Expenditure			
Employee related costs	29	128 466 777	122 636 589
Remuneration of councillors	30	24 163 257	22 891 807
Depreciation and amortisation	31	41 248 421	40 094 061

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Total revenue	17	505 695 351	437 938 885
Finance costs	49	2 158 503	1 866 343
Debt Impairment	33	20 696 617	48 678 880
Bulk purchases	34	16 897 055	17 647 345
Contracted services	27	116 838 834	82 541 206
General Expenses	28	78 281 215	67 980 257
Total expenditure		428 750 679	404 336 488
Operating surplus		76 944 672	33 602 397
Gain/Loss on assets		1 711 595	-
Actuarial gains/losses	6	2 205 772	744 730
Impairment Gains/ Losses	32	(11 124 876)	(1 456 406)
		(7 207 509)	(711 676)
Surplus for the year		69 737 163	32 890 721

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
	<u>32 890 721</u>	<u>32 890 721</u>
Balance at 01 July 2021	1 028 445 085	1 028 445 085
Changes in net assets	992 711 613	992 711 613
Surplus for the year	32 890 721	32 890 721
Total changes		
Opening balance as previously reported		
Adjustments		
Prior year adjustments	(2 039 418)	(2 039 418)
Restated* Balance at 01 July 2022 as restated*	1 026 405 667	1 026 405 667
Changes in net assets		
Surplus for the year	69 737 163	69 737 163
Total changes	<u>69 737 163</u>	<u>69 737 163</u>
Balance at 30 June 2023	1 096 142 830	1 096 142 830
Note(s)		

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand

	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		32 339 607	29 630 131
Grants		453 366 134	390 672 000
Interest income		2 117 199	1 200 751
Other Income		1 886 644	7 648 485
		<u>489 709 584</u>	<u>429 151 367</u>
Payments			
Employee costs		(152 459 952)	(145 356 964)
Suppliers		(219 823 493)	(179 013 230)
Finance costs		<u>(23 457)</u>	<u>(1 810 378)</u>
		<u>(372 306 902)</u>	<u>(326 180 572)</u>
Net cash flows from operating activities	36	<u>117 402 682</u>	<u>102 970 795</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(113 825 026)	(105 459 831)
Purchase of heritage assets	5	(416 206)	-
Net cash flows from investing activities		<u>(114 241 232)</u>	<u>(105 459 831)</u>
Cash flows from financing activities			
Finance lease payments		(1 410 876)	(227 150)
Net increase/(decrease) in cash and cash equivalents		1 750 574	(2 716 186)
Cash and cash equivalents at the beginning of the year		1 467 956	4 184 142
Cash and cash equivalents at the end of the year	12	<u>3 218 530</u>	<u>1 467 956</u>

Budget on Accrual Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

* See Note 50

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

	78 848 000	(8 500 000)	70 348 000	37 784 047	(32 563 953)	
	11 789 000	-	11 789 000	13 342 128	1 553 128	7
	-	-	-	570 976	570 976	8
	436 366 000	-	436 366 000	453 366 000	17 000 000	10
	193 000	-	193 000	632 200	439 200	20
	448 348 000	-	448 348 000	467 911 304	19 563 304	
	527 196 000	(8 500 000)	518 696 000	505 695 351	(13 000 649)	
	(137 798 000)	2 857 000	(134 941 000)	(128 466 777)	6 474 223	12
	(24 052 000)	(3 620 000)	(27 672 000)	(24 163 257)	3 508 743	13
	(20 000 000)	(700 000)	(20 700 000)	(41 248 421)	(20 548 421)	14
	-	-	-	(11 124 876)	(11 124 876)	14
	-	-	-	(2 158 503)	(2 158 503)	18
	(21 092 000)	-	(21 092 000)	(20 696 617)	395 383	15
	(16 400 000)	(2 000 000)	(18 400 000)	(16 897 055)	1 502 945	16
	(91 140 000)	(12 829 000)	(103 969 000)	(116 838 834)	(12 869 834)	17
		887 000	(78 520 000)	(78 281 215)	238 785	19
	(79 407 000)	(15 405 000)	(405 294 000)	(439 875 555)	(34 581 555)	
	(389 889 000)					
	137 307 000	(23 905 000)	113 402 000	65 819 796	(47 582 204)	
	-	-	-	1 711 595	1 711 595	
	-	-	-	2 205 772	2 205 772	
	-	-	-	3 917 367	3 917 367	
	137 307 000	(23 905 000)	113 402 000	69 737 163	(43 664 837)	
Service charges	24 122 000	500 000	24 622 000	23 034 576	(1 587 424)	1
Rental of facilities and equipment	237 000	-	237 000	222 761	(14 239)	9
Interest received (trading)	6 030 000	-	6 030 000	5 070 313	(959 687)	2
Agency services	3 561 000	5 000 000	8 561 000	3 400 549	(5 160 451)	3
Licences and permits	20 440 000	-	20 440 000	1 731 857	(18 708 143)	4
Other income	23 150 000	(14 000 000)	9 150 000	2 206 792	(6 943 208)	5
Interest received - investment	1 308 000	-	1 308 000	2 117 199	809 199	6
Total revenue from exchange transactions						

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Revenue from non-exchange transactions

Taxation revenue

Property rates

Interest - Property Rates

Transfer revenue

Government grants & subsidies Fines, Penalties and Forfeits

Total revenue from nonexchange transactions

Total revenue

Expenditure

Personnel

Remuneration of councillors

Depreciation and amortisation Impairment loss/ Reversal of impairments Finance costs

Debt Impairment

Bulk purchases

Contracted Services

General Expenses

Total expenditure

Operating surplus

Gain on disposal of assets and

liabilities

Actuarial gains/losses

Surplus before taxation

Actual Amount on Comparable 837) Basis as Presented in the Budget and Actual Comparative Statement	137 307 000	(23 905 000)	113 402 000	69 737 163	(43 664
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Budget on Accrual Basis

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

Statement of Financial Position

Assets

Current Assets

Inventories	7 237 000	93 000	7 330 000	9 818 799	2 488 799	22
Receivables from exchange transactions	22 971 000	(3 297 000)	19 674 000	14 538 152	(5 135 848)	23
Receivables from non-exchange transactions	-	-	-	5 123 228	5 123 228	24
VAT receivable	-	-	-	22 656 503	22 656 503	25
Consumer debtors	69 023 000	2 075 000	71 098 000	8 307 619	(62 790 381)	26
Cash and cash equivalents	22 644 000	(1 226 000)	21 418 000	3 218 530	(18 199 470)	
	121 875 000	(2 355 000)	119 520 000	63 662 831	(55 857 169)	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Non-Current Assets							
Investment property	206 000	-	206 000	187 584	(18 416)		
Property, plant and equipment	1 148 528 000	(24 128 000)	1 124 400 000	1 166 281 189	41 881 189	27	
Intangible assets	1 203 000	(550 000)	653 000	69 431	(583 569)		
Heritage assets		-	549 000	964 706	415 706	3	
	549 000	(24 678 000)	1 125 808 000	1 167 502 910	41 694 910		
Total Assets	1 150 486 000		1 272 361 000	(27 033 000)	1 245 328 000	1 231 166 741	(14 162 259)
Liabilities							
Current Liabilities							
Finance lease obligation							
	-	-	-	238 360	238 360		
Payables from exchange transactions	63 457 000	(3 128 000)	60 329 000	82 685 801	22 356 801	28	
VAT payable				19 763 726	19 763 726		
Consumer deposits	388 000	(776 000)	(388 000)	411 065	799 065		
Employee benefit obligation				2 161 371	2 161 371	29	
Unspent conditional grants and receipts	1 378 000	(2 757 000)	(1 379 000)	3 900 000	5 279 000		
Provisions				8 723 472	8 723 472	30	
	65 223 000	(6 661 000)	58 562 000	117 883 795	59 321 795		
Non-Current Liabilities							
Employee benefit obligation							
	17 927 000	-	17 927 000	17 139 116	(787 884)	31	
Total Liabilities		(6 661 000)	76 489 000	135 022 911	58 533 911		
Net Assets							
	83 150 000	(20 372 000)	1 168 839 000	1 096 142 830	(72 696 170)		
Net Assets	1 189 211 000		(20 372 000)	1 168 839 000	1 096 142 830	(72 696 170)	
Net Assets Attributable to Owners of Controlling Entity							
Reserves							
Accumulated surplus							
	1 189 211 000	(20 372 000)	1 168 839 000	1 096 142 830	(72 696 170)		

Budget on Accrual Basis

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

basis budget and actual

Figures in Rand

The accounting policies on pages 13 to 43 and the notes on pages 43 to 87 form an integral part of the annual financial statements.

Accounting Policies

Figures in Rand

Note(s) 2023 2022

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

1. Presentation of Annual Financial Statements

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

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

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

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

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

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

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

GRAP - 1 Presentation of Financial Statements (Amended)
GRAP - 25 Employee Benefits (Revised)
GRAP -104 Financial Instruments (Revised)
IGRAP - 7 Defined Benefit Asset (Revised)
IGRAP - 21 Past Decisions on Materiality

Standards issued and not yet effective are disclosed in detail, including their nature under note 47 of the notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. **1.1 Presentation currency**

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

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

Fair value estimation

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

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

Contingent provisions on entity combinations

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste 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. **Debtors impairment**

Consumer debtors

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

Traffic fines debtors

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

Accounting by principals and agent

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

Additional information is disclosed in Note 46.

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.

1.4 Investment property (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

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.

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.

1.5 Property, plant and equipment (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

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
Roads, pavements, bridges and storm water	Straight-line	10-100
Street names, signs and parking meters	Straight-line	5
Electricity reticulation	Straight-line	20-50
Infrastructure assets	Straight-line	5-100
Other assets	Straight-line	2-15
Motor Vehicles	Straight-line	7-15
Plant and Equipment	Straight-line	2-15
IT Equipment	Straight-line	5-15
Office Equipment	Straight-line	5-15

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

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

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

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

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. **1.6 Intangible assets**

An asset is identifiable if it either:

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

1.6 Intangible assets (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

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.

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:

Computer software, other

Item	Depreciation method	Average useful life
	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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

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

1.7 Heritage assets (continued)

Impairment

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

Transfers

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

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

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

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

1.8 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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

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

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

A financial asset is:

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

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

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

Accounting Policies

Financial Instruments (continued)

1.8

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

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.

Accounting Policies

Financial Instruments (continued)

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.

1.8

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

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

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

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

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the municipality adequately for performing the servicing, a servicing liability for

Accounting Policies

Financial Instruments (continued)

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.

1.8

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

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

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

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

Financial liabilities

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

Presentation

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

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

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

1.9 Cash and cash equivalents

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

1.10 Tax

Value added tax

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

Accounting Policies

Financial instruments (continued)

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.

Accounting Policies

1.11 Leases (continued)

Finance leases - lessee

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

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

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

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

Operating leases - lessee

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

1.12 Inventories

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

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

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

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

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

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

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

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

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

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

1.13 Impairment of cash-generating assets

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

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

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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;

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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

Estimates of future cash flows exclude:

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

Accounting Policies

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

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

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

Useful life is either:

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

Identification

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

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

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

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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 postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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

Short-term employee benefits

Accounting Policies

1.15 Employee benefits (continued)

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.

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.

Accounting Policies

1.15 Employee benefits (continued)

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.

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.

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.

Accounting Policies

1.15 Employee benefits (continued)

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.

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.

Accounting Policies

1.15 Employee benefits (continued)

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.

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.

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 38.

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

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

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

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

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

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

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

1.17 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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 (noncontractual) 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.

1.18 Revenue from exchange transactions (continued)

Accounting Policies

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 nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

1.19 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.

Accounting Policies

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

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.

Accounting Policies

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

Fines

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

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

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method. 1.21

Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Comparative figures

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

1.22 Comparative figures (continued)

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

1.23 Unauthorised expenditure

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

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Fruitless and wasteful expenditure is also disclosed on the notes. It 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.

Accounting Policies

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Segment Information

A segment is an activity of an entity:

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

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

1.26 Segment Information (continued)

Measurement

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

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

1.27 Budget Information

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

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

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

The approved budget covers the fiscal period from 01/07/2022 to 30/06/2023.

