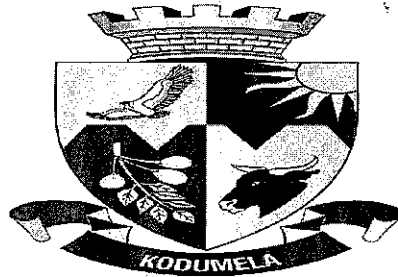


# BLOUBERG LOCAL MUNICIPALITY



## ANNUAL REPORT 2023-24

### VISION

A Municipality that turns prevailing challenges into opportunities For growth and development through optimal utilization of available resources

### MISSION

To ensure delivery of quality services through community participation and creation of enabling environment for economic growth and job creation

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## 1. TABLE OF ACRONYMS AND ABBREVIATIONS

MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPAC	Municipal Public Account Committee
MTAS	Municipal Turn Around Strategy
MSIG	Municipal Systems Improvement Grant
MTOD	Municipal Transformation and Organisational Development
MW	Municipal Wide
N/A	Not applicable
OPEX	Operational Expenditure
PIA	Project Implementing Agent
PMS	Performance Management System
PMU	Project Management Unit
RA	Registering Authority
R & S	Roads and Storm Water division
SCM	Supply Chain Management
SLP	Social and Labour Plan
SDBIP	Service Delivery and Budget Implementation Plan
SG	General Plan
SPE	Spatial Planning and Environment
TBC	To be Confirmed
WAC	Ward AIDS Council
WSP	Workplace Skills Plan

## 2. DEFINITIONS OF CONCEPTS

**2.1. Accounting Officer** in relation to a municipality means a municipal official referred to in section 60 of the Municipal Finance Management Act and has the same meaning as Municipal Manager

**2.2. Chief Financial Officer** means a person who is designated in terms of section 80(2) (a) of the Municipal Finance Management Act

**2.3. Financial year** means the financial year of a municipality commencing on 1 July each year and ending on 30 June of the following year

**2.4. Mayor** means the mayor of a municipality as elected in terms of the Municipal Structures Act

**2.5. Senior Manager** means a municipal manager or acting municipal manager appointed in terms of section 57 of the Municipal systems Act, and includes a manager directly accountable to a municipal manager in terms of section 56 of the Act

# ANNUAL REPORT 2023/24

## OUR VISION

A participatory municipality that turns prevailing challenges into opportunities for growth and development through optimal utilization of available resources.

## 1. OUR MISSION

To ensure delivery of quality services through community participation and creation of an enabling environment for economic growth and job creation

## 2. OUR MOTTO

Kodumela Moepa Thutse

## 3. OUR VALUES

Transparency, Diligence and Honesty

1.1	Planning and Development Division
1.2	Finance and Administration Division
1.3	Health and Social Services Division
1.4	Infrastructure and Engineering Division
1.5	Environment and Natural Resources Division
1.6	Public Works and Engineering Division
1.7	Information and Communication Technology Division
1.8	Legal Services Division
1.9	Human Resources Division
1.10	Internal Audit Division
1.11	Public Relations and Marketing Division
1.12	Security and Safety Division
1.13	Special Services Division
1.14	Technical Services Division
1.15	Training and Development Division
1.16	Transport and Logistics Division
1.17	Waste Management and Environmental Services Division
1.18	Water and Sanitation Division
1.19	Other Services Division
1.20	Unallocated

2.1. **Municipal Manager** in relation to a municipality means a municipal manager as defined in the Municipal Management Act and has the same meaning as Municipal Manager.

2.2. **Chief Financial Officer** means a person who is designated in terms of the Municipal Management Act.

2.3. **Financial year** means the financial year of a municipality commencing on the 1st January of the following year.

2.4. **Mayor** means the mayor of a municipality as elected in terms of the Municipal Management Act.



**GENERAL INFORMATION**

<b>NAME OF ORGANISATION</b>	<b>BLOUBERG LOCAL MUNICIPALITY</b>
<b>TYPE OF ORGANISATION</b>	<b>LOCAL GOVERNMENT/ MUNICIPALITY CATEGORY B</b>
<b>PROVINCE</b>	<b>LIMPOPO</b>
<b>DISTRICT</b>	<b>CAPRICORN</b>
<b>REGISTERED PHYSICAL ADDRESS</b>	<b>MOGWADI/ DENDRON ROAD SENWABARWANA 0790</b>
<b>POSTAL ADDRESS</b>	<b>BOX 1593 SENWABARWANA 0790</b>
<b>TELEPHONE</b>	<b>015 505 7100</b>
<b>FAX</b>	<b>015 505 0296</b>
<b>EMAIL</b>	<b><a href="mailto:INFO@BLOUBERG.GOV.ZA">INFO@BLOUBERG.GOV.ZA</a></b>
<b>WEBSITE</b>	<b><a href="http://WWW.BLOUBERG.GOV.ZA">WWW.BLOUBERG.GOV.ZA</a></b>
<b>BANKERS</b>	<b>ABSA BANK LIMITED</b>
<b>SATELLITE OFFICES</b>	<b>ALLDAYS SATELLITE ELDORADO SATELLITE TOLWE SATELLITE LANGLAAGTE SATELLITE INVERAAN SATELLITE HARRISWICH SATELLITE</b>
<b>AUDITORS</b>	<b>AUDITOR GENERAL OF SOUTH AFRICA</b>
<b>MAYOR</b>	<b>CLLR MARIA THAMAGA</b>
<b>ACCOUNTING OFFICER/ MUNICIPAL MANAGER</b>	<b>RAMOTHWALA REFILWE</b>

**A. FOREWORD BY THE HONORABLE MAYOR: CLLR THAMAGA MARIA**

**FOREWORD BY THE HONORABLE MAYOR OF BLOUBERG MUNICIPALITY CLLR THAMAGA N.M**



Let me take this opportunity to present the 2023-24 Draft Annual report. The annual report provides the Municipality with an opportunity to look back at the previous financial year and reflect on the achievements and challenges. It provides an opportunity to feedback to our Communities and Community stakeholders. It helps us to fulfil the notion that the people shall govern as contained in the freedom charter.

It gives the stakeholders an opportunity to say yes indeed this happened or improve here and there we will be happy. It provides a platform where the Municipality is called to account and report back to communities in line with batho pele principles.

We present this report to cover the performance of the municipality for the year 2023/2024 in relation to the approved IDP\Budget 2023/2024. This annual report is compiled in terms of the guidelines provided by the Local Government: Municipal Finance Management Act, Act 56 of 2004. The MFMA circular no 11 issued by the treasury provides guidelines on the reporting format for the compilation of the municipality and its entities in the formulation of their annual reports. Blouberg local municipality also presents its draft annual report 2023/2024 in terms of the prescribed guidelines.

The municipality was able to achieve amongst others the following in the previous financial year as outlined per key performance areas;

### Basic services and infrastructure

- Electrification of the following villages Swartz (45 households), Bayswater (30 households), Mochemi (25 households), Mongalo (50 households) and Sweethome (70 households)
- Tarring of the following roads Alldays 4 km, Lethaleng to Pickum 6,2 km, Mochemi 4,4 km.
- Re-graveling of Sefihlampšyana Access Road and stormwater control (6.0km)
- Completed Danzig and Miongalo creches

### Municipal Transformation and Organizational development

- Appointment of Director for Community services and Corporate services.
- Completed upgrading of Tolwe satellite office

### Local economic Development

- Provided financial assistance to two LED projects
- Successful held LED Summit

### Municipal Financial Viability and Management

- Approved funded budget
- Submitted Financial statements and Annual performance report

### Good governance and Public participation

- Successfully held portfolio, Executive committee and Council meetings: Governance and Community, environment, health and safety
- Held annual ward committee conference
- IDP/Budget and Annual report Public consultations

### Spatial planning

- Appointed Municipal planning tribunal

The municipality obtained QUALIFIED AUDIT OPINION and the basis for the qualification was on assets. We are committed to the audit outcome.

The overall performance of the Municipality in line with six key performance areas is per the table below

Key performance area	Total Annual Targets	Total Annual Targets Achieved	Total Annual Targets not Achieved	Overall Percentage of Targets achieved
Basic Service and Infrastructure Development	30	22	8	73%
Municipal Transformation and Organisational Development	26	25	1	96%
Local Economic Development	4	3	1	75%
Financial Viability and Management	14	13	1	93%
Good Governance and Public Participation	36	35	1	97%
Spatial Planning	2	2	0	100%
<b>Overall Total Municipal Targets</b>	<b>112</b>	<b>100</b>	<b>12</b>	<b>89%</b>

N.B. Refer to Chapter 3 for details

Kodumela Moepathutse...

**THAMAGA N.M**  
**MAYOR**

# **CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY**

## CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY

### 1.1 NOTICE OF ESTABLISHMENT AND BRIEF BACKGROUND

Blouberg Local Municipality was established in terms of the demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The municipality is a category B as determined in terms of section 4 of the Local Government: Municipal Structures Act No 117 Of 1998.

It is the municipality with a collective executive system contemplated in section 2(a) of the Northern Province Determination of Types of Municipalities Act (4) of 2000. The boundaries are indicated in map 13 of the demarcation notice. The name of the municipality is Blouberg named after the Blouberg Mountains. Blouberg Local Municipality was originally established in the year 2000 after the amalgamation of the Bochum- My-Darling TLC, Alldays –Buysdorp TLC and other portions of Moletji- Matlala TLC. This municipality is one of the four municipalities constituting Capricorn District municipality. Other municipalities constituting the Capricorn District municipality are: Lepelle-Nkumpi, Molemole and Polokwane.

Blouberg Local Municipality is situated approximately 95 kilometers from Polokwane towards the far northern part of the Capricorn District municipality. It is bordered by Polokwane on the south, Molemole on the southwest, Makhado on the northeast, Lephalale on the northwest, Mogalakwena on the southwest and Musina on the north.

Variable	Community Survey 2007	Census 2011	Community Survey 2016	Census 2022
Wards	19	21	22	22
Number of Villages	125	125	137	137
Number of Households	35 595	41 416	43 747	57 575
Population	194 119	162 625	172 601	192 109

The above table depicts Municipal demographic trends since 2006. The number of Wards and settlements have increased due to 2006 and 2016 Municipal Demarcation processes respectively. That has resulted in some villages demarcated into Blouberg Municipality. In the year 2006 the government approved the decision by the municipal demarcation board to incorporate settlements of Vivo, Tolwe, Maastroom, and Swartwater Baltimore Uitkyk NO 1 which were in the Makhado Local municipality, Lephalale and Aganang Local municipality. (**Notice 642, Gazette 1314, December 2006**). The disestablishment of Aganang Local Municipality in 2016 resulted in the following villages demarcated into Blouberg Local Municipality; Burgwal, Cooperspark, Mankgodi, Terrebrugge, Leokaneng, Pinkie, Sebotse, Rosenkrantz, Ngwanallela, Mamehlabe, Boslagte and Prospect.

### 1.2 REGIONAL CONTEXT

Blouberg Local municipality is a predominantly rural municipality situated to the north-western boundary of the Republic of South Africa, with Botswana and Zimbabwe. Roads **R521 (P94/1 and P94/2)** provides a north-south link between Blouberg and Molemole, Polokwane and Makhado municipality. To the east the municipality is served by road **R523 (D1200)** which provides access to the towns such as Mogwadi, Morebeng, Duiwelskloof, Tzaneen and Lephalale. There is another important road (**N11**) from Mokopane town to Botswana that passes through the municipality, which has the potential to stimulate economy.

These road networks serves as key important linkages, which serve as corridors and gateways to major economic destinations (Venetia Mine, Coal of Africa and Lephalale such as Coal mines and Medupi power station).

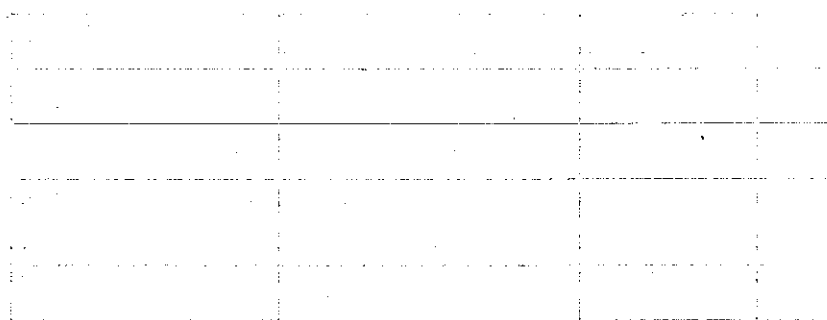
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

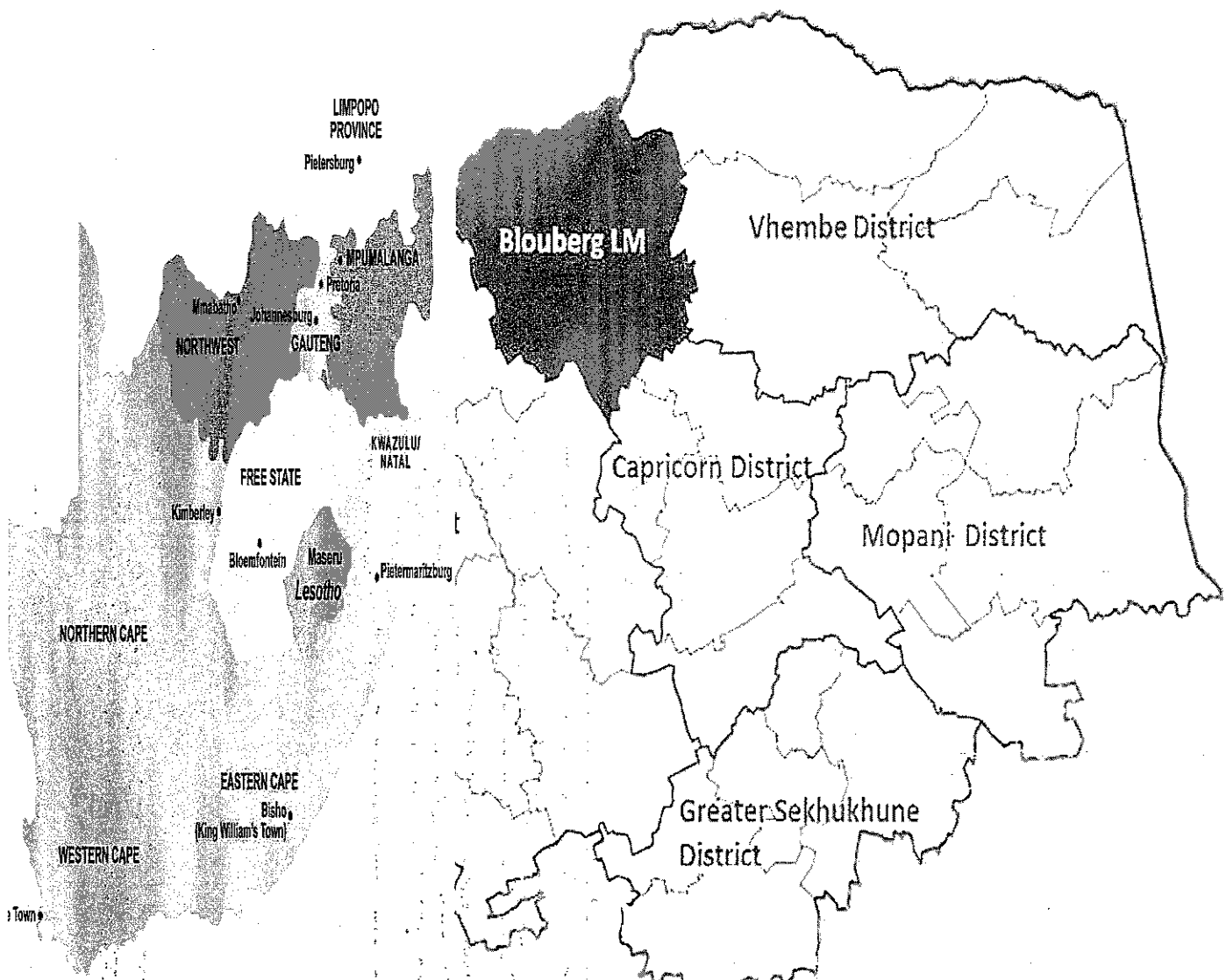
There are big rivers and tributaries that traverse the municipality with Mogalakwena being the biggest one. The Limpopo River serves as the border between the municipality and the neighbouring country of Botswana. As a result, the municipality is a gateway to the neighbouring countries. The rivers in the main are used for agricultural purposes by farmers, but again for domestic use by communities, which experience water shortages.

There are various mountain ranges found within the municipality with the Blouberg Mountain being the biggest mountain. The other mountains are the Makgabeng, which was declared the national heritage site because of its historical significant. The municipality is divided into three visible categories of land ownership. There is a portion of land owned by private individuals, which consists mainly of farms that are used for agricultural purposes, land owned by traditional leaders where large communities reside and live and state land.