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

Accounting Policies

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

1.28 Related parties

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

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

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

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

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

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

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

1.28 Related parties (continued)

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

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

1.29 Events after reporting date

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

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

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

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

1.30 Investments

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

Accounting Policies

1.31 Conditional grants and receipts

Revenue received from conditional grants, and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. If conditions or obligations have not been met a liability is recognised. If the obligation has been exceeded an asset is recognised. 1.32 Expenditure

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

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

2. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	480 511	(292 927)	187 584	480 511	(283 935)	196 576

Reconciliation of investment property - 2023

Investment property

Opening balance	Depreciation	Total
196 576	(8 992)	187 584

Reconciliation of investment property - 2022

Investment property

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

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	33 571 077	-	33 571 077	33 571 077	-	33 571 077
Buildings	378 861 055	(87 493 571)	291 367 484	273 247 736	(78 289 838)	194 957 898
Leasehold property	4 151 951	(3 913 071)	238 880	4 151 951	(2 529 088)	1 622 863
Plant and machinery	28 808 855	(14 970 989)	13 837 866	34 219 171	(18 180 764)	16 038 407
Motor vehicles	24 876 472	(14 594 409)	10 282 063	28 709 546	(18 076 040)	10 633 506
Infrastructure	860 996 869	(195 016 647)	665 980 222	776 293 537	(158 725 764)	617 567 773
Other assets	14 942 154	(12 702 327)	2 239 827	15 478 768	(12 426 075)	3 052 693
43 608 303	-	43 608 303	143 721 248	-	143 721 248	
494 972 203	(328 691 014)	1 166 281 189	1 393 586 831	(288 227 569)	1 105 359 262	
WIP - Infrastructure						
WIP - Buildings						
Total						

3. New standards and interpretations (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Impairment reversal	Total
Land	33 571 077	-	-	-	-	-	-	-	33 571 077
Buildings	194 957 898	-	-	105 689 188	-	(9 279 602)	-	-	291 367 484
Leasehold property	1 622 863	-	-	-	-	(1 383 983)	-	-	238 880
Plant and machinery	16 038 407	100 000	(196 013)	-	-	(1 940 116)	(164 412)	-	13 837 866
Motor vehicles	10 633 506	2 532 858	(821 685)	-	-	(1 939 625)	(548 384)	425 373	10 282 063
Infrastructure	617 567 773	745 828	-	83 893 967	-	(25 441 887)	(10 785 459)	-	665 980 222
Other assets	3 052 693	58 550	(23 803)	394 726	-	(1 190 345)	(51 994)	-	2 239 827
WIP - Infrastructure	84 193 797	100 542 189	-	-	(79 580 519)	-	-	-	105 155 467

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

WIP - Buildings	143 721 248	10 308 896	-	-	(110 418 841)	-	-	-	43 608 303
	1 105 359 262	114 285 321	(1 041 481)	189 977 881	(189 999 360)	(41 175 558)	(11 550 249)	425 373	1 166 281 189

3. New standards and interpretations (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Assets held for sale	Transfers	Depreciation	Impairment loss	Total
Land	34 830 077	-	(1 259 000)	-	-	-	33 571 077
Buildings	190 096 298	376 399	-	13 192 020	(8 706 819)	-	194 957 898
Leasehold property	3 006 847	-	-	-	(1 383 984)	-	1 622 863
Plant and machinery	19 317 672	538 399	-	7 440	(2 785 179)	(1 039 925)	16 038 407
Motor vehicles	7 758 465	5 112 830	-	-	(1 812 417)	(425 372)	10 633 506
Infrastructure	594 437 154	484 615	-	46 778 305	(23 867 360)	(264 941)	617 567 773
Other assets	4 169 598	332 196	-	11 629	(1 309 190)	(151 540)	3 052 693
WIP - Infrastructure	58 646 062	72 239 980	-	(46 692 245)	-	-	84 193 797
WIP - Buildings	129 092 642	27 914 127	-	(13 285 521)	-	-	143 721 248
	1 041 354 815	106 998 546	(1 259 000)	11 628	(39 864 949)	(1 881 778)	1 105 359 262

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

Project description	Carrying Amount 30 June 2023	Start Date	Planned Completion date	Revised Completion date	Reason for delay
WIP53 - MADUMELENG SHOTONG SPORTS COMPLEX	27 637 803	10 September 2018	10 March 2021	30 June 2024	Budgetary constraints.
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
	30 536 110				

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

48

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

4. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software						
Reconciliation of intangible assets - 2023	1 319 316	(1 249 885)	69 431	1 319 316	(1 186 014)	133 302

Computer software				Opening balance	Amortisation	Total
Reconciliation of intangible assets - 2022				133 302	(63 871)	69 431

Computer software				Opening balance	Amortisation	Total
Pledged as security.				170 224	(36 922)	133 302

No carrying value of intangible assets were pledged as securities.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

49

5. Heritage assets

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Waterfall picnic site
Historical monuments and statues
Mayoral gold chain Paintings

Total

Reconciliation of heritage assets 2023

Waterfall picnic site
Historical monuments and statues
Mayoral gold chain Paintings

Reconciliation of heritage assets 2022

Waterfall picnic site
Historical monuments and statues
Mayoral gold chain
Paintings

2023			2022		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
103 000	-	103 000	103 000	-	103 000
606 706	-	606 706	190 500	-	190 500
195 000	-	195 000	195 000	-	195 000
60 000	-	60 000	60 000	-	60 000
964 706	-	964 706	548 500	-	548 500

Opening balance	Additions	Total
103 000	-	103 000
190 500	416 206	606 706
195 000	-	195 000
60 000	-	60 000
548 500	416 206	964 706

Opening balance	Total
103 000	103 000
190 500	190 500
195 000	195 000
60 000	60 000
548 500	548 500

Figures in Rand

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Notes to the Annual Financial Statements

	2023			2022		
	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						
Mayoral gold chain Paintings	606 706	-	606 706	190 500	-	190 500
Total	195 000	-	195 000	195 000	-	195 000
	60 000	-	60 000	60 000	-	60 000
Reconciliation of heritage assets 2023	964 706	-	964 706	548 500	-	548 500

	2023			2022		
	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						
Mayoral gold chain Paintings	606 706	-	606 706	190 500	-	190 500
Total	195 000	-	195 000	195 000	-	195 000
	60 000	-	60 000	60 000	-	60 000
Reconciliation of heritage assets 2022	964 706	-	964 706	548 500	-	548 500

	2023			2022		
	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						
Mayoral gold chain Paintings	606 706	-	606 706	190 500	-	190 500
Total	195 000	-	195 000	195 000	-	195 000
	60 000	-	60 000	60 000	-	60 000
Reconciliation of heritage assets 2022	964 706	-	964 706	548 500	-	548 500

Figures in Rand

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
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:		
Present value of the defined benefit obligation-wholly unfunded	(14 046 876)	(13 394 100)
Present value of the defined benefit obligation-partly or wholly funded	(5 253 611)	(5 297 923)
	(19 300 487)	(18 692 023)
Non-current liabilities	(17 139 116)	(16 617 208)
Current liabilities	(2 161 371)	(2 074 815)
	(19 300 487)	(18 692 023)
Carrying value		
Post retirement benefit plan		
6.1 Post retirement medical aid plan		
The post-employment health care benefits valuation considers all current employees, retired employees and their dependants who participate in the health care arrangements and are entitled to a post-employment medical scheme subsidy. The postemployment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability. The effective date of the valuation is 30 June 2022.		
The amounts recognised in the statement of financial position are as follows:		
Non-Current Liabilities	12 737 767	12 081 789
Current Liabilities	<u>1 309 109</u>	<u>1 312 311</u>
	14 046 876	13 394 100
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	13 394 100	12 180 000
Benefits paid	(101 585)	(97 541)
Net expense recognised in the statement of financial performance	754 361	1 311 641
	14 046 876	13 394 100
Net expense recognised in the statement of financial performance		
Current service cost	1 064 357	946 238
Past service cost	251	(83 103)
Interest cost	1 587 841	1 276 236
Actuarial (gains) losses	(1 898 088)	(827 730)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
6. Employee benefit obligations (continued)	754 361	1 311 641
Defined benefit obligation - Post retirement medical plan	14 046 876	13 394 100
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	(1 898 088)	(827 730)
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	12.57 %	11.85 %
Medical cost trend rates	8.17 %	8.46 %
Average retirement age	62	62
The basis on which the medical aid inflation rate has been determined is as follows:		

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

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year.

We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

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

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities.

However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 12.57% per annum has been used. The corresponding index-linked yield at this term is 4.98%. 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 2023.

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).

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

6. Employee benefit obligations (continued)

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:

	2023	2022	2021	2020	2019
	R	R	R	R	R
Defined benefit obligation	14 046 876	13 394 100	12 180 000	9 439 171	9 257 717
Surplus (deficit)	(14 046 876)	(13 394 100)	(12 180 000)	(9 439 171)	(9 257 717)

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 2023: 273 (2022:251). As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability.

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

Carrying value	5 253 610	5 297 923
Heading		
Non-current liabilities	4 638 943	4 709 844
Current liabilities	614 667	588 079
	5 253 610	5 297 913

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

Opening balance	5 297 923	4 585 324
Benefits paid	(711 935)	(388 095)
Net expense recognised in the statement of financial performance	667 622	1 100 694
	5 253 610	5 297 923

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

Current service cost	541 524	549 000
Interest cost	547 205	442 000
Actuarial (gains) losses	(421 107)	83 000
	667 622	1 074 000

Calculation of actuarial gains and losses

Actuarial (gains) losses - Obligation	(307 684)	83 000
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Key assumptions used

Assumptions used at the reporting date:

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
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Notes to the Annual Financial Statements

6. Employee benefit obligations (continued)

Discount rates used	11.38 %	11.08 %
Expected increase in salaries %	6.62 %	7.32 %
Average retirement age	62	62

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

We have derived the underlying future rate of consumer price price index (CPI inflation) from the relationship between the (yield curve based) inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus. The salaries used in the valuation include an assumed increase on 1 July 2022 of 6.50%. The next salary increase was assumed to take place on 1 July 2023.

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 2023 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:

	2023	2022	2021	2020	2019
Defined benefit obligation	5 253 610	5 297 923	4 585 100	4 356 224	4 013 049
Plan assets	(5 253 610)	(5 297 923)	(4 585 100)	(4 356 224)	(4 013 049)
	-	-	-	-	-

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees (or specify number of employees covered). A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

6. Employee benefit obligations (continued)

An increase in actuarial losses is attributable to an increase in the number of employee in the current year.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

7. Inventories

Land Held for sale	1 259 000	1 259 000
Consumable stores	8 559 799	7 027 371
	9 818 799	8 286 371

Inventory pledged as security

No carrying value of inventory were pledged as security.

Land appointed in terms of legislation which entity controls without legal ownership or custodianship

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	7 369 289	2 244 346
Sundry debtors	6 700 891	7 313 332
Impairment: Sundry Debtors	(4 229 219)	(4 209 601)
Mopani District Municipality	161 375 528	145 552 463
	(156 678 337)	(141 247 518)
Impairment: Mopani District Municipality	14 538 152	9 653 022

Receivables from exchange transactions has significantly increased from prior year due to an increase of R5 124 943 relating to deposits paid to Eskom in the current year for network securities. The increase in impairment provision is attributable to the payment rate and the ageing of individual debtors balances.

Fines	9 658 629	9 092 820
Consumer Debtors - Rates	73 712 240	68 651 703
Impairment of Consumer debtors - Rates	(68 575 330)	(67 540 270)
Impairment debtors - Traffic fines	(9 672 311)	(9 070 855)
	5 123 228	1 133 398

Ageing for Consumer debtors: Rates

Current (0 - 30 days)	1 077 923	1 003 434
31 - 60 days	738 730	702 569
61 - 90 days	1 728 921	678 524
91 -120 days	704 017	671 511
121 -365 days	6 253 427	5 843 732
> 365 days	61 753 712	61 047 234
Less: Impairment	(68 575 330)	(67 540 270)
	3 681 400	2 206 734

9. Receivables from non-exchange transactions

9. Receivables from non-exchange transactions (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements	8 307 619	3 241 920
Factors the entity considered in assessing statutory receivables impaired		
A payment rate was determined and used to calculate the amount of debt impairment at year end		
Receivables from non-exchange transactions pledged as security		
No other receivables from non-exchange transactions were pledged as security.		
10. VAT receivable		
VAT	2 892 777	1 740 947
11. Consumer debtors		
Gross balances		
Electricity	115 598	106 738
Refuse	35 158 618	34 653 482
Other	94 757 694	89 388 928
121 - 365 days	29 755 484	26 928 588
> 365 days	159 228 590	150 905 199
Less: Allowance for impairment		
Electricity	(29 279 938)	(32 051 310)
Refuse	(93 712 395)	(88 745 308)
Other	3 353	4 370
31 - 60 days	3 185	4 116
61 - 90 days	3 207	4 057
91 - 120 days	2 978	4 013
121 - 365 days	23 204	29 605
> 365 days	996 885	574 630
		620 791
Business service levies		
Current (0 -30 days)	388	585
31 - 60 days	385	574
61 - 90 days	385	574
91 - 120 days	383	567
121 - 365 days	2 671	3 963
> 365 days	58 058	84 644
	62 300	90 907
	1 032 812	
Other	(28 299 198)	(26 865 571)
	(151 291 531)	(147 662 189)
Electricity		

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

11. Consumer debtors (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates are charged based in the Municipal Properties Rates Act, 2004 (Act No.6 of 2004) on all applicable properties under the demarcations of the Municipality)

Traffic fines are charged based on the offences as prescribed by laws of the country as well as the Municipal by-laws

Determination of transaction amount

The amount for property rates billing is determined through the implementation of the valuation roll that contains a list of properties and their market values for the determination of the rates payable

Traffic fines are charged in line with the type of offences and its charge as per the rates of determined in the by-laws and the Traffic Act

Statutory receivables impaired

As of 30 June 2023, Statutory receivables of R83 370 869 (2022: R78 839 826) were impaired and provided for.

The amount of the provision was R(78 247 641) as of 30 June 2023 (2022: R(76 611 125)).

Net balance

Electricity	5 830 541	2 562 112
Refuse	1 032 812	620 791
Other	1 444 266	59 017

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements	8 307 619	3 241 920
Factors the entity considered in assessing statutory receivables impaired		
A payment rate was determined and used to calculate the amount of debt impairment at year end		
Receivables from non-exchange transactions pledged as security		
No other receivables from non-exchange transactions were pledged as security.		
10. VAT receivable		
VAT	2 892 777	1 740 947
11. Consumer debtors		
Gross balances		
Electricity	115 598	106 738
51 - 60 days	35 188 678	34 643 422
61 - 90 days	94 744 894	89 308 928
91 - 120 days	29 743 484	26 988 598
121 - 365 days	159 898 150	150 904 199
> 365 days	5 325 219	1 944 279
Less: Allowance for impairment	5 830 541	2 562 112
Electricity	(29 279 938)	(32 051 310)
Refuse	(93 712 395)	(88 745 308)
Current (0 -30 days)	3 353	4 370
31 - 60 days	3 185	4 115
61 - 90 days	3 207	4 057
91 - 120 days	2 978	4 013
121 - 365 days	23 204	29 605
> 365 days	996 885	574 630
		620 791
Business service levies		
Current (0 -30 days)	388	585
31 - 60 days	385	574
61 - 90 days	385	574
91 - 120 days	383	567
121 - 365 days	2 671	3 963
> 365 days	58 088	84 644
	62 300	90 907
	(28 299 188)	(26 865 571)
Other	(151 291 531)	(147 562 189)
Electricity		
	1 032 812	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

11. Consumer debtors (continued)

Summary of debtors by customer classification

Current (0 -30 days)	2 163 863	1 802 504
31 - 60 days	1 561 064	1 306 185
61 - 90 days	1 581 489	1 257 769
91 - 120 days	1 499 480	1 301 177
121 - 365 days	11 162 157	8 865 772
> 365 days	168 883 836	152 185 350
	186 851 889	166 718 757
Industrial/ commercial		
Current (0 -30 days)	1 153 546	1 000 822
31 - 60 days	761 988	716 493
61 - 90 days	700 324	603 619
91 - 120 days	533 400	659 976
121 - 365 days	3 306 351	4 085 921
> 365 days	25 762 563	24 381 196
	32 218 172	31 448 027
National and provincial government		
Current (0 -30 days)	250 301	270 879
31 - 60 days	72 785	136 642
61 - 90 days	1 021 825	131 372
91 - 120 days	261 949	159 894
121 - 365 days	1 030 764	991 151
> 365 days	5 441 097	17 542 988
	8 078 721	19 232 926
Total		
Current (0 -30 days)	3 567 711	2 070 771
31 - 60 days	2 395 837	1 456 752
61 - 90 days	3 303 638	1 314 235
91 - 120 days	2 294 829	1 449 535
121 - 365 days	15 499 271	9 408 939
> 365 days	132 537 864	135 203 697
Consumers		
	(151 291 531)	(147 662 009)
	8 307 619	3 241 920
	159 599 150	150 903 929
Less: Allowance for impairment		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(365 520 832)	(316 841 952)
	(20 696 617)	(48 678 880)
Contributions to allowance	(386 217 449)	(365 520 832)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Narration of Classification by Customer

Consumer debtors pledged as security

No consumer debtors were pledged as security for any liabilities.

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 2023 was drawn from the system.

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

Twelve months payments report starting from 01 July 2022 to 30 June 2023 was for all other debtors and therefore recoverability rate was determined for each debtor.

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

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

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	3 218 530	1 467 956
	<u> </u>	<u> </u>

The closing balance of cash book varies with the closing balance of bank statements due to outstanding deposits and outstanding payments relating to revenue and expenditure at year end. **The municipality had the following bank accounts**

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2023	30 June 2022	30 June 2021	June 30, 2023	30 June 2022	30 June 2021
FIRST NATIONAL BANK - 52100005761 - Cheque Account	826 124	818 149	470 756	1 282 024	1 139 746	636 398
FIRST NATIONAL BANK - 62051705534 - Call account	578 635	144 482	3 037 845	1 797 089	200 242	3 424 882
ABSA BANK - Fixed Investment	134 918	127 967	122 861	139 417	125 388	122 862
Total	<u>1 539 677</u>	<u>1 090 598</u>	<u>3 631 462</u>	<u>3 218 530</u>	<u>1 465 376</u>	<u>4 184 142</u>

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Disaster Management Grant	3 900 000	-
	<u> </u>	<u> </u>

Movement during the year

Additions during the year	115 306 000	79 924 000
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
-----------------	------	------

Notes to the Annual Financial Statements

11. Consumer debtors (continued)

	(111 406 000)	_____
Income recognition during the year	<u>3 900 000</u>	<u>-(79 924 000)</u>

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.

14. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Total
Provision-SARS VAT	5 167 085	3 556 387	8 723 472

Provisions for VAT represent accrual VAT payable not yet due to SARS as the municipality is on Cash Basis and the AFS are prepared on an Accrual Basis.

There is an increase of R3 531 804 in the current year due to an increase in accrued VAT payables. 15.

Payables from exchange transactions

Trade payables	17 860 115	20 013 085
Payments received in advanced	10 986 840	10 298 391
Retentions	27 193 930	23 024 777
Accrued leave pay	13 295 641	15 202 828
Accrued annual bonus	2 374 529	2 117 448
Unallocated deposits	5 900 168	5 224 882
Other Creditors	5 074 578	4 370 007
	82 685 801	80 251 418

Trade payables age analysis

Current (0-30 days)	<u>16 301 924</u>	<u>20 040 026</u>
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16. Consumer deposits

Electricity	<u>411 065</u>	<u>399 158</u>
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Consumer deposits are raised when a services account is opened and is refunded to the consumer after the account is closed.

No interest is paid on consumer deposits.

Service charges	23 034 576	23 228 487
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Rental of facilities and equipment	222 761	122 507
Interest received - outstanding receivables	5 070 313	2 468 903
Agency services	3 400 549	3 207 458
Licences and permits	1 731 857	3 507 960
Other income	2 206 792	670 836
Interest received - investment	2 117 199	1 200 751
Property rates	13 342 128	12 080 824
Interest - Property Rates	570 976	206 580
Government grants & subsidies	453 366 000	390 672 000
Public contributions and donations	-	11 629
Fines, Penalties and Forfeits	632 200	560 950
17. Revenue	505 695 351	437 938 885

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
17. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or		
Service charges	23 034 576	23 228 487
Rental of facilities and equipment	222 761	122 507
Interest received (trading)	5 070 313	2 468 903
Agency services	3 400 549	3 207 458
Licences and permits	1 731 857	3 507 960
Other income	2 206 792	670 836
Interest received - investment	2 117 199	1 200 751
	37 784 047	34 406 902
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	13 342 128	12 080 824
Interest - Property Rates	570 976	206 580
Transfer revenue		
Government grants & subsidies	453 366 000	390 672 000
Public contributions and donations	-	11 629
Fines, Penalties and Forfeits	632 200	560 950
	467 911 304	403 531 983
18. Service charges		
Sale of electricity	17 098 571	18 170 012
Solid waste	5 936 005	5 058 475
	23 034 576	23 228 487
19. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities	222 761	122 507
services are as follows:		
20. Fines, Penalties and Forfeits		
Municipal Traffic Fines	632 200	560 950
21. Agency services		
Management fees	3 400 549	3 207 458
22. Licences and permits (exchange)		
Road and Transport	1 731 857	3 507 960

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Revenue from licences and permits has decreased by R2 545 004 from prior year due to interruptions that occurred in the municipal testing stations during the year..

23. Other revenue

Other income	2 206 792	670 836
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Other income has significantly increased in the current year due to sale of stands that occurred in the current year.

24. Investment revenue

Interest revenue

Bank	2 117 199	1 200 751
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25. Property rates

Rates earned

Residential	5 729 667	4 459 998
State and Commercial	7 612 461	7 620 826
	<u>13 342 128</u>	<u>12 080 824</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand	2023	2022
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Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
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Notes to the Annual Financial Statements

26. Government grants and subsidies

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

Integrated National Electrification Grant

Current-year receipts	20 560 000	11 170 000
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Conditions met - transferred to revenue	(20 580 000)	(11 170 000)
Equitable share	341 960 000	310 748 000
Finance Management Grant	2 000 000	2 000 000
Extended Public Works Programme	2 139 000	1 918 000
Energy Efficiency Management Grant	6 000 000	4 000 000
	352 099 000	318 666 000
Capital grants		
Municipal Infrastructure Grant	80 707 000	60 836 000
Integrated National Electrification Grant	20 580 000	11 170 000
Operating grants		
	461 367 000	73 006 000
	433 388 888	538 872 888
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Finance Management Grant (FMG)		
Current-year receipts	2 000 000	2 000 000
Conditions met - transferred to revenue	(2 000 000)	(2 000 000)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Extended Public Works Programme Grant (EPWP)		
Current-year receipts	2 139 000	1 918 000
Conditions met - transferred to revenue	(2 139 000)	(1 918 000)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Energy Efficiency Management Grant		
Current-year receipts	6 000 000	4 000 000
Conditions met - transferred to revenue	(6 000 000)	(4 000 000)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Municipal Infrastructure Grant		
Current-year receipts	80 707 000	60 836 000
Conditions met - transferred to revenue	(80 707 000)	(60 836 000)
	-	-
26. Government grants and subsidies (continued)		
	-	-
Conditions still to be met - remain liabilities (see note 13).		
27. Contracted services		

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Other Contractors	25 300	-
Outsourced Services		
Business and Advisory	-	389 437
Catering Services	2 041 224	791 331
Meter Management	633 243	609 898
Mini Dumping Sites	4 446 902	3 651 520
Security Services	341 202	372 221
Consultants and Professional Services		
Business and Advisory	11 290 476	5 991 859
Infrastructure and Planning	4 527 755	8 260 447
Legal Cost	11 540 561	14 813 132
Contractors		
Audio-visual Services	-	179 340
Bore Waterhole Drilling	85 910	13 718
Electrical	21 273 735	10 580 036
Event Promoters	1 008 218	461 401
Fire Services	347 937	359 971
Maintenance of Buildings and Facilities	5 316 487	8 833 182
Maintenance of Equipment	4 245 039	3 685 641
Maintenance of Unspecified Assets	12 338 398	2 545 931
Pest Control and Fumigation	17 800	189 968
Transportation	130 240	64 300
Safeguard and Security	36 943 366	20 633 197
Sports and Recreation	217 989	27 072
Stage and Sound Crew	-	59 904
Removal of Hazardous Waste	67 052	27 700
	116 838 834	82 541 206
Presented previously		