Large parts of the municipality consist of private farms used for agricultural purposes

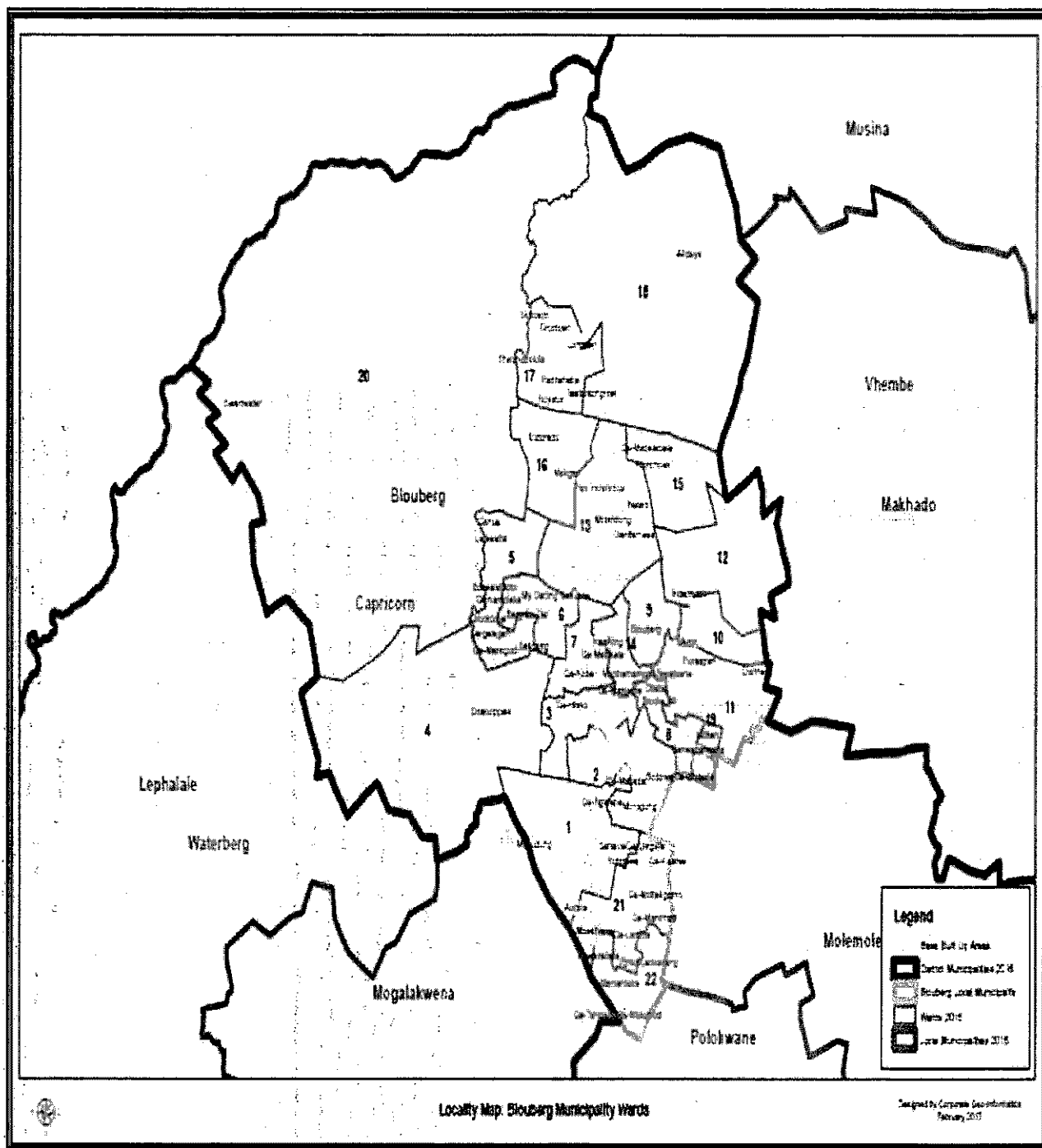
**Map 1) Map of South Africa and Limpopo Province depicting the location of Blouberg Municipality within the Limpopo Province, in particular, and the country, in general.**







Map 2: Blouberg map depicting its wards and outer boundaries



## 1.2. POWERS AND FUNCTIONS

The provision and maintenance of child care facilities	Control of public nuisances
Development of local tourism	Control of undertaking that sell liquor to the public
Municipal Planning	Fencing and fences
Municipal Public Works	Ensuring the provision of facilities for accommodation, care and burial of animals
Municipal Public Transport	Licensing of dogs
Storm Water management system	Licensing and control of undertakings that sell food to the public
Administration of trading regulations	Administration and maintenance of local amenities
Provision and maintenance of water and sanitation (need to amend the notice of establishment as the function lies with the CDM at present)	Development and maintenance of sports facilities
Administration of billboards and display of advertisements in public areas	Development and administration of markets
Administration of cemeteries, funeral parlours and crematoria	Development and maintenance of municipal parks and recreation
Cleansing	
Regulation of noise pollution	
Administration of pounds	
Development and maintenance of public places	
Refuse removal, refuse dumps and solid waste disposal	
Administration of street trading	
Provision of municipal health services (need to amend the notice of establishment as the function lies with the CDM at present)	
Electricity Provision	

## 1.3 ENERGY PROVISION

The municipality is the energy services authority as it has license and is responsible for implementation and reticulation of electricity in all the areas of jurisdiction alongside Eskom. To date all the settlements in the municipal areas except for the extensions that do not have access to electricity. However, the Municipality with the assistance of ESKOM annually connects extensions.

#### 1.4 ROADS AND PUBLIC TRANSPORT

The municipality is responsible for municipal roads only while there are roads assigned to RAL and SANRAL.

The municipality has developed and approved the Integrated Transport Plan

#### 1.5. WATER AND SANITATION

Capricorn District municipality is both the water services authority and provider for water and sanitation.

The district is also responsible for operation and maintenance

#### 1.6. REFUSE REMOVAL /WASTE COLLECTION

The municipality has approved waste management plan from 2022-23 and Integrated Waste Management plan (IWMP) that serves as the authority to manage waste removal and collection. The implementation of IWMP often focuses on the recommendations that covers the entire Municipality in terms of waste collection. The function is rendered on daily basis in both Senwabarwana and Alldays and bi-weekly in other villages. This service also covers other 11 villages in the Municipality

The municipality has two licenced landfill sites and one transfer station which is far less enough to provide quality services to the entire Municipality. The Senwabarwana landfill site is managed and operated by a service provider for a period of 5 years

#### 1.7. HOUSING PROVISIO

The provincial department of CoGHSTA renders the function while the municipality coordinates and identifies beneficiaries. To date about 6200 low-cost houses have been completed in the municipality.

36 units were allocated to Blouberg and were all completed for the period under review

#### 1.8. LOCAL ECONOMIC DEVELOPMENT

The pillars of the economy in the municipality are agriculture, mining, tourism and retail development.

To date mining prospects are growing in both wards 01, 02, and 03, while Venetia mine has moved from being open cast to underground mining activity. Agriculture remains the strongest pillar as it contributes two-thirds of the local GDP.

The second sector is the retail development, which is hampered by lack of land for development.

Most of the employment created was through municipal capital works program and EPWP.

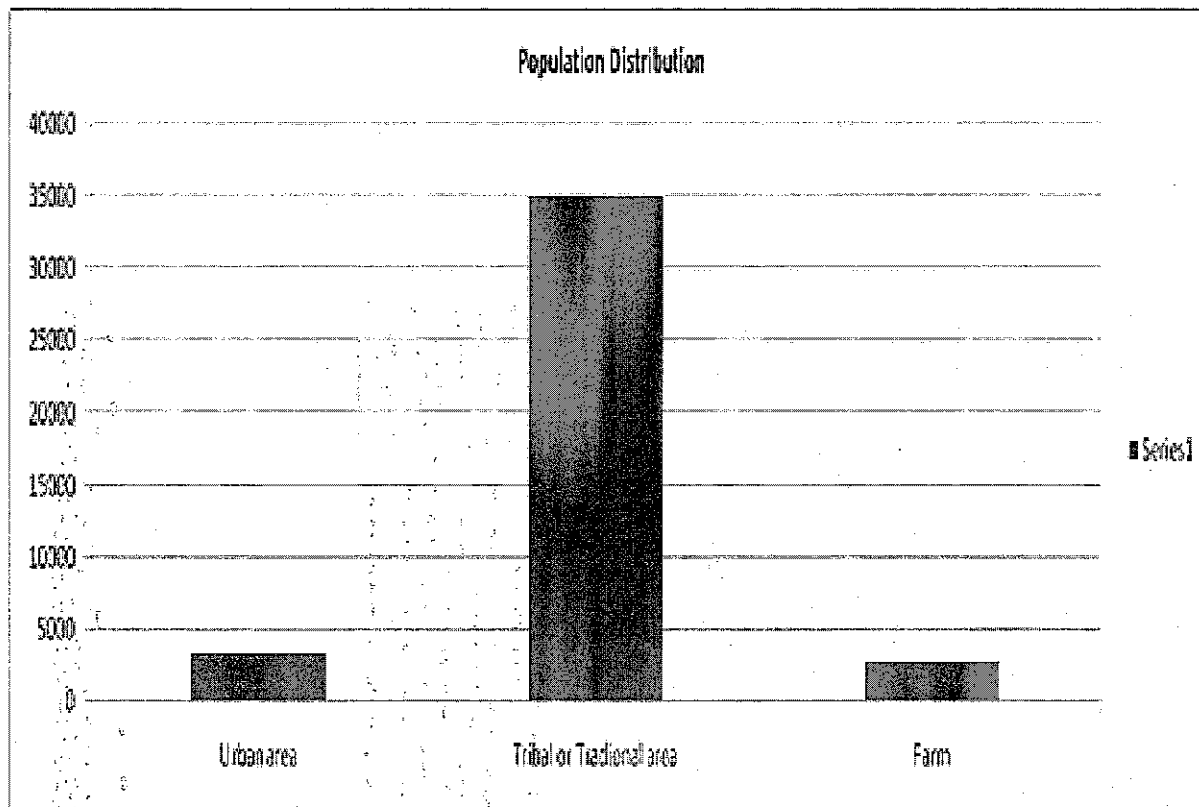
#### 1.9. NATURAL RESOURCES

Rivers and Streams	Livestock water and farming
Mountains and Hills	Heritage and Historical sites
Game Reserves and Farms	Wild game preservation and conservation
Wetlands and Swamps	Heritage sites

## 1.10 DEMOGRAPHICS

According to Stats SA the municipality has five national groupings that residing within its area of jurisdiction and they are: Black Africans, Coloured, Indians and Whites. The majority is Black Africans who constitute 98% of the total population and live in the tribal areas. The female folk are dominant and the majority is youths.

The graph below clearly indicates the population distributions of the municipal population.





## 1.11: STATISTICAL INFORMATION AND WARD PROFILING

### 1.11.1. STATISTICS SOUTH AFRICA (Census 2011 & Community Survey 2016)

ITEM	(Census Stats) 2001	2007 (Community Survey)	Census Stats SA 2011	Community Survey 2016
POPULATION	171 721	194 119	162 629	172 601
HOUSEHOLDS	33 468	35 595	41 192	43 747

### 1.11.2. POPULATION GROUP BY GENDER

GROUP	MALE	FEMALE	TOTAL
BLACK AFRICAN	73 195	87 880	161 075
COLOURED	40	26	65
INDIAN	129	22	151
WHITE	540	466	1 006
OTHER	249	83	332

## 2. SERVICE DELIVERY OVERVIEW

For the financial year under view all the capital projects were completed in time except for electricity extensions and Senwabarwana sub-station. All these projects were rolled over to 2023/2024 financial year but could not be implemented as there was no allocation for INEP grant for the period under review.

The beneficiaries of the free basic alternative energy continued to access the services.

### 2.1. COMMENT ON ACCESS TO BASIC SERVICES

Electricity provision is currently at 98% as the municipality has license.

There is still a huge backlog on the access to sanitation services while water sources remain the challenge.

The problem of the illegal water connection and vandalism of the infrastructure persist.

There is also a remarkable backlog in the provision of low cost houses.

The provision of free basic Services is also not adequately done.

The municipality is having the backlog in the maintenance and upgrading of the roads.

The roads are mainly the provincial and national roads.

Access to land for both residential and business development is a challenge.

Waste and refuse management is a challenge due to limited resources.

The municipal turnaround time in addressing disruptions and complaints has improved tremendously.

### 2.1.2. FINANCIAL HEALTH OVERVIEW

Blouberg is a rural municipality and one of the poorest in the province. The table above showed that 90% of the population lives in the rural areas. The report by Statistics South Africa indicated the bleak state of affairs with high poverty levels, unemployment and illiteracy rates. The status definitely have a bearing on the financial state of the municipality. The municipality is dependent on the grants from national treasury while only 30% is own revenue.

The grants are equitable shares, Municipal Infrastructure grant, integrated national electrification programme, Municipal infrastructure grant and EPWP grant.

The sources for own revenue are: Sale of electricity (Pre-paid and Conventional), Sale of Sites, Assessment rates, Traffic services, Refuse collection and removal, Pound Services and Service Charges.

The revenue collection is relatively low as there is limited revenue base. The majority of the population comprise of the indigents. It is a challenge in the payment of the services and the municipality applies debt control measures.

The austerity measures had to be applied to manage cash flow in the municipality.

Without reliable revenue sources the municipality is not financially viable and sustainable.

### 2.1.3. AUDITOR GENERAL REPORT FOR 2023-24 AND PREVIOUS FINANCIAL YEARS

The auditor general's office audits the municipalities for the period July- June every year in line with their financial cycle. The focus of the audit is always on Statement of financial position, Statement of financial performance, Statement of changes in net assets and cash flow statements, performance information and implementation of policies.

For the financial years, 2019-20, 2020-21, 2021/22, 2022-23 and 2023/24 the opinion is thus

2019/20	2020/21	2021/22	2022/23	2023/24
UNQUALIFIED OPINION	UNQUALIFIED OPINION	UNQUALIFIED OPINION	QUALIFIED OPINION	QUALIFIED OPINION

The issues raised in the auditor general report are addressed through the development and implementation of the audit action plan.

The full report is contained in the Chapter 6 of the Auditor General report.

### 2.1.4. STATUTORY ANNUAL REPORT PROCESS

01	Consideration of the next financial years IDP/Budget process plan	August
02	Compilation of the fourth quarter performance report and annual performance report	August
03	Compilation of the Annual Financial Statements	August
04	Audit Activity by the Office of the Auditor General	August- November
05	Submission of the draft Annual report to council	January
	Draft Annual report is submitted to COGHSTA and treasury	January
06	Council publishes the annual report and embark on the public participation	February- March
07	Comments and inputs are consolidated	February- March
08	Oversight report is developed and tabled before council for approval	March
09	Oversight report is submitted to CoGHSTA and Treasury	April

**RAMOTHWALA REFILWE**

**MUNICIPAL MANAGER**

# CHAPTER TWO: GOVERNANCE

2011	Continuation of the Annual Financial Statements
2012	Public Activity by the Office of the Auditor General
2013	Publication of the OAG Report on the 2012-13 Annual Report
2014	Annual Report is published in the OAG's Annual Report
2015	OAG publishes the Annual Report and outlook for the public sector
2016	Government's financial performance
2017	Overnight reports developed and tested before council for approval
2018	Overnight reports submitted to the OAG for review

GOVERNANCE 2018-2019-20



## **1. CHAPTER TWO: GOVERNANCE**

## **2. CHAPTER TWO: GOVERNANCE**

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The first Council of the municipality consisted of 16 proportionally elected and 16 ward Councillors as determined in the Provincial Notice 15 dated 11 May 2000. The second Council consisted of 18 proportionally elected and 18 Ward Councillors (2006) while the third Council consisted of 20 proportionally elected and 21 Ward Councillors, which made the total of 41 Councillors (2011). Following the 2016 and 2021 municipal elections, the Municipality comprised of 22 Ward Councillors and 22 proportionally elected Councillors, which amount to a total of 44 Councillors respectively.

#### **4.2. FULL-TIME COUNCILORS AND MEMBERS OF THE EXECUTIVE COMMITTEE**

The Council composition is reflected as per the outcome of November 2021 local government elections. The Council has designated the following Councillors in terms of section 18 (4) of Act 117 of 1998 as full time.

The Mayor: Cllr Thamaga M.N:

The Speaker: Cllr Boloka M.P

The Chief Whip: Cllr Rangata M.J

Infrastructure Development Chairperson: Cllr Raseruthe M.A

Budget and Treasury Chairperson: Cllr Cllr Makobela S.R

Corporate Services: Cllr Motswabe L.P

And Chairperson of MPAC Cllr Maifo M.L

The following Councillors are the executive committee members and are not full time.

1. Cllr Mosena D.D: (Economic Development and Planning)
2. Cllr Raphasha D.S : ( Community Services)
3. Cllr Phoshoko N.C : ( Without Portfolio)
4. Cllr Tlouamma N.M (Without Portfolio)

#### 4.3. FULL COUNCIL OF BLOUBERG MUNICIPALITY

WARD COUNCILORS	PROPORTIONAL REPRESENTATIVES COUNCILORS
1. CLLR. MASEBE K.P	1. CLLR THAMAGA M.N
2. CLLR. LEHONG M.V	2. CLLR BOLOKA M.P
3. CLLR. MAIFO M.L	3. CLLR RANGATA M.J
4. CLLR. THLAKE	4. CLLR MOSENA D.D
5. CLLR. MASHAMAITE M.G	5. CLLR RASERUTHE M.A
6. CLLR. MOTSWABE L.P	6. CLLR MAIFO M.L
7. CLLR. MAPUNYA P.W	7. CLLR PHEEDI M.S
8. CLLR. MAKOBELA S.R	8. CLLR MOETJI M.T
9. CLLR. MANAKA N.A	9. CLLR MAKHURA M.H
10. CLLR. MAKHURA K.H	10. CLLR SEOKOTSA M.M
11. CLLR. MOLOKOMME M.J	11. CLLR MOKOBODI M.M
12. CLLR MOTSOKO L	12. CLLR DAU M.P.
13. CLLR MAHLAPE M.J	13. CLLR NTJANA M.I
14. CLLR MOLOKOMME M.M	14. CLLR KEETSE P.P
15. CLLR. MMOKO MM	15. CLLR MAILULA M.S
16. CLLR MPHAGO M.A	16. CLLR MARIPA M.S
17. CLLR MAPUTLA S.A	17. CLLR MARIBENG M.K
18. CLLR MOKAMI M.E	18. CLLR LEHONYE T.J
19. CLLR RAPHASHA D.S	19. CLLR TLOUAMMA M.N
20. CLLR MATHEKGA M.J	20. CLLR MAPHOTO M.D
21. CLLR THEMA N.R	21. CLLR TLABELA F.P
22. CLLR MAGWAI T.R	22. CLLR KOBOLA S.J

## POLITICAL STRUCTURE AND RESPONSIBILITIES

POSITION	RESPONSIBILITIES
MAYOR: CLLR THAMAGA M.N	Chairperson of the Executive Committee  Promote image of Municipality Lead Municipal IDP Promotes Social and Economic Development Convene Public Meetings Promote Inter- Governmental relations Implement Council decisions Performs Ceremonial role
SPEAKER: CLLR BOLOKA M.P	Presides over Council meetings Performs duties and exercises powers delegated to the Speaker in terms of section 59 of MSA Ensures that Council meet Quarterly Maintain orders during the meeting
CHIEF WHIP: CLLR RANGATA M.J	Political management of Council and Committee meetings Maintains discipline of councilors Advices the Speaker on the amount of time allocated

## ADMINISTRATIVE GOVERNANCE

### TOP ADMINISTRATIVE STRUCTURE

TOP ADMINISTRATIVE STRUCTURE
<p>1. MUNICIPAL MANAGER MR REFILWE JONAS RAMOTHWALA - APPOINTED FROM 01<sup>ST</sup> JULY 2022</p> <p>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING  ACTING MOREMI M.S (FROM JULY 2023 TO DECEMBER 2023 AND APPOINTMENT OF MABOTJA K FROM JANUARY 2024 TO JUNE 2024</p> <p>3. DIRECTOR, CORPORATE SERVICES  ACTING MS RAMAHUMA M.B ACTING FROM 01<sup>ST</sup> APRIL 2023 TO 01<sup>ST</sup> DECEMBER 2023 APOINTMENT OF MR. MDAKA N.R.</p> <p>4. CHIEF FINANCIAL OFFICER( BUDGET AND TREASURY)  ACTING MOTUPA M.J. 01 AUGUST 2023 TO 31 JANUARY 2024, ACTING RIBA M.E. FROM FEBRUARY 2024 TO JUNE 2024</p> <p>5. DIRECTOR ,TECHNICAL SERVICES:  ACTING MALEKA M.J. AS ATING FROM JULY TO DECEMBER 2023 (AND APPOINTMENT OF ACTING RABUMBULU ACTING FROM JANUARY 2024 TO JUNE 2024</p> <p>6. DIRECTOR, COMMUNITY SERVICES.  (ACTING MANAMELA M.S. M.S ACTED FROM 01<sup>ST</sup> APRIL 2023 TO DECEMBER 2023 APPOINTMENT OF MPHATENG M.F JANUARY 2024)</p>
<p>For the period under view, about seven officials acted on the senior management positions. The above table illustrates the names and the positions for which acting was effected.</p>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

#### 2.3 INTERGOVERNMENTAL RELATIONS

##### NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in national inter-governmental structures such as the following:

National municipal manager's forum

South African Local Government Association sessions including working groups.

##### PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in the following provincial intergovernmental structures:

- Premier –Mayor's forum(3)
- Monitoring and evaluation forum (4 x per annum)
- Provincial planning forum ( 4 x meetings)
- Provincial municipal manager's forum (4 x meetings)

##### RELATIONSHIP WITH MUNICIPAL ENTITIES

THERE WERE NO MUNICIPAL ENTITIES DURING THE PERIOD UNDER REVIEW:

##### DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality participated in the following District

IGR structure during the period under review:

- District Speakers Forum
- District Mayors' Forum
- District Chief Whips Forum
- District Municipal Manager's Forum
- District CFOs Forum
- District Planning Forum
- District Monitoring and Evaluation Forum

The existence of the above IGR structures has assisted in the sharing of challenges, best practices and resources mobilization. Alignment of programmes and standardization of activities were also achieved from the district IGR structures. These forums contribute to learning and development

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has organized its administration in such a way that accountability of its staff is realized and that a system of participatory governance is entrenched. The establishment of a unit to deal with community participation was done during the inception of the municipality. The unit is located in Corporate Services Department various tools of communicating with the community were used in the period under review and the paragraphs supra explain in details the functionality of such tools.

The municipality also used its local IGR structures such as sector forums to ensure sector specific programmes are aligned with those of other roles players in the sector and the following sector forums held four quarterly meetings during the period under view:

- Energy Forum
- Roads and Transport Forum
- Local Economic Development and Tourism
- Housing Forum
- Disaster Management Forum
- Waste Management Forum

- Council – Mayor's Forum (4)
- Monitoring and evaluation forum (4 x per annum)
- Provincial planning forum (4 x meetings)
- Provincial municipal managers forum (4 x meetings)

#### STRUCTURES WITH MUNICIPALITY INVOLVED

#### INTERGOVERNMENTAL STRUCTURES INVOLVED IN THE PERIOD UNDER REVIEW

#### KEY INTERGOVERNMENTAL STRUCTURES

The municipality participated in the following Councils:

IGP structures during the period under review:

- District Speakers Forum
- District Mayors' Forum
- District Chiefs' Forum
- District Municipal Managers' Forum
- District CEOs Forum
- District Planning Forum
- District Monitoring and Evaluation Forum

## 2.4 PUBLIC MEETINGS

### COMMUNICATION , PARTICIPATION AND FORUM

The Municipality prides itself on its communication and stakeholders participation structures. The Municipality has a communication strategy which indicates who communicates to who, when and how. There is a communications unit established and such is located in the Office of Municipal Manager. The Municipality's Community participation model is one of the best models in the country and through such models, council and its committees are able to reach out to the Municipal constituencies. Council meetings are held in public at venues rotated throughout the municipal area. After every Council, meeting outreach programme is held. Views and issues raised by community members are recorded and feedback is provided to the members of the community who raised such matters. Council meetings for the period under review were followed by public outreach programme referred to as Imbizo. Most EXCO and council were held physically.

The Municipal Website and Facebook are also useful tools, which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter – Blouberg News – published two Municipal Newsletters for the year under review

Other forms of communication and public participation during the 2023/24 financial year include the usage of quarterly Ward Public meetings for the 22 wards where in ward Councilors provided feedback and progress report to ward members.

## WARD COMMITTEES

The Municipality has a fully functional ward committee system. All the 22 wards have functioning ward committees with 220 participants translating into 10 ward committee members for the 22 wards

Ward committee held their meetings bi-monthly with the support from Administration, which plays a secretariat role. Resolutions and issues raised at ward committee are escalated to the office of Municipal Manager and then to all relevant departments.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. Council approved the 2023/24 revised IDP/Budget. Like previous IDPs, the 2023/24 IDP was rated high in terms of credibility by the provincial Department of Co-Operative Government, Human Settlements and Traditional Affairs.

The IDP is reviewed in line with required standard and template and it is aligned to the budget. The IDP Process Plan is developed and approved by council as the road map for the review of the IDP/Budget. The IDP Steering Committee is responsible for the review of the IDP and Budget. The IDP is aligned to the budget. The draft IDP/Budget is tabled before the council for public participation process to unfold and wards are clustered for the purpose of the community accessibility and inputs. The IDP representative's forum where all stakeholders are represented is also conducted to interrogate the IDP document. The other stakeholders that are consulted are the traditional authorities and farmers unions. Inputs to the IDP are also submitted physically to the office of the Accounting Officer or faxed and emailed through.

All the inputs and comments are consolidated and the report is developed based on the inputs. The process of prioritization takes place into account the available resources and capacity of the Municipality.

IDP PARTICIPATION AND ALIGNMENT CRITERIA	YES/NO
Does the Municipality have impact, outcome, input, and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they be calculated into a score?	Yes
Does the Budget align directly to the KPI's on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes



Were the four quarter aligned reports submitted within stipulated time frames?	Yes
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## COMPONENT D: CORPORATE GOVERNANCE OVERVIEW OF CORPORATE GOVERNANCE

For the 2023/24 financial year, like the 2022/23, the Blouberg Municipality took leaf from King III report on good Governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti – fraud strategies. Risk register was developed and its focus was on strategic risks, operational risks and Human Resources risks.

Through IGR, the Municipality used the District Hotline, Premier and Presidential hotline to track areas of noncompliance to its Corporate Governance matters.

### RISK MANAGEMENT

The Municipality regards risks management as one of the pillars required for the sustainability and Corporate Management. In compliance with the MFMA Sec 62 c (i) and sec 95 c (i) require the Municipality to have and maintain an effective, efficient and transparent system of financial, risk management and internal controls. Risk assessment sessions were conducted by municipality through risk management unit where the risk are identified, mitigated and monitored. The Accounting Officer had appointed a functional Risk Management Committee inclusive of the external member of the committee in accordance with the Public Sector Risk Management Framework. The committee reports to Audit Committee where afterwards the report is presented to the municipal Council on a quarterly basis as required by Treasury Regulations.

Top five risks identified are the following:

- Loss of financial and physical resources (fraud and corruption)
- Ineffective mSCOA implementation
- Unfavourable audit outcome
- Obsolete IT infrastructure
- Insufficient land for development

### FRAUD AND ANTI – CORRUPTION STRATEGY

The Municipality has an anti – corruption and risk management strategies in place. Fraud and corruption identified risks are reviewed on a quarterly basis by the municipality.

The Internal Audit Unit has been established and is led by Manager Internal audit.

The Audit Committee is in place and comprised of four members who have relevant experience and qualifications to discharge their responsibilities. For the period under review the audit committee also performed the role of the performance audit committee. The Performance Audit Committee include politicians and officials as voting members performance assessments of top management. The period under review did not have any reported cases of fraud and corruption encountered by the municipality and submitted to authorities.

## 2.7 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

During the 2023/24 financial year the Supply Chain Management policy was tabled to council for revision alongside with other budget related policies. The revision took into account the BBEEE codes and arears amended. For the record, no councillor is allowed to participate in the supply chain management processes including being part of committees. Functionality of the established SCM committees was also enhanced. New security services contracts was entered into for a period of three years. Efforts were made to curb the procurement of services from suppliers who are in the service of the state and the municipal records do not have any indication of services awarded to suppliers in the service of the state.

BY- LAWS INTRODUCED DURING 2023/24				
Newly Developed	Revised	Public Participation conducted prior to adoption of By- Laws (Yes/No)	Dates of Public Participation	By- Laws gazette (Yes/No)
Tariffs By-Law	N/A	Yes	May 2024	Yes
Credit Control and debt Collection	N/A	Yes	May 2024	Yes

### 2.10 WEBSITES

	YES/NO
Current annual and adjustment budgets and all budget related document.	YES
All current budget related policies	YES
The previous Annual Report (2022/23)	YES
The Annual Report (2023/24) published to be published	YES
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	YES
All service delivery agreements (2023/24)	N/A
All long term borrowing contracts (2023/24)	N/A
All supply chain management contracts above a prescribed value (R 300 000) for 2023/24	N/A
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 2023/24	YES
Contracts agreed in 2023/24 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.	YES
PPP agreements referred to in section 120 made in 2023/24	YES

All quarterly reports tabled in the council in terms of section 52 (d) During 2023/24	YES
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## MUNICIPAL WEBSITE CONTENT AND ACCESS

Most of prescribed key website content materials were placed on the municipal website such as IDP, Budget, Annual Report, Performance Agreements and Budget related policies.

## PUBLIC SATISFACTION ON MUNICIPAL SERVICES PUBLIC SATISFACTION LEVELS

No formal public participation surveys were conducted during the period under review. The Municipality relied on public participation sessions referred to above, as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and / dissatisfaction with municipal services.

There were no changes to issues raised in the previous years' engagements.

Key general areas of dissatisfaction include:

- State of road conditions
- Water and sanitation supply
- Unemployment
- Health and education services

## COMPONENT A: BASIC SERVICES

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

### 1. WATER PROVISION

Blouberg Municipality will not include Water and Sanitation in its 2023/24 Annual Report as such Powers and Functions lie at the Capricorn District Municipality and any attempts to include such information may result in non – alignment with the information provided by the District Municipality.

## ELECTRICITY

### INTRODUCTION TO ELECTRICITY

Electricity is one of our greatest achievements as we have electrified all settlements within the Municipality. The Municipality is now busy with electrification of extensions

As the electrification programme continues, the Municipality connected approximately 646 households for the financial year and other incomplete project (Construction of Senwabarwana Substation phase 02) rolled over to 2023-24 financial year.

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

#### WASTE MANAGEMENT

##### STATUS QUO

The Municipality has developed and adopted an Integrated Waste Management Plan (IWMP) in 2008 and reviewed in 2013 and 2019 respectively. The plan serves as a roadmap for the management of solid waste for the entire Municipality with R293 towns and nodal points, plus some rural villages, used as starting points since the capacity available cannot cover the entire municipal wide area. For the 2023/24 financial year the function was rendered in eleven settlements on a weekly basis while the towns of Alldays and Senwabarwana receive the service on a daily basis. Currently there are two landfill sites in Alldays and Senwabarwana. A waste management team is in place and five waste removal trucks, plus a tractor, have been purchased. To augment the waste and environmental section the Municipality enlisted the use of short term EPWP participants and distributed them across areas of high-volume waste generation. For the 2023/24 period the number of EPWP participants was increased to 260 with the budget of R3, 5 million. In Senwabarwana and Alldays two Recycling initiatives were established with PEACE Foundation playing a leading role in assisting with recycling initiatives at an identified location in Senwabarwana. The backlog is huge, we are still far away from Zero waste, since circular economy is still at low level. Only a tiny fraction of recycling initiative are functional

#### THE TABLE BELOW REFLECTS WARD WASTE REMOVAL SERVICE ROLL OUT AND BACKLOGS

WARD	AVAILABLE	BACKLOG
1	0	11
2	0	7
3	0	6
4	0	9
5	0	7
6	0	5
7	0	6
8	1	6
9	0	6
10	1	0
11	0	6
12	2. INDERMARK UP TO DIKGOMONG.	0
13	2 (BURGERUGHT AND MOTLANA)	5
14	0	7
15	2 (KROMHOEK AND DEVREDE)	0
16	0	5

17	2 (GROOTPAN AND LONGDEN)	6
18	2 (TAAIBOSCH AND ALLDAYS)	0
19	1 (SENWABARWANA)	1
20	0	7
21	0	8
TOTAL	11	112

### CHALLENGES

Capacity constraints: this involves lack of resources (financial and human) to roll out the service to the entire municipal area. Available plant and personnel are not enough to render the service for all areas. For the past two financial years, the Municipality could not purchase plant due to budgetary constraints.

The Taaibosch transfer station is not fully utilised.

Lack of education on the part of members of the community on waste matters does not help the situation. Lot of littering occurs in the town of Senwabarwana around the CBD mainly because much business activities are taking place there.

### 3. INTERVENTIONS

Blouberg Municipality renders the refuse removal service in 13 settlements with the, households serviced standing at 11 549. The backlog is 24 139. Challenges are funding for roll out of the refuse service to all settlements.

The Environmental Management Plan (EMP) is partially implemented, and the document need to be reviewed to address the current situation. Solid waste and refuse removal by laws are not fully implemented due to capacity challenges that are currently being ironed out. Integrated Waste Management Plan is currently at implementation stage. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

The Municipal Infrastructure grant is another vehicle to increase waste equipment. The employment of Waste General Workers and drivers will be an ideal option to realise our WMP.

### INTRODUCTION TO HOUSING

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries.

No municipal entity renders the service on behalf of the municipality.

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality provides free basic services in the form of electricity, waste and water (as assisted by Capricorn District Municipality). The indigent register is updated annually.

#### COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 4 000 per month. Council reviews the threshold on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy.

## INTRODUCTION TO ROADS

The municipality is not responsible for public transport but the Department of Roads, Transport, and Capricorn District municipality have the powers and functions related to roads and transport. There was no road-upgrading project implemented by the Department of Roads and Transport through Roads Agency Limpopo (RAL).

Gravel road infrastructure				
Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2019/20	786.98km	0	0	488.44
2020/21	786.98km	0	0	488.44
2021/22	786.98km	0	0	488.44
2022/23	786.98km	0	0	488.44
2023/24	786.98km	0	0	488.44

Source : Department of Public Works, Roads and Infrastructure

## 3.8. TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

#### PUBLIC TRANSPORT

There is one mode of public transport in the municipal area viz road transport. The dominant public transport mode is the minibus taxi while another form of public transport is the bus transport with Great North, Motlapa and Mmabi busses being the main operators. The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The movements of these modes of public transport is towards all the nodal points of Blouberg, viz, Alldays, Serwabarwana, Tolwe and Eldorado while outside Blouberg the major destinations are Musina, Louis Trichardt, Lephalale, Steilop and Polokwane.