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
28. General expenses		
Advertising	1 743 507	940 837
Auditors remuneration	4 895 952	4 962 986
Bank charges	447 845	528 674
Vehicle tracking	1 140 006	363 564
Commission paid	244 992	164 153
Stores and material	14 018 643	12 145 636
Entertainment	-	2 885
Hire	640 465	272 400
Insurance	4 991 269	4 478 516
IT expenses	8 097 771	5 500 155
Seminars Conferences Workshops and Events	188 349	71 337
Vehicle licences	-	302 087
Printing and stationery	-	4 015
Protective clothing	3 308 150	3 069 230
Research and development costs	3 913 043	-
Subscriptions and membership fees	1 475 064	1 365 324
Communication	4 112 497	3 963 514
Travel - local	13 275 230	14 080 860
Rentals for printers	2 885 059	3 894 424
Assets expensed	29 750	-
Electricity	4 368 273	5 228 698
Bursary scheme	608 416	48 750
Interns	180 689	558 565
Free basic services and rebates	516 582	363 357
Remuneration of ward committees	6 179 337	5 288 139
Other expenses	1 020 326	382 151
	78 281 215	67 980 257

Included in Other expenses is an amount of R650 735.76 relating to payments made to PRODIBA in relation to licencing and permits. The payment is as a result of preliminary investigation recommended by council for full investigation.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements	76 507 375	73 654 276
Bonus-13th Cheque	6 051 030	5 491 864
Medical aid - company contributions	6 423 244	5 472 515
UIF	510 963	685 615
Employee related costs	479 808	474 977
SDL	1 219 654	1 348 549
Leave pay provision charge	2 459 697	1 112 217
Pension fund and other fund contributions	15 797 932	14 979 711
Travel, motor car, accommodation, subsistence and other allowances	702 672	1 274 107
Overtime payments	4 961 865	5 175 010
Long-service awards	368 467	600 609
Acting allowances	1 594 353	2 502 751
Car allowance	8 892 285	7 609 622
Housing benefits and allowances	1 643 102	1 431 812
Cellular and telephone allowance	854 330	822 954
	128 466 777	122 636 589

Remuneration of Municipal Manager

Annual Remuneration	621 352	1 026 637
Travel Allowance	14 000	-
KM Claims	9 674	15 462
Contributions to UIF, Medical and Pension Funds	-	13 152
Leave Pay	64 800	-
Cellphone Allowance	21 000	36 000
Computer Allowance	7 000	12 000
Danger Allowance	-	5 500
Acting Allowance	113 636	-
Non Pensionable	150 000	360 000
CC - SDL	7 296	10 903
CC - UIF	1 240	2 125
CC - Bargain	54	124
	1 010 052	1 481 903

Mrs Mankgaba M.F resigned in November 2022. Mr Sewape M.O was appointed as Acting Municipal Manager from December 2022 to January 2023. Mr Lekhota PL was then appointed as an Acting Municipal Manager from February 2022 to April 2023. Mr Sewape M.O was appointed as a Municipal Manager from May 2023 to date.

Remuneration of Chief Finance Officer

Annual Remuneration	140 371	842 227
Travel Allowance	30 000	180 000
Acting Allowance	219 709	-
Contributions to UIF, Medical and Pension Funds	354	12 648
KM Claims	5 982	4 863
Cellphone Allowance	7 800	36 000
Computer Allowance	2 000	12 000
Danger Allowance	-	5 500
Leave Pay	139 023	-
CC - SDL	3 114	10 399
CC - UIF	3 540	2 125
CC - Bargain	21	124
	551 914	1 105 886

TM Mathabatha resigned in August 2022. Mr Mamatlepa M.L was appointed Acting CFO from September 2022 to May 2023. Ms Sesene AN appointed Acting CFO from June 2023 to 31 August 2023.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

29. Employee related costs

(continued)

Remuneration of Senior Manager Corporate services

Annual Remuneration	851 035	577 729
Travel Allowance	180 000	145 250
Back Pay	6 389	3 275
Annual Bonus	-	48 417
Contributions to UIF, Medical and Pension Funds	2 125	152 642
KM Claim	28 351	16 029
Computer Allowance	12 000	-
Cellphone Allowance	36 000	14 000
Acting Allowance	-	236 965
Danger Allowance	-	5 500
Non Pensionable	-	3 000
CC - SDL	3 114	2 568
CC- UIF	3 540	2 125
CC - Bargain	21	123
	1 122 575	1 207 623

Mr Lekhota P.L is the Senior Manager: Corporate and Shared Services

Remuneration of Senior Manager Community Services

Annual Remuneration	500 854	854 226
Car Allowance	49 000	84 000
KM Claim	16 695	51 094
Non Pensionable	49 000	84 000
Contributions to UIF, Medical and Pension Funds	1 417	23 999
Acting Allowance	68 596	-
Computer Allowance	7 000	12 000
Cellphone Allowance	21 000	36 000
Danger Allowance	-	5 500
Leave Pay	199 211	-
Pack Pay	42 062	-
CC - SDL	8 094	9 751
CC - Bargain	75	124

3 540

CC - UIF

966 544

1 162 819 2 125

Dr Mokoena M.D resigned in January 2023. Ms Shoroma L was appointed Acting Senior Manager: Community Services from February 2023 to date.

Remuneration of Senior Manager Technical Services

Annual Remuneration	757 778	1 022 220
Travel Allowance	14 000	-
Back Pay	42 062	-
Acting Allowance	38 872	-
Contributions to UIF, Medical and Pension Funds	1 771	13 007
Computer Allowance	8 000	12 000
Cellphone Allowance	27 000	36 000

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
29. Employee related costs		
Danger Allowance	-	5 500
Bonus	42 324	-
KM Claim	5 476	-
Leave Pay	215 751	-
CC - SDL	11 042	10 758
CC - Bargain	75	124
CC - UIF	3 540	2 125
(continued)		
	1 167 691	1 101 734

Mr Malungana ME resigned in January 2023. Ms Nhlane G was appointed as an Acting Senior Manager for Technical Services from February 2023 to April 2023. Ms Nhlane G was then appointed as a Senior Manager for technical Services from May 2023 to date.

Remuneration of Senior Manager Development and Planning

Annual Remuneration	542 854	986 226
Travel Allowance	21 000	36 000
Non Pensionable	35 000	35 000
Contributions to UIF, Medical and Pension Funds	1 417	12 686
KM Claim	20 318	31 881
Computer Allowance	7 000	12 000
Cellphone Allowance	21 000	36 000
Danger Allowance	-	5 500
Leave Pay	195 051	-
Acting Allowance	58 787	-
Back Pay	42 062	-
CC - SDL	8 855	10 437
CC - Bargain	76	124
	3 540	
CC - UIF	956 980	1 167 979
		2 125

Mr Sewape M.O resigned in January 2023 as Senior Manager: Development and Planning. Mr Rababalela M.E was appointed Acting Senior Manager: Development and Planning from February 2023 to date. 30.

Remuneration of councillors

Executive Mayor	945 002	901 658
Mayoral Committee Members	10 054 637	9 435 082
Speaker	763 923	729 488
Councillors	12 399 695	11 825 579
	24 163 257	22 891 807

In-kind benefits

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

Additional information

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

29. Employee related costs

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	41 175 558	40 165 340
Investment property	8 992	8 992
Intangible assets	63 871	(80 271)
	41 248 421	40 094 061

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
32. Impairment of assets		
Impairments		
Property, plant and equipment	11 124 876	1 456 406
<p>The significant increase in impairment loss is mainly attributable to an impairment of road infrastructure assets amounting to R10 785 459 which was recognised in the current year.</p>		
33. Debt impairment		
Debt impairment	20 696 617	48 678 880
34. Bulk purchases		
Electricity - Eskom	16 897 055	17 647 345
36. Cash generated from operations		
Surplus	69 737 163	32 890 721
Adjustments for:		
Depreciation and amortisation	41 248 421	40 094 061
Gain/ loss on assets	(1 527 700)	-
Finance costs - Finance leases	23 457	55 965
Impairment deficit	11 124 876	1 456 406
Debt impairment	20 696 617	48 678 880
Donation received	-	(11 629)
Movements in retirement benefit assets and liabilities	608 464	1 926 700
Movements in provisions	3 556 387	5 167 085
Other Non cash items	-	231 186
Changes in working capital:		
Inventories	(1 543 310)	(1 048 985)
Receivables from exchange transactions	(19 868 205)	(48 909 614)
Consumer debtors	(6 267 616)	12 321 418
Other receivables from non-exchange transactions	(119 974)	4 096 282
Statutory receivables	(981 637)	(1 740 947)
Other asset 1	-	(3 281 378)
Payables from exchange transactions	(3 196 168)	11 033 434
Unspent conditional grants and receipts	3 900 000	-
Consumer deposits	11 907	11 210
	117 402 682	102 970 796
35. Auditors' remuneration		
Fees	4 895 952	4 962 986

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
37. Commitments		
Authorised capital expenditure		
• Property, plant and equipment	144 534 132	133 875 806
• Prior year corrections	-	2 731 200
• Operational	9 971 966	21 424 730
	154 506 098	158 031 736
Total capital commitments		
Already contracted for but not provided for	154 506 098	155 300 536
Already contracted for but not provided for (Adjustments)	-	2 731 200
	154 506 098	158 031 736
Already contracted for but not provided for	154 506 098	158 031 736

The closing balance of commitments in the prior year was misstated by R2 731 200.17.

The error was corrected in the current year by restating opening balances from R155 300 536.09 to R158 031 736.26.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
38. Contingent Liabilities		
Contingent liability relating to Lesly Cecilia Ndlve was misstated by R76 084.97 in the prior year. The error was corrected by restating opening balances from R100 000.00 to R23 915.03.		
1. Hennox 60 CC - The Municipality is sued R3 635 393.33 for damages caused to the Plaintiff's house due to non maintenance of the storm water pipes crossing the Plaintiff's yard. The matter is being defended and still pending.	15 618 755	13 462 070
2. Star Mirl - The Municipality is sued R7 069 436.52 is sued R7 069 437 by the Plaintiff. 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
3. Terror Trading Enterprise - The Municipality is sued R4 374 783.30 by the Plaintiff. The Plaintiff alleges that the contract awarded to him was terminated unlawfully so by the Municipality. The matter is being defended and still pending.	11 528 400	9 931 816
4. JM Rakomane O.B.O MT Rakomane - The Municipality is sued R915 000.00 by the Plaintiff. The Plaintiff is acting on behalf of his child and is suing the Municipality for alleged injuries sustained by the child on Municipal property (Stadium). The matter is on a pleading stage.	1 102 849	1 025 946
5. Voltex (Pty) Ltd - The Municipality is sued for R147 517.36 by the Plaintiff. The Plaintiff was the service provider of the Municipality and is suing the latter for the work allegedly done. The matter is being defended and still pending.	211 571	151 870
6. Hlamalani Ben Maselesele - The Municipality is sued R40 951.36 by the Plaintiff. The Plaintiff alleges that the municipality had failed to maintain internal street at Ga-Kgapane suffered damages after falling into a huge pothole. The matter is being defended and still pending.	40 951	40 951
7. Lesly Cecelia Ndlve - The Municipality is sued R23 915.03 by the Plaintiff. The Plaintiff is seeking a mandatory order demanding that the property sold to him be transferred.	23 915	23 915
	-	-
	-	-
8. Maile Rufus - The Municipality is sued R30 000.00 by the Plaintiff. The Plaintiff is suing the Municipality for damages caused by uncontrolled storm channe.	30 000	30 000
9. Vincent Marelele - The Municipality is sued R20 000.00 by the Plaintiff. The plaintiff is suing the municipality for damages caused by unmaintained road. The matter is being defended and still pending.	26 153	26 153
10. Burica (Pty) Ltd - The Municipality is sued R238 977.24 by the Plaintiff. The Plaintiff is suing the municipality for alleged outstanding contractual money for service rendered. The matter is being defended and still pending.	248 074	-
	35 900 105	31 762 168
Description		

Contingent assets

Other expenses includes an amount of R650 735.76 relating to payments made to PRODIBA in relation to licencing and permits. The payment is as a result of preliminary investigation recommended by council for full investigation. The municipality considers the recovery of losses resulting from the suspected fraud as a contingent asset.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

39. Related parties

Relationships

Members of key management

MO Sewape (Municipal Manager)

AN Sesene (Acting Chief Financial Officer)

G Hlane (Senior Manager Technical Services)

MP Lekhota (Senior Manager Corporate Services)

L Shoroma (Senior Manager Community Services)

ME Rababalela (Senior Manager Development and Planning)

Councillors - Refer to note below.

All Councillors have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over the Council in making financial or operational decision. For a detailed list of councillors refer to page 1 and 2 of the AFS.

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

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

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

40. 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.