## STATUS OF TAXI RANK FACILITIES

LOCATION	STATUS	DESTINATIONS
Senwabarwana	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities	The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg,
Eldorado	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and areas such as Senwabarwana and it connects to Polokwane via Kromhoek taxi rank
Kromhoek	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities	The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg and Louis Trichardt
Alldays	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and destinations such as Musina and Louis Trichardt
Windhoek	The rank is informal	It covers Senwabarwana, Steilloop
Avon	The rank is informal	It covers Senwabarwana, Vivo, Indermark
Buffelshoek	The rank is informal	It covers Senwabarwana
Vivo	The rank is informal	It covers Senwabarwana, Alldays, Mogwadi and Makhado
Letswatla	The rank is informal	It covers Senwabarwana
Taaiboschgroet	The rank is informal	It covers kibi ,Kromhoek ,Makhado and Polokwane

### 3.5.4.2 PUBLIC TRANSPORT CHALLENGES

The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The other main challenge is the bad state of roads that increases the operation and maintenance costs of public transport operators. Lack of formal taxi ranks with all related amenities in some strategic areas such as Avon, Vivo, Buffelshoek, Letswatla, Taaiboschgroet, Windhoek and Harriswich remains a challenge. Disputes over operating routes occasionally occur resulting in conflicts among taxi associations. There is a recent challenge where Taxi owners are barring community members from giving needy community members lifts

### PERFORMANCE OF TRANSPORT OVERALL:

#### PUBLIC TRANSPORT INTERVENTIONS

The roads and transport forum has been established and all taxi associations operating within Blouberg are members of the forum. The matter of accessibility of public transport outside the 6H00 and 20H00 time periods has been referred to the operators for considerations. The state of poor road conditions has been highlighted to the MEC for Roads and Transport for intervention. The municipality and the CDM in collaboration with public transport operators will develop a priority list for formalization of taxi ranks. Taxi and bus shelters have been constructed along major routes such as D1200 (Senwabarwana-Windhoek road), Wegdraai to Eldorado road, Letswatla to Windhoek road

and D1598 (Kibi to Schiermoonikoog road). The Municipality should explore the introduction of Blouberg Bus as part of the Bus Rapid Transport System as is the case in the City of Joburg and Polokwane Municipalities.

#### Local integrated Transport Plan

The plan has been developed and adopted by council.

#### Licensing and registering authority

The municipality has a Licensing and Registering authority unit at head office Senwabarwana. The process of opening these services at Alldays and Eldorado Satellite Offices was continued in the period under review and culminated in the functioning of the Alldays and Eldorado learners licensing centres while other full licensing services remained unfulfilled. These services are now earmarked for Hariswish and Langlaagte

#### Law Enforcement unit

For the period under review, the municipality had a Law Enforcement Unit at head office, Senwabarwana and Alldays Satellite Office, which shares the service with Eldorado Satellite Office.

### 3.10. PLANNING

#### INTRODUCTION TO PLANNING

The responsibility of the municipal planning function relates to the following functions: settlement establishment and formalization, processing of land development applications, Approval of land use rights applications such as rezoning, consolidation, subdivisions and consent use applications, implementation of building regulations and enforcement of building By-law.

During the 2023/25 financial year, the following were achieved: Tolwe layout plan was implemented and completed and the pre-approval of the surveyor-diagram for the subdivision of the farm Monmouth. A total of 245 low cost houses were constructed and handed over to beneficiaries

Main challenges experienced in the financial year 2023/24 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana, Borkum and Alldays. Three main Service delivery priorities :- Service delivery and Infrastructure development, LED and spatial Planning. The attraction of investors e.g. Establishment of the third mall in Alldays (Gillfillian) and Senwabarwana

Measures taken to improve the performance: Improved community engagement/public participation



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

#### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

The municipality approved Local Economic Development Strategy and growth strategy. The strategy identifies the key sectors of the Blouberg Economy being retail development, agricultural development, SMME development, manufacturing, tourism development and community based public works. Amongst anchor projects identified in the strategy there is the development of retail centres in nodal points, the exploration of alternative energy sources and agricultural development initiatives.

The period under review witnessed the implementation of the following key service delivery priorities:

Implementation of the Venetia mine underground project with a budget of over R2m for hawkers stalls in Senwabarwana complex

Exploration of mineral resources by Ironveld\ HACRA at Harriet's wish, Cracouw and Aurora with strong positive prospects of mining continued. The exploration has yielded positive results, a mining license has been granted, and construction is expected to commence soon. The new explorations by Sylvania Platinum and Platinum Group Metals has brought some hope in the people of the municipality in terms of job creation.

The creation of over 1410 job opportunities through Community Works Programme, EPWP(260), and implementation of municipal capital works programme through labour-intensive methods was maintained.

#### **INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

During the period under review, there were no IDP targets for the provision of Aged Care and Social Programmes. The municipality only played a coordination role with the Department of Health and Social Development.

#### **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

The municipality did not play much role on community and social services such as libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres due to capacity challenges. This statement only excludes cemeteries wherein the municipality coordinates the function in Alldays, Senwabarwana and, to a smaller extent, R293 towns of Witten, Dilaeneng, Puraspan and Indermark.

#### **3.55 CEMETORIES AND CREMATORIALS**

The Municipality operated the cemetery function in the two R293 towns of Senwabarwana and Alldays. Cremation services are still outsourced as per request.

#### **3.56. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

These services are mainly with the relevant departments and Municipality is assuming a coordinating role.

#### **COMPONENT F: HEALTH**

The provincial department of Health and Social Development renders the clinics and ambulance services.

#### **COMPONENT G: SECURITY AND SAFETY**

Law enforcement: there is a law enforcement service within our municipality, which has been decentralized to Alldays and Tolwe Satellite Office.

Licensing and Registering Authority: our municipality has this function, which was also decentralized to both Eldorado and Alldays Satellite.

Fire and disaster management services are functions of the district municipality; however, our municipality plays a coordinating role with regard to disaster management. A disaster coordinator was employed to that effect.

The licensing of animals is a function of the department of Agriculture; however, our municipality has a pounding function, which deals with the control of stray animals out of the public roads and at unauthorized places.

We have a by-law that deals with the control of public nuisances, but it is not implemented due to capacity constraints.

# THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1
5	0	1
6	0	1
7	0	1
8	0	1
9	0	1
10	0	1
11	0	1
12	0	1
13	0	1
14	1 STANDARD BEN SERAKI	0
15	0	1
16	1 STANDARD ELDORADO SPORTS FACILITY	0
17	0	1
18	1 ALLDAYS SPORTS COMPLEX	0
19	1 SENWABARWAN STADIUM	0
20	0	1
21	0	1

22	1 PINKIE SEBOTSE SPORTS COMPLEX	
TOTAL	5	17

The challenge is that some sports and recreation facilities available do not have enough facilities such as high mast lights for night games; athletic rubber tracks etc. Another challenge with the amenities is on the available halls, which are not used as multi-purpose community centres but are only used scarcely as normal halls.

### 5.5.3 INTERVENTIONS

The municipality, together with SAFA and private partners, construct and upgrades sports and recreational facilities annually. SAFA has to construct an artificial soccer facility as part of its 2010 legacy projects. With regard to community halls, the plan is to move away from normal standard halls and build multi-purpose centres. The Municipality has completed construction Senwabarwana sports complex.

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

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

The municipality has a unit that specifically deals with disaster incidents and the rehabilitation of disaster victims. The unit is working in collaboration with Capricorn District Municipality (CDM). The budget is set aside annually to attend to disaster issues. The District provides its locals with resources and personnel for proper execution of their duties. The municipality has a credible Disaster Management Plan, which gave the municipality areas that need an urgent attention. The municipality hold Disaster-Management Advisory Forum sitting on quarterly basis to inform communities about performance regarding incidents that occurred under the period review.

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

Disaster management is a district function; however, our municipality plays a coordinating role to this effect. A disaster coordinator has been employed at officer level to assist in coordination of disaster issues between the district municipality and the local communities

#### INTRODUCTION TO SPORT AND RECREATION

#### COMPONENT H: SPORT AND RECREATION

All settlements have access to cemeteries though such are not formalized. There is 5 standard sports facilities at Eldorado, Senwabarwana Pinkie Sebotse, Senwabarwana Sports Complex and at Ben Seraki (Buffelshoek).

Blouberg area has 11 community halls. There is one Thusong service centre at Eldorado and it hosts the municipal offices, Department of Education, Department of Agriculture, Department of Labour, SAPS and Department of Health.

## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

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

### **INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.**

The components comprises Secretariat, Auxiliary Services, Human Resources, ICT Services and Communications, The main objective is to provide support and auxiliary services to all departments and the political components of the municipality. Some of the functions include fleet control, Office accommodation, Cleaning Services Effective security Services reliable and efficient telecommunication services, timely and well-collated qualitative documents

### **3.69 EXECUTIVE AND COUNCIL**

The Components includes The Mayor, Councillors and Municipal Manager, Introduction to executive council Blouberg Local Municipality was established in terms of demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The Municipality is a category B as determined in terms of section 4 of the Local Government Municipal Structures Act No 117 of 1998

It is a Municipality with a collective executive system as contemplated in section 2(a) of northern province Determination of types of municipalities act (4) of 2000 Blouberg Municipality has however and approved delegation system that seeks to decentralize decision making within the institution and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide adequate checks and balances for line with the delegation system, some decisions making powers have been cascaded from council to the executive committee, its portfolio committee and full time councillors. Other powers have been delegated to the Municipal Manager

Component includes executive office (mayor; councillors; and municipal manager)

### **INTRODUCTION TO EXECUTIVE AND COUNCIL**

### **THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:**

The support for councillors' policy is in place and councillors receive support in respect of the various aspects of their daily activities as public representatives, in-house workshops on governance and presentations. Tools of trade were provided in line with upper limits for Councillors

### **3.70 FINANCIAL SERVICES**

### **INTRODUCTION FINANCIAL SERVICES**

The financial services of the municipality are in the Budget and Treasury office, which is responsible for the following Units: 1) Revenue services, 2) Expenditure Management, 3) Supply Chain Management, 4) Budget Management, and Assets Management. For the period under review, SCM and Assets Management were housed in one unit.

Most revenue on the finance department comes from equitable shares, financial management grants, conditional grants (MIG & INEP) and the other sources of income, such as interest earned, rent received, development fund and other sundry income. A full report on financial performance is contained in chapter 5 of this report, which deals with Annual Financial Statements and performance.

### 3.71. HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources Unit is comprises of Human Resources Management, Skills Development, Occupational Health and safety, Employment Equity, Labour Relations, Compensation For Injuries and Diseases, and Employees wellness. The unit priorities includes timely filling of vacancies to support municipal vision and objectives, improving working conditions and skills development. Not all the funded positions for 2023/24 were filled. All Human Resources committee including the Occupational Health and Safety Committee were established comprising of employees from all levels and work stations and were crucial in helping Management identify and address working conditions that posed threat to the health and safety of employees.

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

i. Human Resources Development – The Workplace Skills Plan (WSP) and Annual Training Report were developed and submitted in April 2022 for implementation in the 2023/24 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councillors and employees, bursaries for employees, internships and learner ships as informed by the WSP. There were no bursaries for employees during the year under review.

ii. Labour Relations and Occupational Health and Safety – The Local Labour Forum was revived and helped in sustaining employer-employee peace while the OHS had a committee established which met its full quota of meetings, which had a positive impact.

Employees Health and Wellness – Employee Wellness Day was held and employees participated in activities that included among other various forms of testing e.g. HIV, High Blood Pressure, Sugar Diabetes etc. and a few presentations were made in respect of employee welfare by different banking institutions, insurance companies etc.

Compensation for Injuries and Diseases – there was no reported injuries on duty during the period under review.

Employment Equity – One aspect that we were found wanting on is the Employment Equity. Though the Employment Equity Committee is in place, it could not influence employment/hiring of people from the designated groups.

Organizational Design – Council approved the Organizational Structure.

Compensation and employees benefits – all pension pay-outs were done within fourteen days of application receipt.

Recruitment, selection and placement – all funded posts were filled.

Condition of Services – all employees employed during the period in issue signed their contracts of employment.

Leave Management – all leaves were captured

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

The Human Resource Division performed relatively well particularly on the aspect of recruitment. Not all the budgeted positions were filled as amongst others three senior manager positions are still vacant. Employment Equity is the area where the division was found more wanting with middle management the most glaring. Out of twenty four (24) managers, only four (4) are female and none of those was employed during the period under review. The Training Committee was functional and assisted in the enhancement of capacity building wherein at least seven (7) employees were awarded municipal employees' bursaries. Training programmes were well-coordinated. The Employment Equity and Occupational Health and Safety Committee did relatively well by complying with the schedule of meetings completing their quota though implementation of resolutions taken in those fora remain a challenge. The Workplace Skills Plan and Annual Training Report were timeously compiled and submitted and programmes thereof were accordingly followed

### 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

Information and Communication Technology is but one area that is cardinal in ensuring that communication lines from within and outside the municipality are maintained. Its major service delivery priorities include i. improvement of citizen participation within the municipality governance; ii. To enable and support technology integration throughout the municipality. To deploy technology for cost effective, responsive service delivery to citizens, business, employees and government. Council and the Executive Committee respectively adopted the IT Governance Framework and a number of policies and plans notably Change Management Policy, ICT Security Policy as well as the Data and Laptop Policy. The Corporate Services Portfolio Committee was favoured with compliance monitor reports to track progress in that regard.

#### PERFORMANCE OF ICT SERVICES OVERALL:

The ICT did not perform well mainly due to lack of budget. The Disaster Recovery and Business Continuity Plans could not be put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not so great performance. These safety and environmental controls could not be fitted due to lack of funds.

The ICT did not perform well mainly due to lack of budget. The Disaster Recovery and Business Continuity Plans could not be put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not so great performance. These safety and environmental controls could not be fitted due to lack of funds.

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# **CHAPTER 3:**

# **2023-24 ANNUAL**

# **PERFORMANCE**

# **REPORT**

## **2. INTRODUCTION AND LEGISLATIVE BACKGROUND**

The Blouberg Municipality 2023/24 Annual Performance Report highlights the service delivery and developmental achievements, challenges, measures to improve on the performance. The Report has been compiled in terms of legislative provisions; amongst others, these include Municipal Systems Act (MSA) No. 32 of 2000, Municipal Finance Management Act (MFMA) No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA states that a Municipality must prepare for each financial year a Performance Report and further that the said report must form part of the Municipality's Annual Report for each financial year in terms of chapter 12 of the MFMA. This Annual Performance Report is a reflection of the Municipality's actual performance in relation to what was planned for in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating and corrective measures taken. The Annual Performance Report 2023/24 is aligned to the Municipal IDP and Budget for the 2023/24 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2023/24 evolved over time. It is a product of the in-year engagements monthly, quarterly, half-yearly and ultimately annual basis. These reports served at various committees namely Management, Steering Committee, Portfolio committees, and Review Sessions, Executive Committee, Audit Committee, Municipal Public Accounts Committee (MPAC) and Municipal Council.

## **3. PURPOSE OF THE ANNUAL INSTITUTIONAL PERFORMANCE REPORT 2023/24**

**The Annual Performance Report serves the following Purposes:**

- The provision of a report on performance in service delivery and budget implementation plan for the 2023/24 financial year
- To promote transparency and accountability for the activities and programmes of the municipality vis-à-vis the six key performance areas
- To provide a record of activities of the municipality for the 2023/24 financial year to which this report relates.