40. Risk management (continued)

Credit risk

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

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	2023	2022
Receivables from exchange transactions	14 567 170	9 653 022
Receivables from non exchange transactions	5 123 228	2 228 701
VAT Receivable	2 892 777	1 740 947
Consumer debtors	8 307 619	3 241 920
Trade and other payables	(82 709 120)	(80 251 418)
Consumer deposits	(411 065)	(399 158)

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

Market risk

Interest rate risk

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

Interest risk arises from receivables and financial assets

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

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

Financial Liabilities

Employee benefit obligation	19 300 487	18 692 023
-----------------------------	------------	------------

41. Unauthorised expenditure

Opening balance as previously reported	<u>471 956 748</u>	<u>389 955 820</u>
Opening balance as restated	471 956 748	389 955 820
Add: Expenditure identified - current	33 126 715	82 000 928
Closing balance	<u>505 083 463</u>	<u>471 956 748</u>

42. Fruitless and wasteful expenditure

Opening balance as restated	3 081 021	3 348 733
Add: Expenditure identified - current	127 206	41 012
Add: Stock losses due to theft and shortages	467 995	866 816
Less: Amounts overstated in the prior year	-	(106 276)
Less: Amount written off - current	(2 945 551)	-

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Less: Current year recoveries	(30 146)	(1 070 264)
Less: Interest written off	(40 012)	-
Closing balance	660 513	
Opening balance as previously reported	3 081 021	3 348 733
Fruitless and wasteful expenditure was overstated by R105 276.97 in the previous year. The error was corrected in the current year by restating the opening balances from R3 186 297 to R3 081 021.		
		3 081 021
43. Irregular expenditure		
Opening balance as previously reported	23 495 179	213 495 083
Opening balance as restated	23 495 179	213 495 083
Add: Irregular Expenditure - current	16 284 147	4 493 382
Add: Irregular Expenditure Recurring - prior period	-	19 773 480
Less: Amount written off - current	(19 720 332)	(214 266 766)
Closing balance	20 058 994	23 495 179
Analysis of expenditure awaiting condonation per age classification		
Current year	16 284 147	4 493 382
44. Additional disclosure in terms of Municipal Finance Management Act		
SALGA		
Current year subscription / fee	1 493 897	1 270 302
Amount paid - current year	(20 833)	(1 270 302)
Electricity distribution losses	1 473 064	
Kwh units purchased from Eskom	(9 897 311)	(11 555 771)
Kwh units sold per billing system statistics	6 271 576	10 475 852
Distribution savings / (losses)	(3 625 735)	(1 079 919)
Audit fees		
Current year subscription / fee	5 127 948	4 962 986
Amount paid - current year	(4 859 528)	(4 962 986)
		-
Amounts written-off		
Current year write off	(19 720 332)	(214 266 766)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
	268 420	

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

PAYE, UIF and SDL

Current year subscription / fee	19 465 038	24 435 907
Amount paid - current year	(17 575 428)	(22 690 785)
	1 889 610	1 745 122

Pension and Medical Aid Deductions

Current year subscription / fee	24 227 927	30 723 911
Amount paid - current year	(21 132 952)	(28 075 522)
	3 094 975	2 648 389

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. The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2023:

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
	R	R	R
MP Lekitima	1 233	85 261	86 494
M Manyama	1 472	9 644	11 116
	2 705	94 905	97 610

45. Deviation from supply chain management regulations

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements. The total deviations for the year under review amounted to R20 368 046.20 (2022: R8 674 435.50)

46. Entities Part of a Principle vs Agent Arrangement

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

Municipality acting as the agent

Revenue recognised as compensation for the transactions carried out on behalf of the principal.	474 459	295 379
Revenue received or to be received on behalf of the principal	10 033 277	10 042 225
Expenditure paid or incurred on behalf of the principal	18 078 203	26 901 621
	28 585 939	37 239 225

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Receivables held on behalf of the principal		
Opening balance	87 647 116	88 749 028
Revenue receivables	10 033 277	8 940 313
Amounts received	<u>(8 510 026)</u>	<u>(10 042 328)</u>
	91 170 368	87 647 116
Payables held on behalf of the principal		
Expenses Incurred	18 078 203	26 901 621
Cash paid	<u>(18 078 203)</u>	<u>(26 901 621)</u>
	-	-

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.

47. Finance lease obligation Minimum lease payments due

- within one year		238 360	
- in second to fifth year inclusive		<u>238 360</u>	<u>1 410 876</u>
Present value of minimum lease payments			1 649 236
Non-current liabilities		-	238 360
Current liabilities	1 410 876	<u>238 360</u>	<u>1 649 236</u>
	1 649 236		

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

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

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

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

48. Donation received

Donation received		-	11 629
		<u>-</u>	<u>11 629</u>
Finance leases		23 457	55 965

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand	2023	2022
Notes to the Annual Financial Statements		
Employee benefit obligation	2 135 046	1 810 378
	2 158 503	1 866 343
49. Finance costs	<hr/>	<hr/>
50. Prior period errors	<hr/>	<hr/>
Nature of the error		

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

50. Prior period errors (continued)

1. Finance lease obligations,

Finance lease obligation amounting to R1 172 516 was erroneously classified under non current liabilities instead of current liabilities. The misstatement was corrected by restating opening balances.

2. Property plant and equipment

Property, plant and equipment as at 30 June 2022 was stated by R127 502. The error was corrected in the current year by restating the opening balances.

3. Intangible assets

Intangible assets as at 30 June 2023 was misstated by R117 205. The error was corrected in the current year by restating opening balances.

4. Depreciation

Depreciation as at 30 June 2022 was misstated by R3 993. The error was corrected in the current year by restating opening balances.

5. Amortisation

Amortisation as at 30 June 2022 was misstated by R123 509. The error was corrected in the current year by restating the opening balances.

6. Consumer debtors

Consumer debtors as at 30 June 2022 was misstated by R343 403. The error was corrected in the current year by restating the opening balances.

7. Receivables from non exchange transactions.

Receivables from non exchange transactions as at 30 June 2022 was misstated by R1 095 303. The error was corrected in the current year by restating the opening balances.

8. Service charges

Service charges as at 30 June 2022 was misstated by -R260 686. The error was corrected in the current year by restating opening balances.

9. Interest received - outstanding receivables

Interest received - outstanding receivables as at 30 June 2022 was misstated by R261 443. The error was corrected in the current year by restating opening balances.

10. Property rates

Property rates as at 30 June 2022 was misstated by R750 852. The error was corrected in the current year by restating opening balances.

11. Interest on property rates

Interest on property rates as at 30 June 2022 was misstated by R344 451. The error was corrected in the current year by restating opening balances.

12. Provision

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand		2023	2022		
Notes to the Annual Financial Statements					
Provision as at 30 June 2022 was misstated by R178 725. The error was corrected in the current year by restating opening balances.					
50. Prior period errors (continued)					
The correction of the error(s) results in adjustments as follows:					
Statement of Financial Position	Note	As previously reported	Correction of errors	Reclassification	Total
Current Assets		-	-	-	-
Receivables from non-exchange transactions	9	2 228 701	(1 095 303)	-	1 133 407
Consumer debtors	11	3 585 323	(343 403)	-	3 241 931
Non-Current Assets					
Property, plant and equipment	3	1 105 420 833	(127 502)	-	1 105 293 334
Intangible assets	4	16 120	117 205	-	133 329
Current Liabilities					
Finance lease obligation	47	(238 360)	-	(1 172 516)	(1 410 829)
Provision	'14	(4 988 360)	(178 725)	-	(5 167 085)
Non-Current Liabilities					
		(1 410 876)			(238 313)
Finance lease obligation	47	<u>1 104 613 381</u>	<u>(1 627 728)</u>	<u>-</u>	<u>1 102 985 774</u>
	1 172 516				
Statement of Financial Performance	Note	As previously reported	Correction of errors	Reclassification	Total
Revenue		-	-	-	-
Service charges	18	23 489 173	(260 704)	-	23 228 487
Interest received - outstanding receivables		2 730 346	(261 443)	-	2 468 903
Property rates	24	12 831 676	(750 852)	-	12 080 848
Interest - Property Rates		551 032	(344 451)	-	206 581
Expenditure					
Depreciation and amortisation	30	40 036 347	(113 212)	-	39 923 165
		<u>79 638 574</u>	<u>(1 730 662)</u>	<u>-</u>	<u>77 907 984</u>

51. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus of R 1 096 142 830 and that the municipality's total assets exceed its total liabilities by R 1 096 142 830.

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

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

As at 30 June 2023, the municipality only had R3 218 530 cash on hand and this may not be sufficient enough to :

To pay for trade creditors to the value of R16 million in the next 12 months.

To pay for retentions amounting to R27 million that is payable to service providers whose projects has been completed in the current year

The unknown deposits amounting to R6 million and income received in advance of R11 million which the municipality has an obligation to pay back to the customers is not back by our cash in the bank.

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

Financial Considerations in line with the Requirements OF GRAP:

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

The municipality is not reliant on credit/loans.

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

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

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

Revenue Generating Activities:

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

Mopani District owes the municipality an amount of R161 million and has committed to pay/settle this outstanding balance during 2023/2024 financial year. The payment of this amount will assist the municipality with meeting its own funded service delivery objectives

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations of the municipality. **52.**

Segment information

General information

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

52.

Identification of segments

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

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

The following are the reportable segments of the municipality.

Executive and Council

Provides political leadership to the municipality for the generation of economic benefits and service potential

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

Budget and Reporting

Provides financial administration to the municipality for the generation of economic benefits and service potential Community Services and Public Safety

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

Provides for waste management, town planning, local economic development and environment

sustainability for the generation of economic benefits and service potential Technical Services Road transport, electricity, housing and building inspection, project management unit, wastewater

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

management and all infrastructure services to the municipality for the generation of economic benefits and service potential

52.

Corporate Services and Administration

Provides legal and administration management services including HR and IT to the municipality for the generation of service potential Geographical considerations:

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).

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

Management has as per the GRAP standards decided to report on Greater Letaba Municipality as a single geographical area.

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

52.

Aggregated segments

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

Figures in Rand

2023

2022

Notes to the Annual Financial Statements

Segment information (continued)

The following are the reportable segments of the municipality:

Executive Council

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

Budget and Reporting

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

Community Services and Public Safety

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

Planning and Development

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

Technical Services

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

Corporate Services and Administration

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

Geographical consideration:

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

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

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of GLM extends over approximately 1891 km². GLM incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgape, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction.

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

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

Segment surplus or deficit, assets and liabilities

Segment surplus or deficit

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

52. Segment information (continued)

2023

	98 807 489	16 464 321	115 271 810		80 976 276	124 012 720		
	467 911 304	37 784 047	505 695 351	152 624 335	41 248 421	234 872 224	428 744 980	
	505 695 351							
	Revenue from non-exchange transactions	Revenue from exchange transactions	Total Segment revenue	Salaries and wages	Depreciation and amortisation	Other expenses	Total Segment expenditure	Total segment (deficit) surplus
Revenue								
Budget and Reporting	358 439 163	11 494 945	369 934 108	20 980 671	2 753 826	32 920 032	56 654 529	313 279 579
Community and Public Safety	10 664 652	9 824 781	20 489 433	41 946 099	8 754 461	16 322 251	67 022 811	(46 533 378)
Corporate and Administration	-	-	-	23 363 125	2 553 516	60 878 911	86 795 552	(86 795 552)
Executive and Council	-	-	-	39 947 880	687 232	37 030 810	77 665 922	(77 665 922)
Planning and Development	-	-	-	9 849 502	-	6 743 944	16 593 446	(16 593 446)
Technical Services	-	-	-	16 537 058	26 499 386	-	-	(8 740 910)
Total								76 960 371
Other reconciling items								

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

Impairment Gains/losses	(11 124 876)
Actuarial Gains/losses	2 205 772
Gains/ losses on assets	1 711 595
Entity's Surplus (deficit) for the period	69 742 862
Entity's revenue	

2022

	Revenue from non-exchange transactions	Revenue from exchange transactions	Other revenue	Total Segment revenue	Salaries and wages and	Depreciation and amortisation	Other expenses	Total Segment expenditure	Total segment (deficit) surplus
52. Segment information (continued)									
Revenue Budget and Reporting									
	24 894 948	18 806 857				27 830 321	48 081 825	94 182 585	(50 680 782)
	404 096 653	34 708 997	750 668	439 556 318	121 858 168	42 390 838	240 166 620	404 415 626	35 140 692
				439 556 318					
	376 029 134	7 284 915	750 668	384 064 717	20 054 935	2 753 826	18 748 893	41 557 654	342 507 063
Community and Public Safety	3 172 573	8 817 225	-	11 989 798	38 249 597	189 913	18 885 882	57 325 392	(45 335 594)
Corporate and Administration	-	-	-	-	22 140 687	11 616 778	37 844 893	71 602 358	(71 602 358)
Executive and Council	-	-	-	-	13 469 401	-	109 939 374	123 408 775	(123 408 775)
Planning and Development	-	-	-	-	9 673 109	-	6 665 753	16 338 862	(16 338 862)
Technical Services	-	-	-	43 501 803	18 270 439	-	-	-	-
Total									

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

Entity's revenue

Other reconciling items

Impairment loss

(1 456 406)

Actuarial Gain/losses

744 730

Entity's Surplus (deficit) for the period

Segment assets and liabilities

2023

Budget and Reporting
Community and Public Safety
Corporate and Administration
Executive and Council
Planning and Development
Technical Services

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

34 429 016

238 690 428 (301 829 062) (63 138 634) 59 619 300

167 502 910 43 928 1231 211 487 729 (115 282 504)

Total segment assets 1

Total as per Statement of financial Position

Non-current assets	Current segment	Total assets	Total liabilities	segment
872 497 493 59				
55 011 979	6 512 6221	469 066 811	(183 660 916)	
(9	1 216 844)	(36 204 865)	13 226 404	
(32 348)	(88 076 519)	(88 108 867)	(3 172 744)	
1 335 358	(53 505 577)	(52 170 219)	(1 297 593)	
-	(17 956 497)	(17 956 497)	3 045	
1 211 487 729 (115 282 504)				

2022

52. Segment information

(continued)

	Non-current assets	Current segment	Total assets	Total liabilities	segment
Budget and Reporting	916 971 547	463 149 112 380	120 660	(147 160 338)	
Community and Public Safety	58 667 161	(75 118 614)	(16 451 453)	9 422 462	
Corporate and Administration	1 607 555	(73 181 662)	(71 574 107)	3 158 176	
Executive and Council	- (63 335 225)	(63 335 225)	1 042 646	Planning and Development	- (12 144 587) (10 885 587) 875 316
Technical Services					128 281 876 (211 822 610) (83 560 733) 28 398 967
Total segment assets	1	105 508 139	27 546 414	134 313 555	(104 262 751)
Total as per Statement of financial Position	134 313 555 (104 262 751)				

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

Notes to the Annual Financial Statements

Other information

2022

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

53. Budget differences

Material differences between budget and actual amounts

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

53. Budget differences (continued)

1. Service Charges

The service charges declined due to a decrease in sale of electricity that is attributable to loadshedding.

2. Interest received- Outstanding receivables

The municipality's collection rate is lower than what was anticipated the outstanding debtors which had an impact on interest revenues.

3. Agency services

The agency fee decreased due to Mopani district not paying the municipality for the services that they are performing on behalf of the district.

4. Licence and permits

Licences and permits decreased due to unanticipated interruptions that occurred in the traffic stations..

5. Other income

The decreased due to reduction on sale of stands compared to budget..

6. Interest received- investments

Interest received increased due to cash held in the bank that accumulated interests..

7. Property rates

The variance is due to the over budgeting on property rate for the current year, this was fixed on the 2022/2023 budget 8.

Interest- Property Rates

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

9. Rental of facilities and equipment

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

10. Donation

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

11. Employee related costs

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

12. Councillor remuneration

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

13. Depreciation and amortisation

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

14. Debt impairment

The municipality had not budgeted for debt impairment, this was corrected in 2022/2023 budget. 15.

Bulk Purchases

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
-----------------	------	------

53. Budget differences (continued)

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

16. Contracted services

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

17. Finance costs

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

18. General expenses

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

19. Fines and Penalties

More fines were issued as compared to the budgeted figure

20. Inventories

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

21. Receivable from exchange transactions

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

22. Receivable from non-exchange

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

23. Vat Receivable

The municipality did not budget for VAT receivable

24. Property Plant and Equipment

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

25. Payables from Exchange Transaction

The variance is attributable to outstanding creditors at year end.

26. Employee Benefit

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

27. VAT Provision

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



CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

6.1. INTRODUCTION

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

This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include details on issues raised during the previous financial year and remedial action taken to address the above and preventative measures. The municipality has received for 2020/2021 and 2021/22 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 2023/2024 financial year, the municipality shall ensure that employees are trained in financial and performance management. The municipality shall ensure forward planning when implementing projects in order to accelerate the implementation of projects.

6.2.AUDITOR GENERAL'S OPINION FOR 2022/2023 FINANCIAL YEAR

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

Report on the audit of the financial statements

Opinion:

1. I have audited the financial statements of the Greater Letaba Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Letaba Local Municipality as at 30 June 2023 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 56 of 2003 (MFMA), and the Division of Revenue Act 5 of 2022 (DoRA).

Context 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 responsibilities of the auditor-general 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 unqualified opinion.

Material uncertainty relating to going concern

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. I draw attention to note 51 to the financial statements, which indicates that the municipality is in a net current liability position and its key financial ratios are adverse. As stated in note 51, these events or conditions, along with the other matters as set forth in the note, indicate that a

material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Material Impairments

9. As disclosed in note 8, 9 and 11 financial statements, material impairments of R 156 678 337, R78 247 641 and R 151 291 531 respectively, were incurred as a result of providing for doubtful debts for customer who are not paying their accounts.

Significant uncertainties

10. 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 these matters cannot presently be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

11. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality, for the year ended, 30 June 2023.

Responsibilities of the accounting officer for the financial statements

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

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

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
KPA 2 — Municipal financial viability		To ensure that the municipality is financially viable to deliver services
KPA 3 — Basic service delivery	XX	To ensure quality services to communities

18. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. The material findings on the reported performance information for the selected development priorities are as follows:

KPA 2: Municipal financial viability

Percentage of free basic services (FBS) budget spent

22. Non qualifying customers received free basic electricity from Eskom.

23. The Indigent budget expenditure was R500 000 allocated and the actual spending to Eskom is R516 581 leading to unauthorized expenditure of R 16 581 and % of FBS spent is 103%.

KPA 3: Basic service delivery

Number of households with access to kerbside waste management collections

24. The number of households with access to the kerbside refuse collection reported in the annual performance report is 2 686 achievements as per the collection report, however, the number of refuse collections in the billing report is 2 965, thus the annual performance reported achievement is understated by 279 households.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements / measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

27. The municipality plays a key role in delivering services to South Africans. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages [xx to xx].

KPA 3 — Basic service delivery

Targets achieved: 40%		
Key service delivery indicators not achieved	Planned target	Reported achievement
Developed maintenance plan	01	0
Developed road master plan	01	0

# of households having access to electricity (in the Greater Letaba municipality service area)	1 022	849
# of households having access to kerbside solid waste collection	2 731	2686
Number of solid waste management by -laws gazetted	1	0
Approved integrated transport plan (ITP) by the MEC	1	0

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 2: municipal financial viability and KPA 3: basic service delivery. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

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

Material misstatements of current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). This non-compliance was identified in the procurement processes for the security services.

Expenditure management

35. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R33 126 715, as disclosed in note 41 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by overspending of the approved total budget.
36. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R595 201, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on late payments as well as stock losses.
37. Reasonable steps were not taken to prevent irregular expenditure amounting to R16 284 147 as disclosed in note 43 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management requirements.

Consequence management

38. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
39. Allegations of theft of cash which exceeded R1 000 000 were not reported to the South African Police Service, as required by section 34(1) of the Prevention and Combating of Corrupt Activities Act 12 of 2004.

Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
41. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities

presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

45. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

46. The accounting officer and management did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with laws and regulations.

47. Internal controls for monitoring compliance with laws and regulations are ineffective as they did not detect and prevent instances of non-compliance with applicable laws and regulations.

48. The internal control monitoring mechanisms of the municipality are not functioning optimally, as many control weaknesses are only discovered during the audit of the financial statements and performance information and compliance.

49. Slow responses by management to address internal control deficiencies and implement recommendations are the root cause of poor audit outcomes in the performance information.

50. The accounting officer did not adequately monitor financial controls over management of cash.

Auditor General

Polokwane

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public
confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 development priorities and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance.

1. 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

2022 23 AUDIT ACTION PLAN

Financial Year: 2022/2023

Annexure: Matters Affecting Audit Report

Audit Action Plan Status: All

Implementation Status: Not Yet Started/ in Progress |Completed Agreed

Line Item	Finding	Amount	No. of Years Repeated	Responsible Person	Due Date	Management Approval Comments	CFO Approval Comments	IA Approval Comments	Action Plan Status	Implement action Progress %	Implementati on Status	Completed Date
Reported information not reliable	COMAF 13: AOPO indicator % of FBS budget spent: Non qualifying households received free basic services.	16 581		David Kupayi, Annah Sesene	01-Apr-2024	The municipality will verify configured beneficiaries from Eskom against the indigent register before	Implement the audit action plan	The implementation on of action to be monitored by IA on a quarterly basis	Developed (Internal Auditor Approved)		Not Yet Started	
Reported information not reliable	COMAF 12: Number of households per register do not agree to billing report.		2	Annah Sesene, David Kubayi	01-Apr-2024	reconciliation between refuse collection schedule and billing report must be performed before information is reported in the APR.	Implement the audit action plan		Developed (CFO Approved)		Not Yet Started	

	<p>"The Accounting Officer did not adequately review and monitor compliance with the MFMA act and the preferential procurement regulation 2017 during the financial year.</p> <p>The impact of the above will result in non-compliance with the MFMA act section 112(1)(n) & 112(2) and SCM regulation 36.</p> <p>The non-compliance has resulted in irregular expenditure incurred by the municipality of R 11 307 375 and R 5 932 044.15 which totaled R 17 239 419"</p>	17 239 419		Portia Kgatla , Annah Sesene	01-Apr-2024	All deviations approved must be in line with the SCM regulations 36.	Implement the audit action plan		Developed (CFO Approved)	10%	In Progress	27-Dec-2023
	COMAF 5: Unauthorized Expenditure – Investigation for unauthorized expenditure not performed.	471 956 748	2	Annah Sesene , Obed Sewap a	01-Apr-2024	Mpac to investigate unauthorised expenditure.	Implement the audit action plan		Developed (CFO Approved)		Not Yet Started	

	COMAF 15: Cash theft "1. Cash transactions not paid over to PRODIBA. 2. Theft of municipal funds through stolen receipt books. 3. Unbanked cash relating to traffic driving licensing testing center (DLTC)."	2 112 690		Annah Sesene, Obed Sewap a	01-Apr-2024	Accounting officer to open case with SAPS and recover the stolen cash after the investigation.	Implement the audit action plan		Developed (CFO Approved)		Not Yet Started	
	ISS.21 – COMAF 11: Payments made after 30 days (Non-compliance with MFMA)			2 Annah Sesene, Vivian Sekgot a	01-Apr-2024	Implement the audit action plan	Implement the audit action plan		Developed (CFO Approved)		Not Yet Started	

OTHER MATTERS

Line Item	Finding	Amount	No. of Years Repeated	Responsible Person	Due Date	Management Approval Comments	CFO Approval Comments	Action Plan Status	Implementation Progress %	Implementation Status	Completed Date
Rev from non-exch transactions : Fines	COMAF 10: Traffic Fines not recorded-Completeness	3 863 451		David Kupayi, Annah Sesene	01-Apr-2024	All traffic fines issued must be captured on a daily basis in the system and reconciled against the	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	
Employee- related costs	COMAF 2: Internal control deficiency - Employee related costs Acting allowance was not paid in terms of the approved acting contract			Annah Sesene, Ngoako Lebepe, Sekedi Mapatha	01-Apr-2024	The accuracy and completeness of all acting must be done	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	

Other	COMAF 2: Internal control deficiency - Employee related costs supporting documents for leave transactions other than vacation leave that were applied during year under review were not uploaded on the system and as a result, these leave transactions were not converted to annual vacation leave or unpaid leave			Annah Sesene, Ngoako Lebepe, Sekedi Mapatha	01-Apr-2024	Completeness exercise must be done on all special leave filled.	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	
Reported information not reliable	COMAF 2: Internal control deficiency – KPA 3 Number of MIG projects implemented. It has been noted that the municipality has reported 8 MIG Project implemented in the 4th quarter SDBIP progress report, however, 15 MIG projects have been reported as being implemented in the APR. Therefore, the reporting in the SDBIP was incorrect as the actual achievement was 15 MIG projects implemented per the implementation plan as at 30 June 2023.			Dikgari Ignatius Mogale	01-Apr-2024	Reconciliation of MIG projects implemented (appointed) must be done and reviewed.	Implement the audit action plan	Developed (CFO Approved)	100%	Completed	05-Feb-2024