#### 4. SUMMARY OF PERFORMANCE FOR THE 2023/24 FINANCIAL YEAR.

##### 4.1. SUMMARY OF PERFORMANCE FOR THE 2023-24 FINANCIAL YEAR

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The table below indicate the summary of Annual SDBIP Performance 2023-24 per KPA. Out of 112 targets for the year, 100 targets were achieved while 12 targets were not achieved. The overall Annual Performance stands at 89 %							
Key performance area	Total Targets	Annual Targets Achieved	Total Targets Achieved	Annual Targets not Achieved	Overall Percentage of Targets achieved		
Basic Service and Infrastructure Development	30	22	22	8	73%		
Municipal Transformation and Organisational Development	26	25	25	1	96%		
Local Economic Development	4	3	3	1	75%		
Financial Viability and Management	14	13	13	1	93%		
Good Governance and Public Participation	36	35	35	1	97%		
Spatial Planning	2	2	2	0	100%		
Overall Total Municipal Targets	112	100	100	12	89%		

#### 4.2. COMPARISON OF 2023-24 AND 2022-23 SDBIP PERFORMANCE

The table below illustrate comparison of 2023-24 and 2022-23 performance

Department	Total Targets		Total Targets Achieved		Total Targets not Achieved		Overall Percentage of Targets achieved	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Basic Service and Infrastructure Development	30	34	22	25	8	9	73%	73%
Municipal Transformation and Organisational Development	26	32	25	28	1	4	96%	87%
Local Economic Development	4	4	3	3	1	1	75%	75%
Financial Viability and Management	14	16	13	15	1	1	93%	94%
Good Governance and Public Participation	36	35	35	35	1	0	100%	97%
Spatial Planning	2	2	2	2	0	0	100%	100%
<b>Overall Total Municipal Targets</b>	<b>112</b>	<b>123</b>	<b>100</b>	<b>108</b>	<b>12</b>	<b>15</b>	<b>89%</b>	<b>88%</b>

#### Comment on performance per Key performance area

Department	Improved	Maintained	Declined	Comment
Basic Service and Infrastructure Development		Maintained		were not achieved compared to 9 in 2022-23
Municipal Transformation and Organisational Development	Improved by 12%			1 target was not achieved
Local Economic Development		Maintained		1 target was not achieved
Financial Viability and Management		Maintained		1 target was not achieved
Good Governance and Public Participation			Declined by 3 %	1 target was not
Spatial Planning		Maintained		Not applicable
<b>Overall Total Municipal Targets</b>	Improved by 1 %			

## 5. PERFORMANCE OF EACH EXTERNAL SERVICE PROVIDER

The municipality is compelled in terms section 46 (1) (a) of Municipal Systems Act of 2000 to prepare for each financial year a performance report reflecting performance of each external service provider during that financial year. Here under follows the performance of each external service provider during the referred to financial year

### 5.1 PERFORMANCE RATING IN RESPECT OF CONTRACTED SERVICE PROVIDERS DURING 2023/24

THE ASSESSMENT OF THE PERFORMANCE OF SERVICE PROVIDERS WILL BE -+ BASED ON THE FOLLOWING RATING SCALE:

LEVEL	TERMINOLOGY	DESCRIPTION
5	Excellent/Outstanding Performance	Performance far exceeds the standard expected of the service provider at this level. The appraisal indicates that the service provider has achieved above fully effective results against all performance criteria and indicators as specified in the awarded contract.
4	Very Good/Performance significantly above expectations	Performance is significantly higher than the standard expected in the job awarded. The appraisal indicates that the service provider has achieved above the fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the period of the contract awarded.
3	Good/fully effective	Performance fully meets the standard expected in all areas of the job awarded. The appraisal indicates that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified in the awarded contract.
2	Fair /not effective	Performance is below the standard required for the specified job. Performance meets some of the standards expected for the job and the assessment indicates that the service provider has achieved below fully effective results against more than half of the key performance criteria and indicators as specified in the awarded contract.
1	Poor /unacceptable	Performance does not meet the standard expected for the job awarded. The assessment indicates that the service provider has achieved below fully effective results against all of the performance criteria and indicators as specified in the awarded contract. Further that the service provider failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

PROJECT NAME	APPOINTEE D SERVICE PROVIDERS	VALUE FOR THE CONTRACT AWARDED	EXPENDITURE TO DATE	ACTUAL PERFORMANCE	REASON FOR NON-COMPLETION	SERVICE PROVIDERS PERFORMANCE CE (i.e. Poor, fair, good etc.)	COMMENTS AND RECOMMENDATIONS
Construction of Avon Multi-purpose community Centre	Oikatech Consulting	R974,902,00	R 486 593.75	(COMPLETED OR INCOMPLETED)	Contractor Terminated	Poor	The processes of appointment of contractor to complete the remaining scope of works is underway
	Urlich Construction			Incomplete			
Bayswater Electrification project	AES consulting engineers  JMJ Electrical Projects and Management PIN Africa	R 536,079.01	R 536,079.01	Completed	N/A	Good	The project annual target was completed on time

Mochemi Electrification project	JMJ Electrical Projects and Management	R 350 000.00	R 350 000.00	Completed	N/A	Good	The project annual target was completed on time
	Prest Business Suppliers						
Alldays electrification projects	Risima Projects Management	R1,110,000.00	R1,110,000.00	Completed	N/A	Good	The project annual target was completed on time
	Oakantswe Construction and Projects						
Mongalo Electrification project	JMJ Electrical Projects and Management	R1,000,000.00	R1,000,000.00	Completed	N/A	Good	The project annual target was completed on time
	Prest Business Suppliers						

Swartz Electrification project	AES consulting engineers JMJ Electrical Projects and Management	R900,000.00	R900,000.00	Completed	N/A	Good	The project annual target was completed on time
Sweethome Electrification project	JMJ Electrical Projects and Management Prest Business Suppliers	R1,400,000.00	R1,400,000.00	Completed	N/A	Good	The project annual target was completed on time
Simpson Electrification project	Risima Projects Management Oakantwe Construction and Projects	R200,000.00	R200,000.00	Completed	N/A	Good	The project annual target was completed on time
Senwabarwana electricity substation (Phase2)	Volt Consulting Engineers	R 5 412 286	R 5,209,682.65	Incomplete	contractor encountered hardrock	fair	The Contractor was informed to submit the revised

	NSK JV F-TECH							catch-up plan in order to ensure that the project is completed by the end of September 2024.
Sefihlampsayana Access road and stormwater control	Dolmen consulting engineers	R4,000,000.00	R3,999,305.96	Completed	N/A	Good		The project annual target was completed on time
	Maphala Group Services							
Rehabilitation of Senwabarwana Internal Streets and Stormwater Control	Morwa consulting engineers	R25,000,000.00	R2,298,985.66	Completed	N/A	Good		The project annual target was completed on time
Construction of Internal and Street Stormwater Control Phase 2	Sizeya Consulting Engineers	R17,000,000.00	R986 984.07	Completed	N/A	Good		The project annual target was completed on time

Re-graveling of Kgatla Access Road and stormwater control (4.0km)	PJMJ Engineering and plant hire	R5,100,000.00	R1,109,054.07	Completed	N/A	Good	The project annual target was completed on time
Construction of Kwarung internal streets and stormwater control	Sizeya Consulting Engineers	R1,965,220.00	R 1 964 101,03	Completed	N/A	Good	The project annual target was completed on time
Construction of access road from Bosehla to Thlane	Sizeya Consulting Engineers	R2,196,524.00	R 2 196 470,97	Completed	N/A	Good	The project annual target was completed on time
Construction of Danzig Creche	Dolmen Consulting Engineers Bakone Mathekga wide services	R 1 051 331,79	R 1 051 331,79	Completed	N/A	Good	The project annual target was completed on time.
Construction of Mongato Creche	Dolmen Consulting Engineers Civil Construction and plant hire	R 992 289,29	R 992 289,29	Completed	N/A	Good	The project annual target was completed on time.



Substation (Senwabarwana 132/22KV, 20 MVA) Phase 3	Volt Consulting Engineers Oakantswe Construction and Projects	R 27,800,000.00	R 12,446,504.77	Incomplete	Manufacturing processes of the materials takes long.	fair	Constant monitoring of the project to be completed within the approved time.
Construction of Lethaleng to Pickum access road	SVM Civil Engineers Lexy H World (PTY)LTD JV Ngajama Trading Enterprise CC	R 24,773,378.72	R 24,773,378.72	Completed	N/A	Good	The project annual target was completed on time.
Construction of Mochemi access road and internal street	Morula Consulting Engineers Mpophoma Construction	R33,859,434.99	R32,377,422.55	Incomplete	Delay in delivery of materials from supplier	fair	Constant follow- up with the suppliers, to the delivery of the materials.

## 5.2. COMPARISON OF PERFORMANCE OF SERVICE PROVIDERS FOR 2023-24 AND 2022-23

Seven (7) projects were rolled over for 2023/24 financial year whereas only three (03) projects were rolled over in the 2022/23 financial year, No service provider was terminated due to poor performance in the 2022/23 financial year and one (01) Service provider was terminated in the 2023/24 financial year.

Year	Total number of service providers	Service providers rated good	Service providers rated fair	Service providers rated poor	Service providers terminated
2022-23	14	7	7	0	0
2023-24	20	16	3	1	1

6. CAPITAL GRANT SPENDING					
6.1. CAPITAL GRANTS SPENDING FOR 2023-24					

The Municipality was allocated R 49,059 000 and additional R10, 000.00 for MIG for the financial year 2023/24. The Municipality has managed to spend 98.9% of the total allocation inclusive of the additional funding of Municipal Infrastructure grant. The Municipality was allocated R 4 000 000.00 and additional R47 100 000 for MDRG for the financial year 2023/24. The Municipality has managed to spend 99.9% of the allocated R4, 000,000.00 and 9.13% of the additional funding amount of MDRG.

The Municipality was allocated R33 000 000.00 for INEP for the financial year 2023-24. The Municipality has managed to spend 53.4% of R33 000 000.00 Allocation of INEP

## 6.2. COMPARISON OF CAPITAL GRANTS SPENDING FOR 2023/24 AND 2022/23

Municipality has managed to spend 98.9% of MIG grant for 2023-24 compared to 2022-23 Financial year where MIG spending was at 98 %

Grant	2023-24 Allocation	2023-24 Percent Spending	2022/23 Allocation	2022/23 Percent Spending	Comments
MIG	R59,059,000	99%	R50,408,000	98%	One project not completed
INEP	R33,000,000.00	53%	R32,636,000.00	51%	One project not completed

<b>MDRG</b>	<b>R4,000,000</b>	<b>99.80%</b>	<b>R300</b>	<b>83.40%</b>	<b>N/A</b>
<b>MDRG Additional funding</b>	<b>R47,100,000.00</b>	<b>9.13%</b>	<b>0</b>	<b>0</b>	<b>Three projects not complete</b>

## 7. OPERATING REVENUE COLLECTION

Seven (7) projects were rolled over for 2023/24 financial year whereas only three (03) projects were rolled over in the 2022/23 financial year, No service provider was terminated due to poor performance in the 2022/23 financial year and one 01 Service provider was terminated in the 2023/24 financial year.

### 7.1. 2023-24 OPERATING REVENUE COLLECTION

The Municipality has managed to collect R 132 709 223.51 out of R 114 506 855 Operating Revenue budget for 2023-24. This represent 115 % of operating revenue collected.

### 7.2. COMPARISON OF 2023-24 AND 2022-23 OPERATING REVENUE COLLECTION

Item	2023-24		2022/23		Comments
	Operating budget	Actual Collection	Operating budget	Actual Collection	
Operating Revenue Collection					
	2023-24	2023-24	2022/23	2022/23	
	Operating budget	Actual Collection	Operating budget	Actual Collection	
					The 2023-24 collection has improved from 2022-23

	R 114 506 855	R 132 709 223.51	R 103 171 697	R 80 080 111.15	financial year due to improved collection on assessment rates
Overall Percentage	115%		78%		

Item	2023/24	2022/23	2022/23	Comments
Operating Revenue Collection	2023/24 Operating budget R 103 171 697	2022/23 Actual Collection R 80 080 111.15	2022/23 Operating budget R 98 619 265	The 2023/24 collection has declined from 2021-22 financial year due poor collection on assessment rates
Overall Percentage	78%		100%	

## 8. PERFORMANCE CHALLENGES AND MEASURES FOR IMPROVEMENT

Despite overall performance, there are challenges that needs to be highlighted in order to improve going forward.

The table below illustrate some of the challenges and measures for improvement.

Challenge/s	Measures for Improvement
Inadequate collection i.e. electricity collection, and traffic revenue sources	<p>Improve on billing system and collection measures</p> <p>Identification of additional revenue sources.</p> <p>Support the work of revenue management committee</p>
Land invasions	Implement forward planning and proactive land use measures that will alleviate land invasions, for example township establishment and registration, by-law enforcement
Ageing machinery and infrastructure	Appointment of term contractor for plant maintenance and budgeting for purchase of plant annually
Electricity loss	Appointment of electricians and budget allocation for smart, split meters and meter audit
	<p>84.40% 100%</p> <p>915%</p>

#### 10. CERTIFICATION OF ANNUAL REPORT 2023/24

The Annual Performance report 2023/24 has been compiled in line in terms of Section 46 of Municipal System Act no 32 of 2000, circular 11 and 63 of Municipal Finance Management Act no 56 of 2003.  
 I therefore certify that this report represents the highlights of the performance of the Municipality during 2023-24

**RAMOTHWALA REFILWE**  
**MUNICIPAL MANAGER BLOUBERG LOCAL MUNICIPALITY**

<p>Financially sound</p>	<p>to ensure that the financial statements are accurate and reliable.</p> <p>to ensure that the financial statements are accurate and reliable.</p> <p>to ensure that the financial statements are accurate and reliable.</p>
<p>to ensure that the financial statements are accurate and reliable.</p>	<p>to ensure that the financial statements are accurate and reliable.</p> <p>to ensure that the financial statements are accurate and reliable.</p> <p>to ensure that the financial statements are accurate and reliable.</p>

APPROVED BLM ANNUAL PERFORMANCE REPORT													
2023-24 REPORT													
KPA	BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT												
NDP	BUILDING KEY CAPABILITIES(HUMAN,PHYSICAL AND INSTITUTIONAL												
OUT COM E 9	IMPROVE ACCESS TO BASIC SERVICES ( OUTPUT 2)												
Project Details													
Proje ct/K PI Num ber	Project Name	Project Descripti on (major activities)	Strateg ic Objecti ve	Locatio n	Key Performance Indicator	2022-23 Baseline	2023-24 Annual Target	Actual Performance	Reaso n for Varian ce	Corre ctive Meas ures	2023-24 Budget(E xpensiture)	Portfolio of evidence	Resp onsi bl e Depart ment
BSID 1	Electrical Equipment	Purchasi ng of identified Electrical	To ensure minima l	BLM	Number identified sets of electrical	25 Electrical equipment purchased by June 2023	30 Identified sets of Electrical equipment	Target not Achieved. 24 Identified	Budge t constr aints	Alloc ate enou gh	R 2,5 M(R 2 442 950)	Proof of Purchase and list of	Techn ical servic es



		equipment	energy consumption by users as per the national energy reduction strategy	equipment purchased by June 2024		purchased by June 2024	sets of Electrical equipment purchased.		budget for the purchase of the identified set of electrical equipment.		electrical equipment purchased	
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1. The following information is provided for the purpose of the audit:  
 2. The following information is provided for the purpose of the audit:  
 3. The following information is provided for the purpose of the audit:  
 4. The following information is provided for the purpose of the audit:






BSID	Electrical Poles	Purchasing and replacement of poles	To ensure uninterrupted energy supply to communities	BLM	Number Poles purchased and installed by June 2024	30 Poles purchased and installed at Grootpan, The-Grange and Simpson by June 2023	20 Poles purchased and installed by June 2024	Target not Achieved. 8 Electrical Poles purchased and installed.	Budget constraints	Allocate enough budget for the purchase of the identified set of electrical equipment poles	R 200 000.00 ( R 184 849)	Proof of Purchase and pictures, List of areas were poles were installed	Technical services
8													

BSID 13	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Completion of Specific Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	All days village	Number of households electrified and energized at All days village by June 2024	New indicator	60 households electrified and energized at All days	Target Achieved. 60 households electrified and energized at All days village.	N/A	N/A	1,360,329,00 (R 1 081 017)	Advert, appointment letters, site handover minutes, pictures and Completion certificate	Technical services
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BSID 14	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compilation of Specification/Tender documents, Tender advertisement, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Mochemi village	Number of households electrified and energized at Mochemi village by June 2024	New Indicator	25 households electrified and energized at Mochemi village by June 2024	Target Achieved. 25 households electrified and energized at Mochemi village.	N/A	N/A	R 350 000 (R 350 000)	Advertisment letters, site handover minutes, pictures and Completion certificate	Technical services
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BSID 15(1)	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compilation of Specification/Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Bayswater village	Number of households electrified and energized at Bayswater village by June 2024	New Indicator	30 households electrified and energised at Bayswater village by June 2024	Target Achieved. 30 households electrified and energised at Bayswater village.	N/A	N/A	R 536 079( R 536 079)	Advert, appointment letters, site handover minutes, pictures and Completion certificate	Technical services
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BSID 15(2)	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compilation of Specific Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Mongalo village	Number of households electrified and energized at Mongalo village by June 2024	New indicator	50 households electrified at Mongalo village by June 2024	Target Achieved. 50 households electrified and energised at Mongalo village.	N/A	N/A	R 1 000 000 ( R 1 000 000 )	Advert, appointment letters, site handover minutes, pictures and Completion certificate	Technical services
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BSID 15(3)	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compilation of Specific Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Simpson village	Number of households electrified and energized at Simpson village by June 2024	New indicator	25 households electrified and energized at Simpson village by June 2024	Target Achieved. 25 households electrified and energized at Simpson village.	N/A	N/A	R 217 968 ( R 217 965 )	Advert, appointment letters, site handover minutes, pictures and Completion certificate	Technical services
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BSID 15(4)	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifics/Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Swartz village	Number households electrified and energized at Swartz village by June 2024	New indicator	45 households electrified and energised at Swartz village by June 2024	Target Achieved. 45 households electrified and energised at Swartz village.	N/A	N/A	R 900 000 ( R 883 323 )	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion certificate	Technical services
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BSID 15(5)	Electrification of extensions	Confirmation of the Project on the IDP, Project Registration, Compliance of Specification/Tender documents, Tender advert, Evaluation,	To connect and provide sustainable energy to all households by June 2024	Sweet home village	Number of households electrified and energized at Sweethome village by June 2024	New indicator	70 households electrified and energized at Sweethome village by June 2024	Target Achieved. 70 households electrified and energized at Sweethome village.	N/A	N/A	R 1 400 000 ( R 1 400 000 )	Advert, appointment letters, site handover minutes, Quarterly Progress reports, pictures and Completion certificate	Technical services
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BSID 16	Construction of Senwabarwa na Substation Phase 3	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifics	To provide sustainable energy to all households	Senwabarwa electric substation Phase 3	Number 20MVA 132/22KV Power Transformer, NECRT, AC/DC Distribution panel procured and installed and construction 100 metres paving	Perimeter fence(120m), Drilling and equipping of borehole(01) and Building of Substation House(160m2) ,Paving (350m2),Access road (1.3km). Construction of Primary Plant Platform,	Procurement and installation of 1 x 20MVA 132/22KV Power Transformer, 1X NECRT, 1 x AC/DC Distribution panel and construction 100 metres paving Internal Access Road by June 2024	Target not Achieved. Construction of Access Road and Installation of Power Transformer, NECR and 22KV Switchgear not done as we still waiting for the delivery	Manufacturing processes of the materials takes long time.	Contract follow-up with the suppliers, to fast-track the delivery of the long lead materials.	R 27 800 000 ( R 12 446 504 )	Advert, appointment letters, site handover minutes, Project Progress reports, pictures	Technical services
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BSID	Roads (Maintenance )	Maintena nce of roads	To maintai n interna l streets and access roads on contin uous basis	Senwa barwan a	Number set of identified road maintenance materials purchased by June 2024	700 Square meters of patching potholes and 50 square meters of road markings at Senwabarwan a Internal Streets by June 2023	10 x 210L emulsion drums, 700 x 25 kg cold mix bags and 10 x 20L road marking paints purchased for Senwabarwana Internal Streets by June 2024	Target not Achieved Procurement of 05 x 210L emulsion drums and 200 x 25kg cold mix bags purchase d for Senwabar wana Internal Streets.	Delay in appoin tment of the servic e provid er	Time ous appoi ntme nt of servic e provi ders for procu reme nt of mater ials	R 324 000 (R 89 263)	Proof of purchase	Techn ical servic es	
17														



BSID	Road Maintenance Materials	Purchase of identified sets road materials	Improve maintenance capacity	BLM	Number set of identified road maintenance materials purchased by June 2024	4 sets of identified road maintenance materials purchased by June 2023(Wheel barrows(05),Brooms(30),square shovels(10) and digging spades(10) by June 2023	4 sets of identified road maintenance materials purchased by June 2024(Wheel barrows (05), Brooms (30), square shovels (10) and digging spades (10).	Target Achieved. 4 sets of identified road maintenance materials purchased by June 2024(Wheel barrows (05), Brooms (30), square shovels (10) and digging spades (10).	N/A	N/A	R20,000,000 ( R20 000)	Proof of purchase and list of sets of materials purchased	Technical services
32													

BSID	Construction of Danzig Creche	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifics	To provide safe and sustainable educational facility services	Danzig	Percentage construction of Danzig Creche	Appointment of contractor, Site handover, Site establishment, Foundations, Drilling of borehole, Brickwork Super structure up to wall plate level completed by June 2023	100% construction of Danzig Creche Completed by September 2023 (100% construction of Superstructure with roofing, fencing, Kids play ground. Drilling of borehole and septic tank	Target Achieved. 100% construction of Mongalo Creche Complete d by September 2023 (100% construction of Superstructure with roofing, fencing, Kids play ground.	N/A	N/A	R1,051,332 ( R 1 051 331)	Advert, appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID 38	Construction of Mongalo Creche	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifics	To provide safe and sustainable educational facility services	Mongalo	Percentage construction of Mongalo Creche Completed by September 2023	Appointment of contractor, Site handover, Site establishment, Foundations, Drilling of borehole, Brickwork Superstructure up to wall plate level completed by June 2023	100% construction of Mongalo Creche Completed by September 2023 (100% construction of Superstructure with roofing, fencing, Kids play ground. Drilling of borehole and septic tank)	Target Achieved. 100% construction of Mongalo Creche Complete d by September 2023 (100% construction of Superstructure with roofing, fencing, Kids play ground.	N/A	N/A	R 992 289 ( R 992 288 )	Advert, appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID 40	Construction of Mochemi access and internal streets	Confirmation of the Project on the IDP, Registration, Compilation of Specific Tender documents, Tender advert, Evaluation, Appointment	To ensure availability of infrastructure to support public transport	Mochemi	Kilometres of Roadbed layer, Sub base, base layer and interlocking pavement for Mochemi access road and internal street completed by June 2024	New Indicator	Construction of 4.4 Km of Roadbed layer, Sub base, base layer and interlocking pavement for Mochemi access road and internal street completed by June 2024	Target not Achieved. 4,0 km construction of Sub-base, base layer works and interlocking pavement for Mochemi access road and internal street	Delay in delivery of materials from the supplier	Contractant follow-up with the suppliers, to fast-track the delivery of the materials.	R 32 377 422.55 ( R 32 377 422 )	Advert, appointment letters, handover minutes, Site visit report, pictures and progress report.	Technical services
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BSID 41	Construction of Lethaleng to Pickum access road	Confirmation of the Project on the IDP, Project Registration, Compliance on of Specifica tion/Tender documents, Tender advertisment, Evaluation,	To ensure availability of infrastructure to support public transp ort	Lethaleng and Pickum	Kilometres of Roadbed layer and Sub base and base layer for Lethaleng to Pickum access road completed by June 2024	New Indicator	Construction of 6,2 km of Roadbed layer and Sub base and base layer for Lethaleng to Pickum access road completed by June 2024	Target Achieved. 6, 2 km construction of Sub-base and base layer works for Lethaleng to Pickum access road completed.	N/A	N/A	R 27 963 218 ( R 27 963 180 )	Advert, appointment letters, handover minutes, Site visit report pictures	Technical services
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BSID	Upgrading of	Appointment of	To	Tolwe	Percentage	New indicator	100%	Target	N/A	N/A	R200	Progress Report	Comment y Services
49	Tolwe Satellite office	ent of service provider and construction	improve office space	Satellite office	upgrading of Tolwe satellite office completed by June 2024		upgrading of Tolwe satellite office completed by June 2024(Construct admin block entrance(01),cashier pay point 900X1,8m),floor tiles(classes and service point centre),air conditioners(2), wall plugs(5),wooden doors(5),electrical service	Achieved. 100% upgrading of Tolwe satellite office complete d.(Construct admin block entrance(01),cashier pay point 900X1,8m),floor tiles(class es and service			000.00 ( R160 00 )		







BSID 53	Re-graveling of Ga-Kgatla Access Road and Stormwater control (4.0km)	Confirmation of the Project on the IDP, Compilation of Specifics/Tender documents, Tender advert, Evaluation, Appointment, Design,	To ensure availability of infrastructure to support public transport	Ga-Kgatla	Number Design report developed and approved, site handover, establishment, clearance and setting out completed for Ga-Kgatla access road and Stormwater control by June 2024	New Indicator	01 Design report developed and approved, site handover, establishment, clearance and setting out completed for Ga-Kgatla access road and Stormwater control by June 2024	Target Achieved. 01 Design report developed and approved, site handover, establishment, clearance and setting out completed for Ga-Kgatla access road and Stormwater control by June 2024	N/A	N/A	R 5,100,000.00 ( R 109 054 )	Advert, appointment letter, Site handover minutes and project progress report	Technical services
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BSID 54	Rehabilitation of Senwabarwana Internal Streets and Stormwater Control	Confirmation of the Project on the IDP, Registration, Compilation of Specific Tender advertisement, Evaluation, Appointment	To ensure availability of infrastructure to support public transport	Senwabarwana	Number Design report developed and approved for Senwabarwana internal street and Stormwater control completed by June 2024	New Indicator	01 Design report developed and approved for Senwabarwana internal street and Stormwater control completed by June 2024	Target Achieved. 01 Design report developed and approved for Senwabarwana internal street and stormwater control completed.	N/A	N/A	R 25,000,000,00 ( R 2 298 985)	Planning stage inception and preliminary development and detailed approved design report	Technical services
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BSID 55	Rehabilitation of Alldays Internal Streets and Stormwater Control	Confirmation of the Project on the IDP, Registration, Compliance of Specific Tender documents, Tender advert, Evaluation, Appointment	To ensure availability of infrastructure to support public transport	Alldays	Number Design report developed and approved for Alldays internal street and stormwater control completed by June 2024	New Indicator	01 Design report developed and approved for Alldays internal street and stormwater control completed by June 2024	Target Achieved. 01 Design report developed and approved for Alldays internal street and stormwater control completed by June 2024	N/A	N/A	R 17,000,000,00( R 986 984)	Planning stage inception and preliminary development and detailed approved design report	Technical services
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BSID 56	Construction of electricity substation at Senwabarwana	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifics/Tender documents, Tender advertisement, Evaluation,	To provide sustainable energy to all households	Senwabarwana electric substation phase 2	Number of Substations constructed at Senwabarwana(Phase 2) by June 2024 (Isolators(132kv)Current transformers(132kv),Voltage transformers(132kv),Voltage transformers(132kv),Voltage transformers(132kv)Circuit breakers(132kv),Twin tubular bus bars bar(132kv),C	Perimeter fence(120m), Drilling and equipping of borehole(01) and Building of Substation House(160m2), Paving (350m2),Access road (1.3km)	01 substation constructed at Senwabarwana(Phase 2) by June 2024 (Isolators(8x132 kv)Current transformers(15 x132kv), Voltage transformers(6x 132kv)Circuit breakers(5x132 kv),Twin tubular bus bars bar(2x132kv),Columns(2x132kv),4 x highmast lights and Perimeter	Target not Achieved Mounting Equipment on the Steel support structures , Stringing of Conductors and installation of highmast light	Contractor encountered hard rock on site on	The Contractor was informed to submit it the revised catch-up plan in order to ensure that the	R 5 412 286 ( R 5 119 510)	Advertisement appointment letters, site handover minutes, Project Progress reports, pictures and Completion Certificate.	Technical services
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BSID 57	Construction of Alldays Internal Street and Stormwater Control Phase 2	Confirmation of the Project on the IDP, Project Registration, Compilation of Specification/Tender documents, Tender advert, Evaluation,	To ensure availability of infrastructure to support public transport	Alldays	Kilometres constructed at Alldays Internal Street from gravel to far and Stormwater channel completed by June 2024	New Indicator	Construction of 4.0 Km of Alldays internal street and stormwater control completed by June 2024	Target Achieved. Construction of 4.0 Km of Alldays internal street and stormwater control completed.	N/A	N/A	R 1310 249 (R 1309 784)	Advert, appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID 58	Construction of Avon Multipurpose community centre	Confirmation of the Project on the IDP, Project Registration, and Compilation of Specifics/ Tender documents, Tender advert, Evaluation,	To provide safe and sustainable recreational and social facilities	Avon	Number multi-purpose Community centre constructed at Avon by June 2024	New Indicator	Construction of one Multi-purpose Community centre at Avon Completed by June 2024	Target not Achieved Quotations for the remaining scope of work submitted and awaiting approval	Contractor terminated	Fast-track appointment of contractor for the facility to be completed by end of June 2025	R 974,902,000 (R 486 593)	Advert, appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID 59	Re-graveling of Sefihlampšya na Access Road and stormwater control (6.0km)	Confirma tion of the Project on the IDP, Complati on of Specifica tion/Tend er documen ts, Tender advert, Evaluatio n, Appointm ents, Design,	To ensure availab ility of infrastr ucture to suppor t public transp ort	Sefihla mpšya na	Kilometer re- graveling of Sefihlampšy ana internal street and stormwater control completed by June 2024	New Indicator	6km re- graveling of Sefihlampšyana internal street and stormwater control completed by June 2024	Target Achieved. 6km re- graveling of Sefihlamp šyana internal street and stormwat er control complete d.	N/A	N/A	R 4 000 000 ( R 3 999 305)	Advert, appointm ent letters, handover minutes, Site visit report pictures and Completi on certificat e	Techn ical servic es
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BSID 60	Construction of Thalane to Bosehla access road and stormwater control	Confirmation of the Project on the IDP, Registration, Compilation of Specific Tender documents, Tender advert, Evaluation, Appointment	To ensure availability of infrastructure to support public transport	Thalane to Bosehla access road and stormwater control by June 2024	New Indicator	One Design report developed and approved for Thalane to Bosehla access road and stormwater control by June 2024	Target Achieved. One Design report developed and approved for Thalane to Bosehla access road and stormwater control.	N/A	N/A	R2 196 524.00 (R 2 196 470)	Scoping report, preliminary design report and detailed approved design report	Technical services
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BSID 61	Construction of Kwarung internal street and stormwater control	Confirmation of the Project on the IDP, Registration, on, Compilation of Specifica tion/Tend er documents, Tender advert, Evaluation, Appointment	To ensure availability of infrastructure to support public transport	Kwarung internal street and stormwater control	Number Design report developed and approved for Kwarung internal street and stormwater control by June 2024	New Indicator	One Design report developed and approved for Kwarung internal street and stormwater control by June 2024	Target Achieved. One Design report developed and approved for Kwarung internal street and stormwater control.	N/A	N/A	R1 965 220.00 (R 1 964 101)	Scoping report ,preliminary design report and detailed approved design report	Technical services
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BUILDING CAPABLE AND DEVELOPMENTAL STATE													
NDP													
OUTCOME 9		ADMINISTRATIVE AND FINANCIAL CAPABILITY											
Project Details													
Project/KPI Number	Project Name	Project Description (major activities)	Strategic Objective	Location	Key Performance Indicator	2022-23 Baseline	2023-24 Annual Target	Actual Performance	Reason for Variance	Corrective Measures	2023-24 Budget (Expenditure)	Portfolio of evidence	Responsible Department

MTO D 04	Wi-Fi Installation	Installation of Wi-Fi at all Municipal Offices.	Harm nize conne ctivity	BLM	Number municipal offices installed with devices that enables wifi connection June 2024	New Indicator	07 municipal offices installed with devices that enables wifi connection June 2024	Target achieved. 07 municipal offices installed with devices that enables wifi connectio n	N/A	N/A	R 400 000 (R 188 000)	Installati on report	Corpo rate servic es
MTO D 09	Training for councillors	conduct councillo rs training	To improv e skills and maximi ze	BLM	Number councillors trained by June 2024	Councillors training report compiled by June 2023	22 Councillors trained by June 2024	Target achieved. 22 Councillo rs trained	N/A	N/A	R500 000 (R 336 024)	Training of Councillo rs report	Corpo rate servic es

MTO D 10	Training for officials & Interns	conduct employee s training	to improv e skills and maximi ze produc tivity	BLM	Number of employees trained by June 2024	31 Employees trained by June 2023	31 Employees trained by June 2024	Target Achieved. 149 Employee s trained.	Other sector s assist ed with trainin g	N/A	R 400 000 ( R 317 196 )	Employee es training report	Corpo rate servic es
MTO D 11	Municipal employees bursaries	Support to employee s	To improv e skills and maximi ze	BLM	Numbers report on employees bursary compiled by June 2024	1 report on employees bursary compiled by June 2023	1 report on employees bursary compiled by June 2024	Target Achieved. 1 report on employee	N/A	N/A	R 300 000 ( R 87 365) )	Employee e bursary report	Corpo rate servic es

MTO D 15	Employee wellness	Conducting employee wellness	Improve employees health and well- being, optimize performance and	BLM	Number reports on the employee wellness programme compiled by June 2024	2 Reports on employee wellness conducted by June 2023	2 Reports on employee wellness programme compiled by June 2024	Target Achieved. 2 Reports on employee wellness programme compiled.	N/A	N/A	R 128 150.00( R 115 415 )	Employee wellness programme reports and attendance registers	Corporate services
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MTO D 16	Uniform and protective clothing	Purchasing of Uniform and protective clothing	To protect employees from exposure to work place hazards and the	BLM	Number of employees provided with protective clothing by June 2024	90 employees provided with PPE by June 2023	90 employees provided with protective clothing by June 2024	Target achieved. 90 employees provided with protective clothing.	N/A	N/A	R 720 000( R 710 445)	Delivery note and distribution register	Corporate rate services
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MTO D22	Conduct Cleaning Campaigns	Facilitation of Cleaning Awareness and Campaigns	To ensure awareness on waste management	BLM	Number of cleaning campaigns conducted by June 2024	04 cleaning campaigns conducted by June 2023	04 cleaning campaigns conducted by June 2024	Target Achieved. 4 Cleaning campaign conducted.	N/A	N/A	OPEX	Cleaning campaigns reports and photos	Community Services
MTO D24	Landfill maintenance	Maintenance of landfill sites	To ensure proper maintenance and operation of site	BLM	Number landfill site maintenance reports compiled by June 2024	12 landfill site maintenance reports compiled by June 2023	12 landfill site maintenance reports compiled by June 2024	Target Achieved. 12 Landfill site maintenance report compiled	N/A	N/A	R 4 900 000.00 (R 4 780 291)	Landfill maintenance reports	Community Services

MTO D 30	Climate Change mitigation	Purchase	Promote environmental management	BLM	Number Trees purchased by June 2024	New Indicator	100 Trees purchased by June 2024	Target Achieved. 100 Trees purchased.	N/A	N/A	R 100 000 (R 98 000)	Report	Community Services
MTO D31	Procurement of cemetery record books	Procurement	To ensure that grave sites are registered	BLM	Number Cemetery record books purchased by June 2024	05 cemetery records books procured by June 2023	05 Cemetery record books procured by June 2024	Target Achieved. 05 Cemetery record books procured.	N/A	N/A	R 50 000.00 (R 29 860)	Proof of purchase	Community Services
MTO D 36	Calibration of speed machines	Calibration and reporting	Maintenance	BLM	Number Maintenance Report compiled by June 2024	4 Maintenance Report compiled by June 2023	4 Maintenance Report compiled by June 2024	Target Achieved. 04 Maintenance	N/A	N/A	R 84 500.00 (R 54 784)	Maintenance Report	Community Services