	COMAF 2: Internal control deficiency - internal audit function the Internal auditors are not members of relevant professional bodies that oblige them to comply with the relevant professional standards. I.e., IIA or SAICA.			Emmanuel Mukhufi, Khomotso Modjadji	01-Apr-2024	Implemented	Implement the audit action plan	Developed (CFO Approved)	100%	Completed	21-Dec-2023
	COMAF 2: Internal control deficiency - Audit committee During the audit, it was noted that there is no evidence to support that the Audit Committee exercised its responsibility of reviewing the annual report within the stipulated time frame.			Emmanuel Mukhufi	01-Apr-2024	Implemented	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	
Other	COMAF 2: Internal control deficiency - Receivables from exchange transactions During the audit it was noted that the municipality does not invoice Mopani on a monthly basis as per the agreement between the two parties.			Jimmy Ngholele, Annah Sesene	01-Apr-2024	The municipality is currently invoicing Mopani on Monthly	Implement the audit action plan	Developed (CFO Approved)	46%	In Progress	27-Dec-2023
Other	ISS.8 – COMAF 2: Internal control deficiency - HR management Audit findings			Ngoako Lebepe, Peter Lekota	01-Apr-2024	Implement the audit action plan	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	

Other	ISS.26 – COMAF 08: Unauthorised debit orders	141 919		Annah Sesene, Obed Sewapa	01- Apr- 2024	Implement the audit action plan	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	
Other	ISS.49 – COMAF 08: Internal control deficiency- Reconciling items are not cleared on a timely basis	1 674 353		David Kupayi, Annah Sesene	01- Apr- 2024	Implement the audit action plan	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	
	ISS.1 – COMAF 1: Internal auditors - External Quality Assurance Review/assessment was not performed on the internal audit function as required by IIA standards.			Emmanuel Mukhufi	01- Apr- 2024	Implement the audit action plan	Implement the audit action plan	Developed (CFO Approved)		Not Yet Started	

APPENDICE

APPENDIX A- COUNCILLORS; COMMITTEE ALLOCATION AND ATTENDANCE

Councillors, Committees Allocated and Council Attendance 2022/23					
Council Members	Full Time/Part Time FT/PT	Committee Allocated	*Ward and/ or Party Represented	Number of m meetings held/ attended	Percentage of Meetings Attendance
				No	%
Cllr Mamanyoha T.D	FT	EXCO	ANC	10/10	100%
Cllr Mokgwati M.M	FT	PMT	ANC	9/11	82%
Cllr Ramalatso R.R	FT	PMT	ANC	10/11	91%
Cllr Lebeko N.F	FT	Corporate and Shared Services	ANC	10/10	100%
Cllr Kgapane T.J	FT	Finance	ANC	8/8	100%
Cllr Baloyi R.G	FT	Infrastructure	ANC	4/6	67%
Cllr Ramaremela M.J	PT	Economic Development, Housing & Spatial Planning	ANC	12/12	100%
Cllr Mosila MR	PT	Community Services	ANC	7/7	100%
Cllr Selowa SG	PT	Water & Sanitation	ANC	4/4	100%
Cllr Ramaano K.E	PT	Sports, Arts and Culture	ANC	6/7	86%
Cllr Mathaba M.E	PT	Public Transport & Roads	EFF	0/8	0%
Cllr Makhurupetse M.M	FT	Municipal Public Accounts	ANC/ PR	12/14	86%

Cllr Mohale R.W	PT	Municipal Public Accounts	ANC / W 1	9/14	64%
Cllr Seoka L.M	PT	Ethics Committee	ANC / W 2	4/4	100%
Cllr Lebepe R.R	PT	Corporate Services	ANC / W3	9/10	90%
Cllr Manyama M.I.	PT	Ethics Committee	ANC/W4	4/4	100%
Cllr Rasebotja S.M	PT	Finance	ANC / W 5	5/8	63%
		Infrastructure		6/6	100%
		Public Transport & Roads		8/8	100%
Cllr Mokgomola N.P	PT	Finance	ANC / W 6	6/8	75%
		Sport, Arts & Culture		4/7	57%
Cllr Nakana M.R	PT	Economic Development, Housing & Spatial Planning	ANC / W 7	11/12	92%
Cllr Maake S.M	PT	Infrastructure	ANC / W 8	6/6	100%
		Community Services		4/7	57%
Cllr Ramalatso A.M	PT	Infrastructure	ANC/ W 9	3/6	50%
Cllr Makgato T.E	PT	Economic Development, Housing & Spatial Planning	ANC / W 10	6/12	50%
	PT	Water & sanitation		4/4	100%
Cllr Ramaano KE	PT	Sports, Arts and Culture	ANC / W 11	6/7	86%

Cllr Mashao M.G	PT	Corporate and Shared Services	ANC / W 12	10/10	100%
Cllr Lekitima M.V	PT	Municipal Public Accounts	ANC / W 13	11/14	79%
Cllr Lebeko NF	PT	Corporate and Shared Services	ANC / W 14	10/10	100%
Cllr Mokhabukhi M.S	PT	Public Transport & Roads	ANC / W 15	8/8	100%
Cllr Ngobeni MP	PT	Environmental Affairs	ANC / W 16	4/7	57%
Cllr Mankgero MM	PT	Infrastructure	ANC / W 17	4/6	67%
Cllr Ndima B.H	PT	Municipal Public Accounts	ANC / W 18	11/14	79%
Cllr Mabidilala E	PT	Municipal Public Accounts	ANC/ W 19	10/14	71%
Cllr Rampyapedi S.E	PT	Sports,Arts and Culture	ANC/ W 20	4/7	57%
		Water & Sanitation		2/4	50%
Cllr Monyela KB	PT	Municipal Public Accounts	ANC/ W 21	11/14	71%
Cllr Mamaila B.A	PT	Community Services	ANC/ W 22	6/7	86%
Cllr Maake N.	PT	Finance	ANC / W23	5/8	63%
Cllr Mamatlepa D.D	PT	Corporate and Shared Services	ANC / W24	5/10	50%
		Environmental Affairs		4/7	57%
Cllr Modika M.S	PT	Ethics	ANC / W25	3/4	75%

Cllr Mohale M;J	PT	Municipal Public Accounts	ANC /W 26	11/14	79%
Cllr Moroatshehla M.B	PT	Public Transport & Roads	ANC/ W 27	8/8	100%
		Finance		3/8	38%
Cllr Hlungwani SJ	PT	Community Services	ANC / W 28	6/7	86%
Cllr Malatji M.C	PT	Infrastructure	ANC/W 29	5/6	83%
Cllr Lebeya M.J	PT	Sports, Arts and Culture	ANC/ W 30	5/7	71%
Cllr Maluleke M.J	PT	Corporate and shared services	MIM/PR	3/10	30%
Cllr Mohale M.C	PT	Finance	ANC/PR	8/8	100%
Cllr Makhananisa MD	PT	Ethics	ANC/PR	4/4	100%
Cllr Mothomogolo P.S	PT	Finance	ANC/PR	6/8	75%
		Ethics		4/4	100%
		Public Transport & Roads		8/8	100%
Cllr Malatji M.E	PT	Infrastructure	EFF/PR	6/6	100%
		Water & Sanitation		2/4	50%
Cllr Mulaudzi P	PT	Infrastructure	EFF/PR	3/6	50%
Cllr Moroatshehla M.F	PT	Economic Development, Housing & Spatial Planning	ANC/PR	12/12	100%
Cllr Rasetsoke M.C	PT	Economic Development, Housing & Spatial Planning	LIRA/PR	12/12	100%
Cllr Senyolo T.J	PT	Community Services	COPE/PR	0/7	0%

Cllr Malatja T.P	PT	Water & Sanitation	ANC/PR	4/4	100%
Cllr Kgatla M.E	PT	Environmental Affairs	EFF/PR	5/7	71%
	PT	Ethics		3/4	75%
		Finance		5/8	63%
Cllr Serumula M.L	PT	Sports Arts & Culture	DA/PR	4/7	57%
Cllr Mampeule P.J	PT	Environmental Affairs	ANC/PR	0/7	0%
Cllr Raseropo S.M	PT	Environmental Affairs	EFF/PR	4/7	57%
Cllr Selowa D.L	PT	Municipal Public Accounts	COPE /PR	7/14	50%
Cllr Ramabubutla L	PT	Municipal Public Accounts	ANC /PR	11/14	79%
Cllr Mangena M.S	PT	Municipal Public Accounts	EFF/PR	0/14	0%
Cllr Matlou M.P	PT	Ethics	ANC/PR	2/4	50%
Cllr Mashao MC	PT	Public Transport & Roads	EFF/PR	8/8	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 ADMNISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	(State title and name)
Municipal Manager s Office	Municipal Manager: Mr Sewape M.O
Corporate Services	Senior Manager :Mr Lekhota M.P
Community Services	Acting Senior Manager: Ms Shoroma L
Budget and Treasury	Acting Chief Financial Officer: Mr Mamatlepa M.L
Development & Town Planning	Senior Manager Planning: Rababalela M. E
Technical Services	Senior Manager: Ms Nhlane G.I

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 2022/23					
Ward Name (Number)	Name of ward councillor and elected ward committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speaker's office on time	Number of quarterly public ward meetings held during the year
Ward 1	Cllr MOHALE R.W	Yes	12	12	04
Ward 2	Cllr SEOKA L.M	Yes	12	12	04
Ward 3	Cllr LEBEPE R.R	Yes	12	12	04
Ward 4	Cllr MANYAMA M.I	Yes	12	12	04
Ward 5	Cllr RASEBOTJA S.M	Yes	12	12	04
Ward 6	Cllr MOKHOMOLA N.P	Yes	12	12	04
Ward 7	Cllr NAKANA M.R	Yes	12	12	04
Ward 8	Cllr MAAKE S.N	Yes	12	12	04
Ward 9	Cllr RAMALATSO A.M	Yes	12	12	04
Ward 10	Cllr MAKGATO T.E	Yes	12	12	04
Ward 11	Cllr RAMAANO K.E	Yes	12	12	04
Ward 12	Cllr MASHAO M.G	Yes	12	12	04
Ward 13	Cllr LEKITIMA V.M	Yes	12	12	04
Ward 14	Cllr LEBEKO N,F	Yes	12	12	04
Ward 15	Cllr MOKHABOKHI M.S	Yes	12	12	04

Ward 16	Cllr NGOBENI M.P	Yes	12	12	04
Ward 17	Cllr MANKGERU M.M	Yes	12	12	04
Ward 18	Cllr NDIMA B.H	Yes	12	12	04
Ward 19	Cllr MABIDILALA E	Yes	12	12	04
Ward 20	Cllr RAMPYAPEDI E.S	Yes	12	12	04
Ward 21	Cllr MONYELA K.B	Yes	12	12	04
Ward 22	Cllr MAMAILA B.A	Yes	12	12	04
Ward 23	Cllr MAAKE N	Yes	12	12	04
Ward 24	Cllr MAMATLEPA D.D	Yes	12	12	04
Ward 25	Cllr MODIKA M.S	Yes	12	12	04
Ward 26	Cllr MOHALE M.J	Yes	12	12	04
Ward 27	Cllr MORWATSHEHLA M.B	Yes	12	12	04
Ward 28	Cllr HLONGWANE S.J	Yes	12	12	04
Ward 29	MALATJI M.C	Yes	12	12	04
Ward 30	Cllr LEBEYA J.M	Yes	12	12	04

APPENDIX F: WARD INFORMATION

Capital Projects: Largest in 2022/23 (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 2023	R 47 841 885
W 12	Thakgalane Sports Complex	01 July 2019	30 June 2023	R44 821 431
W 16 & 28	Rotterdam sports Complex	01 July 2019	30 June 2023	R 38 454 803

APPENDIX G– LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into from 2022/23)					
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
FNB	Provision of Banking Services	30/04/2019	30/04/2023	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

APPENDIX H: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS					
ESTABLISHMENTS LACKING SERVICES	LOCATION	WATER	SANITATION	ELECTRICITY	SOLID WASTE COLLECTION
Kgapane	Kgapane	YES	YES	YES	YES
Medingen	Medingen	YES	YES	YES	YES
Sekgopo	Sekgopo	YES	YES	YES	YES
Duiwelskloof	Modjadjiskloof	YES	YES	YES	YES
Shotong	Shotong	YES	YES	YES	YES
Modjadji	Sekhwiting	YES	YES	YES	YES
Bolobedu	Bolobedu	YES	YES	YES	YES
Matswi	Matswi	YES	YES	YES	YES
Senopela	Senopela	YES	YES	YES	YES
Seapole	Seapole	YES	YES	YES	YES
Charlie Rhangani	Charlie Rhangani	YES	YES	YES	YES
Mamanyoha	Mamanyoha	YES	YES	YES	YES
Lebaka	Lebaka	YES	YES	YES	YES
Maphalle	Maphalle	YES	YES	YES	YES
Raphahlelo	Raphahlelo	YES	YES	YES	YES
Mamaila	Mamaila	YES	YES	YES	YES
Middlewater	Middlewater	YES	YES	YES	YES
Pheeha	Pheeha	YES	YES	YES	YES
Rotterdam	Rotterdam	YES	YES	YES	YES
Bellevue	Bellevue	YES	YES	YES	YES
Total	20				

APPENDIX I: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Health Facilities Backlog

- Insufficient mobile and visiting points.
- Modjadjiskloof lack of space for the clinic.
- A need for a health centre in Sekgopo, Senwamokgope and Mokwakwaila.
- Acquiring a suitable site for the construction of a more capacitated clinic in Modjadjiskloof.
- A need for EMS at Sekgopo, Sekgosese and Mokwakwaila.

Education Backlog

The following areas are affected by the Backlog: Mandela Park; Nkwele-motse; Modumane; Hlohlokwe; Makaba; Mothobeki; Modjadjiskloof (Secondary); Mahunsi; Shamfana (High School); Reinstatement of Modjadji College as a need

Sports, Arts and Culture Backlog

- *Libraries facilities*

And in terms of libraries, shortage of books makes it difficult for people to develop academically. The Modjadjiskloof Library, Soetfontein Library and Ga-Kgapane Library are the only three libraries that currently operational. The Greater Letaba Municipality have three backlogs of libraries in Mokwakwaila, Sekgopo and Rotterdam.

The state of school libraries leaves much to be desired, there are no libraries in most of the schools and they have converted classrooms to be utilized as libraries and they are under resourced with books and personnel.

- *Stadiums and gravel playgrounds facilities*

In terms of stadia there's only a backlog at Goudplaas. There are also backlogs in relation to playgrounds in areas where there are no stadiums and there's a need for the municipality to embark on the programme of developing playgrounds in rural areas or to upgrade the existing ones to the acceptable standards.

Water and sanitation backlog

Services	Total households	Level of Services	Coverage	Backlog	% Backlog
Water					
	58 262	Inside dwelling	5948	9328	16 %

		Inside yard	20320		
		Communal standpipe >200m	17276		
		Communal standpipe <200m	5390		
Sanitation					
	58 262	Flush toilet	5949	7867	13.5%
		Pit latrine (Ventilation)	11390		
		Pit latrine (without ventilation)	33056		

Electricity Backlog

Energy distribution has important economic development implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of environment. The provision of electricity to households has been achieved to the larger extent. About 56905 households have access to electricity which amount to 98% of the population. Greater Letaba Municipality given its capacity of the figure above and the MTEF allocation depicts that all households, would have been provided for access to electricity by 2016 except new households' extensions.

Storm water, Drainage and Backlog

The municipality has a backlog of storm water drainage in all gravel streets and roads and the upgrading of some internal streets from gravel to concrete paving blocks in various villages and township is continuous.

Housing Backlog

The Department of Cooperative Governance Human Settlement and Traditional Affairs indicates a backlog of 4696 on the beneficiary list. This is based on the applications submitted by the municipality to Department. As such the indicated backlog is extremely lower than the actual backlog. Of this backlog, CoGHSTA could only address 4.2% (i.e. an approximate annual allocation of 200 houses). With this progress, the municipality will not be able to ensure that all beneficiaries are allocated houses by 2014. 5442 RDP houses have been built since 2001.

APPENDIX J: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

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

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

- All section 71 reports for 2022/23 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 2022 to 30 June 2023		
Position	Name	Description of financial interest* (Nil/or details)
Mayor	Cllr Mamanyoha T. D	Mphatlane Business Projects (50%) Eight-room house in Bolobedu worth R400 000 Councillor GLM Mayor R750 0000
Speaker	Cllr Mokgwati M.M	Nil
Chief W	Cllr Ramalatso R. R	Nil
Member of EXCO	Cllr Kgapane T. J	Eight-roomed house at Ramodumo (R200 000)
	Cllr Lebeko N. F	Matsheta Business Enterprise (R 4000 per month) Seven-roomed house at Lemondokop (R480 000) Eight-roomed house at Lemondokop worth R 650 000) Councillor in GLM (R580 000 per annum)
	Cllr Ramaano K. E	Vodacom Shares (R1000) Transport (R3000)
	Cllr Ramaremele J.M	Nil
	Cllr Selowa M. G	Nil
	Cllr Baloyi R. G	Nil
	Cllr Mathaba E. M	House in Modjadjiskloof (R450 000) Land in Modjadjiskloof (R200 000)
	Cllr Mosila M.R	5-roomed House at Modjadjiskloof(R2m)
	Cllr Ramalobela M. L	House (R560 000) Nakampe Cooperative-R300 000 Mokwape Trading-R150 000

Councillors	Cllr Mohale R.W	House at Khehlakoni (R500 000) House at Kempton Park (R600 000)
	Cllr Seoka L.M	Nil
	Cllr Lebepe R.R	Car (R349 000)
	Cllr Manyama M.I	House at Kgapane (R820 000) House at Kgapane (R450 000)
	Cllr Rasebotja M.S	Nil
	Cllr Mokgomola N.P	Balepye CPA (R800 00 for sitting)
	Cllr Nakana M.R	Nil
	Cllr Maake S.M	House at Mamphakhati (R350 000)
	Cllr Ramalatswa A.M	Nil
	Cllr Makgato T.E	Nil
	Cllr Mashao M.G	Nil
	Cllr Lekitima V.M	Nil
	Cllr Mokhabukhi M.S	House at Raphahlelo (R70 000) House at Polokwane (R570 000)
	Cllr Ngobeni M.P	House and Small Farm at Rotterdam and Mamaila (R3m)
	Cllr Mankgeru M.M	House at Mamaila (R750 000)
	Cllr Ndimba B.H	House at Roerfentein (R200 000)
	Cllr Mabidilala E	House at Jamela (R100 000)
	Cllr Rampyapedi E,S	Nil
	Cllr Monyela K.B	Hose at Femane (R350 000)
	Cllr Mamaila B.A	Nil
	Cllr Maake N	Shares 100% Telkom/Vodacom. House in JHB (R800 000)
	Cllr Mamatlepa D.D	Nil

	Cllr Modika M.S	Phufuma-Nathi (100%) House at Abel (R2m)
	Cllr Mohale M.J	House at Shamfana (R240 000)
	Cllr Morwatshehla M.B	Brickyard (R200 000) 4 Hector Garden (Ri,5m)
	Cllr Hlungwani S.J	House at Rotterdam (R750 000) Cars and Cattle (R6.2m)
	Cllr Malatji M.C	Nil
	Cllr Lebeya J.M	House at Hlatsa Village (R700 000)
	Cllr Matlou M.P	House at Mohlabaneng worth R700 000 House in Modjadjiskloof worth R1m
	Cllr Mothomogolo P.S	Nil
	Cllr Mampeule P.J	Modjadji Resort (for accommodation and entertainment) Lexico Trading Balobedu Queenship (rates per meeting) House at Khetlhakoni (R2m) Farming scheme of 10 hectares (R1m)
	Cllr Moroatshehla M.F	Nil
	Cllr Malatja T.P	Nil
	Cllr Makhananesa M.D	Nil
	Cllr Ramabubutla L	Nil
	Cllr Mohale M.C	M20c Pty (Ltd)(100%) Makhanyammele Logistics (50%)
	Cllr Raseropo M.S	Rams Car Wash=100%
	Cllr Mulaudzi P	Nil

	Cllr Mangena M.S	House at Thembisa (Renting Rooms-R450 000) House at Las Vegas (R350 000) Enerc Construction (100%)
	Cllr Kgatla M.E	House No 990 at Ga-Kgapane (R700 000)
	Cllr Mashao M.C	House at Koope (R50 000)
	Cllr Malatji M.E	Nil
	Cllr Senyolo T.J	House at Sephokubje(R600 000)
	Cllr Selowa D.L	House at Mohlakamosoma(R1.2m)
	Cllr Serumula M.L	Nil
	Cllr Rasetsoke C.M	House at Koranta(R750 000)
	Cllr Maluleke M.J	House (R560 000)
	Cllr Makhurupetse M.W.M	FELMO General Enterprise (100%) House at Mamatlepa (R800 000) 7 hectarsFarm at Mamatlepa (R200 000)
Municipal Manager	Mrs Mankgabe M. F	House at Modjadjiskloof (R530 000)
Chief Financial Officer	Mrs. Mathabatha M.T	Townhouse (168 M2, Nelspruit (R600000 Stand (1558 m2) Polokwane (R1 300 000)
Director : Community Services	Dr M.D Mokoena	Shares: Croco Projects & Consulting,Croco Bricks and Croco Financial Express-(R 3.2m) Properties: Driving Academy (R20 000) Croco Lodge (R270 000) Hardware and Supermarket (R50 000) Family House at Tzaneen (R950 000) Family House at Mamokgadi ((R1.5m)

Director Technical Services	Mr M.E Malungana	MEM Projects (Pty) Ltd Section no.36, Doorlle ERF 2191Phalaborwa 106m2-R 360 000.00 Stand no.07, impala Flats, ERF 1812 Phalaborwa- 116m2-R 275 000.00. Section no.22; SS 54/1987, ERF 134 Lydenburg 109m2-R 470 000.00 Section no.49, Town House, ERF 3363 Nelspruit 475m2-R 780 000.00
Director Planning & Development	Mr M.O Sewape	Stand 459 Tshabelamatswale,1000m2 Ga- Kgapane-R 500 000.00,Residential House Tzaneen-R2.3,Stand Tzaneen(700 M2)-R440 000
	Ms Shoroma L	House Aquapark=R1m
	Mr Mamatlepa M.L	Nil
	Ms Nhlane G.I	Flat Unit Tzaneen 66 M2=R480 000,Res Property TZN,R1.7m,Flat Ekhureleni 110m2-R664 000
	Mr Lekhota M.P	Business Site Morebeng=R50 000
	Mr Rababalela E	Nil
*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ		

APPENDIX M: COUNCILLORS' POSTER



Cllr Mokhabukhi M.S



Cllr Nakana M.R



Cllr Hlungwani S. J



Cllr Kgatla M. E



Cllr Lebepe R.
R



Cllr Lebeya J.M



Cllr Lekitimi V.M



Cllr Maake N



Cllr Maake S.N



Cllr Mabidilala E



Cllr Makgato T.E



Cllr Makhananesa M.
D



Cllr Malatja T. P



Cllr Malatji M.C



Cllr Malatji M. E



Cllr Maluleke M.J



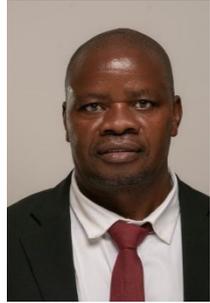
Cllr Mamaila B. A



Cllr Mamatlepa D. D



Cllr Mampeule P. J



Cllr Mankgeru
M. M



Cllr Mokhomola N.P



Cllr Mashao M.C



Cllr Masha0M.G



Cllr Modika M. S



Cllr Mohale M.C



Cllr Mohale M. J



Cllr Mohale R. W



Cllr Makhurupetse
M.W.M



Cllr Mulaudzi P



Cllr Monyela K.
B



Cllr Moroatshehla F.M



Cllr Morwatshehla M.
B



Cllr Manyama M. I



Cllr Mothomoholo P.
S



Cllr Ndima B.H



Cllr Ngobeni M. P



Cllr Matlou M. P



Cllr Ramalatso A. N



Cllr Ramabubutla L



Cllr
Rampyapedi E.
S



Cllr Raesetja S.M



Cllr Raseropo S.M



Cllr Rasetsoke M.C



Cllr Selowa D.L



Cllr Senyolo T.J



Cllr Seoka L.M



Cllr Serumula M.L

END OF REPORT