MTO D 37	Procurement of stationery	Purchase	To ensure enough material for Traffic services	BLM	Percentage traffic stationery purchased by June 2024	100% Percentage traffic stationery purchased by June 2023	100% Percentage traffic stationery purchased by June 2024	nce report compiled.	N/A	N/A	R 50 000.00 ( R 29 878)	Proof of purchase	Community Services
MTO D 38	Catering for four awareness's	Coordinate awareness campaigns	To celebrate transport month and promote	BLM	Number transport Awareness Events conducted by June 2024	2 transport Awareness Event conducted by June 2023	4 transport Awareness Events conducted by June 2024	Target Achieved. 4 Transport awareness campaign conducted.	N/A	N/A	OPEX	Transport awareness events reports	Community Services

MTO D 39	Maintenance of equipment	Maintenance	awareness	BLM	Number VTS machines calibrated by June 2024	1 VTS machines calibrated by June 2023	1 VTS machines calibrated by June 2024	1 VTS machines calibrated	N/A	N/A	R 84 500.00 (R 57 474)	Equipment maintenance report	Community Services
MTO D 41	Pound Awareness campaigns	campaigns	Promote safety	BLM	Number awareness campaigns conducted by June 2024	4 awareness campaigns conducted by June 2023	4 awareness campaigns conducted by June 2024	Target Achieved. 4 awareness campaigns conducted.	N/A	N/A	OPEX	Pound awareness campaigns reports	Community Services

MTO D 42	Protective Clothing	purchase	Availability of PPE	BLM	Number set of uniform purchased for Law Enforcement Personnel by June 2024	New Indicator	10 sets of uniform purchased for Law Enforcement Personnel by June 2024	Target Achieved. 10 sets of uniform purchase d for Law Enforcem ent Personnel	N/A	N/A	R 200 000.00 ( R 170 800)	Proof of purchase	Com munit y Servi ces
MTO D45	Maintenance of buildings	Maintena nce	To ensure safe Munici pal facilitie s	BLM	Number municipal buildings maintained by June 2024	3 municipal buildings maintained by June 2023	7 municipal buildings maintained by June 2024	Target Achieved. 7 municipal buildings maintaine d.	N/A	N/A	R 379 000( R 315 420)	Municipa l building maintena nce reports	Com munit y Servi ces

MTO D46	Maintenance of Sports facilities	Maintenance	To ensure user-friendly Sports facilities	BLM	Number sports facilities maintained by June 2024	2 sports facilities maintained by June 2023	3 sports facilities maintained by June 2024	Target Achieved. 3 sports facilities maintained.	N/A	N/A	R 168 000( R 159 460)	Sports facilities maintenance reports	Community Services
MTO D47	Maintenance of Community halls	Maintenance	To ensure user-friendly Community Halls	BLM	Number community halls maintained by June 2024	2 community halls maintained by June 2023	6 community halls maintained by June 2024	Target Achieved. 6 community halls maintained.	N/A	N/A	R 194 000 ( R 184 865 )	Community halls maintenance reports	Community Services



MTO D49	Conduct Disaster Management education and awareness campaigns to communities	campaigns	To ensure effective Disaster Management	BLM	Number disaster education and awareness campaigns conducted by June 2024	4 Education and awareness campaigns conducted by June 2023	4 disaster Education and awareness campaigns conducted by June 2024	Target Achieved. 4 Disaster Awareness campaigns conducted.	N/A	N/A	OPEX	Disaster Education and awareness campaigns reports	Community Services
MTO D 51	IDP Steering Committees and Review Sessions	Compilation of quarterly SDBIP Reports	Compliance with legislations	BLM	Number of SDBIP Reports compiled by June 2024	4 SDBIP Reports compiled by June 2023	4 SDBIP Reports compiled by June 2024	Target Achieved. 4 Quarterly SDBIP reports compiled	N/A	N/A	R 530 000.00( R 394 366)	Quarterly SDBIP Reports	MM/Mayor's Office

MTO D 52	Performance Assessments	Conducting individual performance Assessments	Enhanced Municipal performance	BLM	Number individual performance assessments conducted (Annual and mid-year) by June 2024	2 Individual Assessments conducted (Annual and Mid-year) by June 2023	2 Individual Assessments conducted (Annual and Mid-year) by June 2024	Target Achieved. 2 Individual Assessments conducted (Annual and Mid-year).	N/A	N/A	R 30 000.00 (R0,00)	Individual Performance assessment Reports and Attendance Registers	MM/Mayor's Office
MTO D 53	Security Management	Appointment and payment of Physical Security service provider	Secure municipal property	BLM	Number Physical security services reports compiled by June 2024	12 Physical security services reports compiled by June 2023	12 Physical security services reports compiled by June 2024	Target Achieved. 12 Physical services reports compiled	N/A	N/A	R 18 499 000 (R 17 398 655)	Monthly Physical Security Reports	MM/Mayor's Office

MTO D 56	Gazetting of By-laws	Gazetting	Strengthen municipal legal services	BLM	Number by- laws gazetted by June 2024	3 by-laws gazetted by June 2023	5 by-laws gazetted by June 2024	Target not achieved. Only two by-laws were gazetted.	Budget constraints	Allocate enough budget for gazetting of by- laws	R 150 000 ( R 6 088)	Report on Gazetting of by- laws	Corporate services
MTO D 57	Contract Management	Reports	Strengthen municipal legal services	BLM	Number contract management reports compiled by June 2024	4 contract management reports compiled by June 2023	4 contract management reports compiled by June 2024	Target Achieved. 4 contract Management report compiled	N/A	N/A	OPEX	Contract Management Reports	Corporate services

MTO	Litigations	Compilation of reports	Strengthen municipal legal services	BLM	Number of litigation reports compiled by June 2024	4 litigation reports compiled by June 2023	4 litigation reports compiled by June 2024	Target Achieved. 4 Litigation reports compiled	N/A	N/A	R 2 277 500( R 2 246193	Litigation Reports	Corporate services
KPA	LOCAL ECONOMIC DEVELOPMENT												
OUTCOME 9		IMPLEMENTATION OF COMMUNITY WORKS PROGRAMME											
Project Details													

Project/KPI Number	Project Name	Project Description (major activities)	Strategic Objective	Location	Key Performance Indicator	2022/23 Baseline	2023-24 Annual Target	Actual Performance	Reason for Variance	Corrective Measures	2023-24 Budget (Expenditure)	Portfolio of evidence	Responsible Department
LED 01(1)	LED Projects	Financial support to identified LED Projects	To create and promote LED initiatives in the business sector	BLM	Number identified LED Projects Financially supported by June 2024	3 LED projects supported financially by June 2023	3 Identified LED Projects Financially supported by June 2024	Target not Achieved. 02 LED projects financially supported	Quotation was above the budget to cater for the third project	Project will be funded in financial year 2024-25	R 650 000 (R 355 450)	Reports and pictures	Economic Development & Planning

LED 1(2)	LED Summit	Coordination of a summit	To create and promote LED initiatives in the business sector	BLM	Number LED summit held by June 2024	New Indicator	1 LED summit held by June 2024	Target Achieved. 1 LED summit held.	N/A	N/A	R 170 000 (R 49 826)	Reports and Attendance Register	Economic Development & Planning
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LED 03	Informal traders	managem ent of hawkers	To create and promot e LED initiativ es in the busine ss sector	BLM	Number quarterly reports on management of hawkers compiled by June 2024	4 quarterly reports on management of hawkers compiled by June 2023	4 quarterly reports on management of hawkers compiled by June 2024	Target Achieved. 04 Quarterly report on managem ent of hawkers in  Senwaba rwana and Alldays compiled	N/A	N/A	OPEX	Hawkers manage ment reports	Econ omic Devel opme nt & Plann ing
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LED 05	EPWP - Grant	Appointm ent of EPWP PRACTIO NERS	To create job opport. unities throug h EPWP progra mme	BLM	Number job opportunities created through EPWP programme by June 2024	235 opportunities created by June 2023	260 job opportunities created through EPWP programme by June 2024	Target Achieved. 260 job opportuni ties created through EPWP program me.	N/A	N/A	R 5 785 000 ( R 5 344 724)	List and EPWP reports	Com munit y Servi ces
KPA	FINANCIAL VIABILITY AND MANAGEMENT												
NDP	BUILDING OF KEY CAPABILITIES(HUMAN,PHYSICAL &INSTITUTIONAL)												
OUT COM E 9		ADMINIS TRATIVE AND FINANCI AL CAPABIL			Support a business development programme in the community	Support a business development programme in the community	Support a business development programme in the community	Support a business development programme in the community					



	ITY (OUTPUT 6)																
Project Details																	
Proje ct/K PI Num ber	Project Name	Project Descripti on (major activities)	Strateg ic Objecti ve	Locatio n	Key Performance Indicator	2022-23 Baseline	2023-24 Annual Target		Actual Performa nce	Reaso n for Varian ce	Corre ctive Meas ures	2023-24 Budget(E xpenditur e)	Portfolio of evidence	Resp onsibl e Depar tment			
MFV M 01	Annual financial statement	Complati on of AFS	Enhanc e Sound Municip al financi al viabilit y and manag ement	BLM	Number set of AFS Compiled & submitted to AGSA,LPT,C OGHSTA& NT by June 2024	2022-23 AFS compiled & submitted to AGSA, LPT& NT by June 2023	1 set of AFS Compiled & submitted to AGSA,LPT,COG HSTA & NT by June 2024	Target Achieved. 1 set of AFS Compiled & submitted to AGSA, LPT, COGHST A & NT.	N/A	N/A	N/A	R 1 150,000.0 0 ( R 990 500)	Acknowl edgemen t of the receipt from AGSA	Budg et & Treas ury			

MFV M 03	Monthly budget statement(Se c 71 reports)	Compilation of reports	Enhance Sound Municipal financial viability and management	BLM	Number monthly budget statements submitted to Treasury within 10 working days after month- end	12 monthly budget statements submitted to Treasury within 10 working days after month- end by June 2023	12 monthly budget statements submitted to Treasury within 10 working days after month-end by June 2024	Target Achieved. 12 Monthly budget statements submitted to Treasury within 10 working days after month end	N/A	N/A	OPEX	Monthly budget statement reports	Budget & Treasury
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MFV M 05	MSCOA projects implementati on	Complati on of reports	Enhanc Sound Municipal financial viability and management	BLM	Number MSCOA projects implementati on reports compiled by June 2024	1 MSCOA projects implementatio n reports compiled by June 2023	4 x MSCOA projects implementation reports compiled by June 2024	Target Achieved. 4X MSCOA projects implemen tation on reports compiled	N/A	N/A	OPEX	mSCOA Reports	Budg et & Treas ury
MFV M 06	Reconciliatio ns and registers	Complati on of reports	Enhanc Sound Municipal financial viability and	BLM	Number monthly reconciliatio n, registers and schedules compiled by June 2024	12 monthly reconciliation and registers reported to portfolio by June 2023	400 x monthly reconciliation, registers and schedules compiled by June 2024	Target Achieved. 400X Monthly reconcilia tion, registers and	N/A	N/A	OPEX	Reconcili ation, registers and schedule s compiled /perform ed	Budg et & Treas ury

			manag ement	BLM	Number draft budget compiled and tabled by June 2024	1 draft budget compiled & tabled by June 2023	1 x draft budget compiled and tabled by March 2024	Target Achieved. 1 x draft budget compiled and tabled by March 2024.	N/A	N/A	OPEX	Draft Budget and Council Resolutio n	Budg et & Treas ury
MFV M 07	Annual Budget (Draft)	Complati on of reports	Enhanc e Sound Municipal financial viability and manag ement										

MFV M 08	Annual Budget (Final)	Compilation of reports	Enhance Sound Municipal financial viability and management	BLM	Number final budget compiled by June 2024	1 Final budget compiled by June 2023	1 x Final budget compiled by June 2024	Target Achieved. 1X final budget compiled	N/A	N/A	OPEX	Final Budget and Council Resolution	Budget et & Treasury
MFV M 09	Adjustment budget	Compilation of adjustment budget	Enhance Sound Municipal financial viability and management	BLM	Number adjustment budget compiled by June 2024	Adjustment budget compiled by June 2023	1 x adjustment budget compiled and submitted to council, LP & NT by June 2024	Target Achieved. 1 x adjustment budget compiled and submitted to	N/A	N/A	OPEX	Budget adjustment and Council resolution	Budget et & Treasury



MFV M 12	Compile financial report, (section 52)	Compilation of report	Enhance Sound Municipal financial viability and management	BLM	Number quarterly financial reports compiled and reported to Executive Committee(E XCO) and Council by June 2024	4 x quarterly financial report compiled and reported to EXCO & Council by June 2023	4 x quarterly financial report compiled and reported to Executive committee and Council by June 2024	Target achieved. 4 x quarterly financial report compiled and reported to EXCO & Council	N/A	N/A	OPEX	Quarterly financial reports	Budget & Treasury
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MFV M 13	Procurement plan	Compilation of report	Enhance Sound Municipal financial viability and management	BLM	Number procurement plan developed and approved by June 2024	1 x procurement plan developed and approved by June 2023	1 x procurement plan developed and approved by June 2024	Target Achieved, 1 x procurement plan developed and approved.	N/A	N/A	OPEX	Procurement plan	Budget & Treasury
MFV M 15	Conduct training of SCM practitioner	Conduct training of SCM practitioner	Enhance Sound Municipal financial viability and management	BLM	Number SCM Training attended by June 2024	1 SCM Training attended by June 2023	1 x SCM Training conducted by June 2024	Target Achieved, 01X SCM training attended	N/A	N/A	R 250,000.00 ( R 239 845)	SCM training report and Attendance Register	Budget & Treasury



MFV M 16	Acquisition management( Bids Register)	Complati on of reports	Enhance Sound Municipal financial viability and management	BLM	Number updated awarded Bids reports by June 2024	12 x updated awarded Bids reports by June 2023	4 x updated awarded Bids placed on website by June 2024	Target Achieved. 4 x updated awarded Bids placed on website.	N/A	N/A	OPEX	List of awarded Bids (updated)	Budg et & Treas ury
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MFV M 17	Revenue management committee	Revenue managem ent committe e meetings to be held	Enhanc e Sound Municipal financial viability and manag ement	BLM	Number revenue management meetings held by June 2024	2 revenue management meetings held by June 2023	4 x revenue management meetings to be held by June 2024	Target not achieved. 02x revenue managem ent meeting held.	Clash of programmes	Develop an annual calendar schedule of meetings for the committee	OPEX	Minutes and Attendance Register	Budget & Treasury
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MFV M 28	Unbundling of Asset Register	Unbundling of Asset Register	Enhance Sound Municipal financial viability and management	BLM	Number unbundling of assets report compiled by June 2024	1 Asset unbundling reports compiled by June 2023	1 x unbundling of assets report compiled by June 2024	Target Achieved. 1 Unbundling of assets report compiled	N/A	N/A	R 1 100 000 ( R 803 060)	Unbundling of Asset report	Budget & Treasury
MFV M 30	Reporting of incidents occurred	Reports	Enhance Sound Municipal financial viability and	BLM	Number incidents reports compiled by June 2024	12 monthly incidents reports compiled by June 2023	12 monthly incidents reports compiled by June 2024	Target Achieved. 12 monthly incidents reports compiled.	N/A	N/A	OPEX	Incidents Report	Budget & Treasury

[illegible]

GGP P 01	Auditing	Coordination of external Audit process	Improved audit opinion	BLM	Number unqualified audit opinion obtained for 2022-23 financial year by June 2024	Unqualified audit opinion obtained for 2021-22	1 unqualified audit opinion obtained for 2022-23 financial year by June 2024	Target not Achieved. 1 qualified audit opinion obtained for 2022-23 financial year.	Qualified due to 3 areas.	Development and implementation plan	R 5 000 000 ( R 4 754 783 )	2023-24 Audit report	MM/M Mayor's Office
GGP P 02	Audit & Risk Committee Allowances	Coordination of Risk and Audit Committee meetings	Improved audit opinion	BLM	Number Risk and Audit Committee meetings held by June 2024	08 meetings held by June 2023	04 Risk and 04 Audit Committee meetings held by June 2024	Target Achieved. 04 Risk and 04 Audit Committee meetings	N/A	N/A	R 400 000 ( R 385 301 )	Minutes and Attendance Registers	MM/M Mayor's Office

GGP P 03	Printing and Publication	Production of Municipal newsletter, r,diaries, calendars	To improv e comm unicati on	BLM	Number newsletter editions, diaries and calendars produced by June 2024	2 editions newsletters, 100 diaries and 1000 calendars produced by June 2023	2 newsletter editions, 60 diaries and 2000 calendars produced by June 2024	Target Achieved. 2 newsletter r editions, 60 diaries and 2000 calendars produced.	N/A	N/A	R 200 000 ( R 150 000 )	Copy of newsletter r, Reports and PoP	Corpo rate servic es
GGP P 04	Publicity and Branding	procurement of banners and gazebo	Enhanced comm unicati on	BLM	Number banners and gazebo procured by June 2024	40 banners and 4 gazebo procured by June 2023	20 banners and 2 gazebo procured by June 2024	Target Achieved. 20 banners and 2 gazebo procured.	N/A	N/A	R 350 000.00 ( R297 973 )	POP and delivery notes	Corpo rate servic es

GGP P 08	Community Participation	Meetings	Enhanced Community participation	BLM	Number Council outreach programmes coordinated and supported by June 2024	6 Council outreach programmes coordinated and supported by June 2023	6 Council outreach programmes coordinated and supported by June 2024	Target Achieved. 6 Council outreach programmes coordinated and supported	N/A	N/A	R 1 215 000 ( R 1 081 905 )	Council outreach report	Corporate services
GGP P 09	Whippery Management	Meetings	Promote multiparty relations	BLM	Number Whippery management meeting coordinated and supported by June 2024	4 Whippery management meeting coordinated and supported by June 2023	4 Whippery management meeting coordinated and supported by June 2024	Target achieved. 4 Whippery management meeting coordinated and supported	N/A	N/A	R 200 000 ( R 95 905 )	Minutes and Attendance register	Corporate services

GGP P 10	MPAC Programmes	Coordination of MPAC programmes	To improve public participation	BLM	Number MPAC programs coordinated by June 2024	5 programmes coordinated by June 2023	5 MPAC programs coordinated by June 2024	Target Achieved. 5 MPAC programs coordinated.	N/A	N/A	R 790 000 (R 601 167 )	MPAC programmes report	Corporate services
GGP P 11	Ward Committees' Conference Programmes	Coordination and support	To improve public participation	BLM	Number Ward committee conference held by June 2024	01 Ward committee conference held by June 2023	01 Ward committee conference held by June 2024	Target Achieved. 01 Ward committee conference held.	N/A	N/A	R1,853 000 ( R1 852 243 )	Ward Committee Conference Report	Corporate services



GGP P 12	Remuneratio n of ward committees	Payment of stipends for Ward Committe es	To improv e public partici pation	BLM	Number Ward Committee members receiving monthly stipend by June 2024	220 Ward Committee members receiving monthly stipend by June 2023	220 Ward Committee members receiving monthly stipend by June 2024	Target Achieved. 220 ward committe e members received monthly stipends	N/A	N/A	R4,908 000.00 (R 4 520 861 )	Ward Committ ee meetings Report	Corpo rate servic es
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GGP P 13	Council support literature	Printing of Booklets	Pocket books to assist Council members with Rules and Orders	BLM	Number Rules of Order, Ward Committees' Constitution and Service Delivery Charter booklets developed by June 2024	Number of printed booklets by June 2023	60 Rules of Order, 250 Ward Committees' Constitution and 100 Service Delivery Charter booklets developed by June 2024	Target Achieved. 60 Rules of Order, 250 Ward Committee es' Constituti on and 100 Service Delivery Charter booklets developed.	N/A	N/A	R 200 000 ( R 167 350 )	Proof of purchase	Corpo rate servic es
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GGP P 14	IDP Review	Review of IDP/Budget	To ensure successful review of the IDP	BLM	Number IDP/Budget reviewed compiled by June 2024	Number IDP/Budget reviewed compiled by June 2023.	1 IDP/Budget reviewed compiled by June 2024	Target Achieved. 1 IDP/Budget reviewed compiled.	N/A	N/A	OPEX	Copy of IDP and Council resolution	Economic Development and Planning
GGP P 15	IDP/Budget Process plan	development and approval of plan	To ensure successful review of the IDP	BLM	Number IDP Process plan developed and approved by June 2024	1 IDP Process plan developed and approved by June 2023	1 IDP Process plan developed and approved by June 2024	Target Achieved. 1 IDP Process plan developed and approved.	N/A	N/A	OPEX	IDP Process plan and Council Resolution	Economic Development and Planning

GGP P 16	IDP/Budget Booklets	Produce Booklets	To ensure successful review of the IDP	BLM	Number IDP Booklets produced by June 2024	New Indicator	50 IDP Booklets produced by June 2024	Target Achieved. 50 IDP Booklets produced.	N/A	N/A	R 170 000 ( R 170 000 )	Proof of purchase	Economic Development and Planning
GGP P 17	Strategic planning sessions	Hold sessions	To ensure successful review of the IDP	BLM	Number strategic sessions held by June 2024	2 Strategic session held by June 2023	6 Strategic session held by June 2024	Target achieved. 6 Strategic session held	N/A	N/A	R 650 000 ( R 535 980 )	Strategic sessions Report and attendance registers	Economic Development and Planning

GGP P 18	IDP/Budget Public participation	IDP stakeholder consultations	To ensure effective public participation in the review of the IDP	BLM	Number IDP consultative meetings conducted, IDP consultative reports compiled by June 2024	13 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2023	13 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2024	Target achieved. 13 consultative meetings held	N/A	N/A	R 636 000 (R 544 663 )	IDP Consultative reports and attendance registers	Economic Development and Planning
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GGP P 19	Development municipal multi sectoral implementation on plan	development and approval of plan	To Provide support on HIV/AIDS program	BLM	Number Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC by June 2024	1 plan developed and submitted by 2023	1 Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC by June 2024	Target Achieved. 1 Municipal HAST plan approved by the Local AIDS council and submitted to DAC and LPAC.	N/A	N/A	OPEX	Municipal HAST plan	Community services
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GGP P 20	Conduct HIV/AIDS programmes	meetings	Implementatio n HIV/AI DS programmes	BLM	Number M&E meetings held by June 2024	2 HIV/AIDS programmes coordinated by June 2023	4 M&E meetings held by June 2024	Target Achieved. 4 M&E Meeting held.	N/A	N/A	OPEX	Minutes and Attendance register	Community services
GGP P 21	HIV/AIDS Council technical committee	meetings	Implementatio n HIV/AI DS programmes	BLM	Number AIDS Council technical committee meetings held by June 2024	2 HIV/AIDS programmes coordinated by June 2023	4 AIDS Council technical committee meetings held by June 2024	Target Achieved. 4 Local Council Technical meeting held.	N/A	N/A	OPEX	Minutes and Attendance register	Community services
GGP P 22	Local Aids council meetings	meetings	Implementatio n HIV/AI DS	BLM	Number Local Aids council meetings held by June 2024	4 Local Aids council meeting held by June 2023	4 Local Aids council meetings held by June 2024	Target Achieved. 4 Local Aids council	N/A	N/A	OPEX	Minutes and Attendance register	Community services

GGP P 23	Promote advocacy and stakeholder collaboration	establishment of committees	To Provide support on HIV/AIDS programme	BLM	Number HIV/AIDS ward committees established by June 2024	22 ward committees established by June 2023	22 HIV/AIDS ward committees established by June 2024	meetings held.	N/A	N/A	OPEX	HIV/AIDS Ward committee establishment Report	Community services
GGP P 24	HIV/AIDS Ward/Cluster meetings	meetings	Promote advocacy and stakeholder collaboration	BLM	Number HIV/AIDS ward/cluster meeting coordinated by June 2024	2 HIV/AIDS coordinated by June 2023	24 HIV/AIDS ward/cluster meeting coordinated by June 2024	Target Achieved. 24 HIV/AIDS ward/cluster meeting coordinated.	N/A	N/A	R 100 000 ( R 100 000 )	HIV/AIDS Cluster meeting reports	Community services



GGP P 25	Prevent spread of communicabl e diseases	Hold awarenes s campaign s	To preven t spread of comm unicabl e diseas es	BLM	Number HAST awareness campaigns and preventions held by June 2024	4 HAST awareness campaigns and preventions held by June 2023	4 HAST awareness campaigns and preventions held by June 2024	Target Achieved. 4 HAST awarenes s campaign s and preventio ns held	N/A	N/A	R 100 000 ( R 97 180 )	HAST awarenes s reports	Com munit y servic es
GGP P 26	Gender Programme	Support to gender programs	To provid e suppor t to special focus groups	BLM	Number men and women councils meeting coordinated by June 2024	Two gender programs support to the gender programs by June 2023	4 men and 4 women councils meeting coordinated by June 2024	Target Achieved. 4 men and 4 women councils meeting coordinat ed	N/A	N/A	R 40 000 ( R 40 000)	Report and attendan ce registers	Com munit y servic es

GGP P 27	Special focus groupings and gender mainstreaming	coordination of events	promote the needs and interests of special focus groupings and gender mainstreaming	BLM	Number gender mainstreaming activities conducted as per calendar events by June 2024	Two gender programs supported by June 2023	4 gender mainstreaming activities conducted as per calendar events by June 2024	Target Achieved. 4 gender mainstreaming activities conducted as per calendar events	N/A	N/A	R 40 000 ( R 40 000 )	Gender mainstreaming Reports	Community services
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GGP P 28	Special focus groupings and gender mainstreaming (capacity building)	Conduct capacity building workshops	To provide support to disability and elderly groups	BLM	Number capacity building workshop conducted by June 2024	2 capacity building workshop conducted by June 2023	2 capacity building workshop conducted by June 2024	Target Achieved. 2 capacity building workshop conducted.	N/A	N/A	R 20 000 (R 5 100 )	Capacity building Report and attendance registers	Community services
GGP P 29	Elderly and disability programmes	Coordination of events	To provide support to disability and elderly groups	BLM	Number events coordinated by June 2024	Two programmes supported by June 2023	02 events coordinated by June 2024	Target Achieved. 02 events coordinated.	N/A	N/A	R 120 000 (R 60 000 )	Elderly and disability programmes report and attendance registers	Community services

GGP P 30	Elderly and disability programmes( Council meetings)	meetings	To provide support to disability and elderly groups	BLM	Number elderly and disability council meetings coordinated by June 2024	4 elderly and 4 disability council meetings coordinated by June 2023	4 elderly and 4 disability council meetings coordinated by June 2024	Target Achieved. 4 elderly and 4 disability council meetings coordinated.	N/A	N/A	R 60 000 ( R 29 087 )	Minutes and Attendance register	Community services
GGP P 31	Elderly and disability programmes( Capacity building)	Workshops	To provide support to disability and elderly groups	BLM	Number capacity building workshop conducted by June 2024	02 capacity building workshop conducted by June 2023	02 capacity building workshop conducted by June 2024	Target Achieved. 02 capacity building workshop conducted.	N/A	N/A	R 80 000 ( R 29 087 )	Capacity building reports	Community services

GGP P 32	Youth and children programme(Youth Council meetings)	meetings	To provide support to Youth and children	BLM	Number Youth Council meetings held by June 2024	4 Youth Council meetings held by June 2023	4 Youth Council meetings held by June 2024	Target Achieved. 4 Youth Council meetings held.	N/A	N/A	R 80 000 ( R 30 000 )	Minutes and Attendance register	Community services
GGP P 33	Youth and children programme(Back to school campaign)	Conduct the back to school campaign	To provide support to Youth and children	BLM	Number schools visited during back to campaign by June 2024	Number schools visited during back to campaign by June 2023	10 schools visited during back to campaign by June 2024	Target Achieved. 10 schools visited during back to campaign	N/A	N/A	R 50 000.00 ( R 26 000 )	Back to school Report and attendance registers	Community services

GGP P 34	Youth and children programme(Career guidance and EXPO)	Coordination of event	To provide support to Youth and children	BLM	Number Career guidance and EXPO held by June 2024	1 Career guidance and EXPO held by June 2023	1 Career guidance and EXPO held by June 2024	Target Achieved. 1 Career guidance and EXPO held.	N/A	N/A	R 27 000 (R 9 310)	Career guidance and EXPO report	Community services
GGP P 35	Youth and children programme(Commemoration of youth month)	Coordination of event	To provide support to Youth and children	BLM	Number Youth month commemoration event hosted by June 2024	1 Youth month commemoration event hosted by June 2023	1 Youth month commemoration event hosted by June 2024	Target Achieved. 1 Youth month commemoration event hosted.	N/A	N/A	R70 000 (R 40 000 )	Youth month commemoration reports	Community services

GGP P 36	Youth and children programme (Youth capacity building)	Workshops	To provide support to Youth and children	BLM	Number youth capacity building event conducted by June 2024	4 youth capacity building event conducted by June 2023	4 youth capacity building event conducted by June 2024	Target Achieved. 4 youth capacity building event conducted.	N/A	N/A	R 70 000 (R 70 000)	Youth capacity building report and attendance registers	Community services
GGP P 37	Youth and children programme (Children's day)	Support to the children programs	To provide support to Youth and children	BLM	Number children's day celebrated by June 2024	Two children's programs supported by June 2023	1 children's day celebrated by June 2024	Target Achieved. 1 children's day celebrated.	N/A	N/A	R 100 000 (R 55 000)	Children's day celebration report and attendance registers	Community services

GGP P 38	Youth and children programme(Take a child to work)	Coordination of event	To provide support to Youth and children	BLM	Number take a child to work campaign conducted by June 2024	Two children's programs supported by June 2023	01 Take a child to work campaign conducted by June 2024	Target Achieved. 01 Take a child to work campaign conducted.	N/A	N/A	R 100 000 ( R 30 000)	Take a child to work campaign reports	Community services
GGP P 39	Mayor ~ Magoshi	Hosting of Mayor Magoshi	Improved stakeholder relations	BLM	Number Mayor-Magoshi meetings held by June 2024	4 Mayor-Magoshi meetings held by June 2023	4 Mayor-Magoshi meetings held by June 2024	Target Achieved. 4 Mayor-Magoshi meetings held.	N/A	N/A	R180 000.00 (R 178 000 )	Minutes and attendance register	Community services
KPA	SPATIAL RATIONALE												
NDP	ACTIVE ENGAGEMENT OF CITIZENS IN THEIR OWN DEVELOPMENT												
OUT COM E 9	ACTION SUPPORTIVE TO HUMAN SETTLEMENT(OUTPUT 1)												



Project Details										
Proj ct/K PI Num ber	Project Name	Project Descripti on (major activities)	Strateg ic Objecti ve	Locatio n	Key Performance Indicator	2022-23 Baseline	2023-24 Annual Target	Actual Performa nce	Reaso n for Varian ce	Corre ctive meas ure
2023-24 Budget(E xpenditur e)	Portfolio of evidence		Responsible Department							
SPR 09	Township development	Conduct township establish ment process	To formali se rural and urban settle ments	BLM	Number of townships developed by June 2024	9 townships developed	1 township developed by June 2024	Target Achieved. 1 township developed.	N/A	N/A
									R1.1 M (R 1 072 500)	Township development Report
										Economic Development and Planning

SPR 10	Municipal Planning Tribunal	Coordina tion meetings	To determ ine land use and develo pment applica tions	BLM	Number planning tribunal meetings held by June 2024	New Indicator	2 Planning tribunal meetings held by June 2024	Target Achieved. 2 Planning tribunal meetings held.	N/A	N/A	R155.000 (R151 666)	Municipa l Tribunal Report	Econ omic Devel opme nt and Plann ing
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# CHAPTER 4: ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES)

## CHAPTER 4

### ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES) INTRODUCTION

- The municipal Organizational structure was aligned to IDP and budget. The council also adopted the Organisational structure as part of IDP/Budget 2023-24. All skills gaps that were crucial in work performance were identified and training interventions were made to address skills gap. The institution comply with the national legislations

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

• Description	• 2023//24			• 2022/23		
	• No. of employees	• No. of vacancies	• % of vacancies	• No. of employees	• No. of vacancies	• % of vacancies
• Water	• 0	• 0	•	• 0	• 0	0 %
• Waste Water (sanitation)	• 0	• 0	•	• 0	• 0	0 %
• Electricity	• 14	• 6	30 %	• 16	• 4	20 %
• Waste Management	• 8	• 6	43%	• 09	• 10	53 %
• Housing	• 1	• 0	0 %	• 01	• 03	75 %
• Waste Water (Storm water Drainage)	• 0	• 0	0 %	• 0	• 0	0 %

• Roads	• 18	• 12	40 %	• 16	• 08	33 %
• Transport	• 7	• 0	0 %	• 6	• 2	25 %
• Planning	• 5	• 3	37 %	• 06	• 2	25 %
• Local Economic Development	• 3	• 1	25 %	• 02	• 1	33 %
• Planning (Strategic & Regulatory)	• 0	• 0	0 %	• 0	• 1	100 %
• Community & social services	• 0	• 0	0 %	• 0	• 1	100 %
• Environmental protection	• 5	• 0	0 %	• 5	• 01	16 %
• Health	• 0	• 0	0 %	• 0	• 0	0 %
• Security & safety	• 1	• 3	75 %	• 0	• 3	100 %
• Sport & recreation	• 0	• 0	0 %	• 0	• 1	100 %
• Corporate Policy offices & other	• 109	• 28	20 %	• 125	• 39	24 %
• Totals	• 167	• 59	26 %	• 186	• 72	27 %

• Vacancy Rate:			
• Designation	• *Total approved posts • No.	• *Variances (Total time that vacancies exist using fulltime equivalents) • No.	• *Variances (as a proportion of total posts in each category) • %
• Municipal Manager	• 1		0 %
• CFO	1		0 %
• Other S57 Managers (excluding Finance Posts)	• 5	• 36 months	•
• Other S57 Managers (Finance posts)	• 5	• 6 months	•
• Municipal Police	N/A	N/A	N/A
• Fire Fighters	N/A	N/A	N/A
• Management:	• 36	• 1 YEAR	•
• Senior Management: Levels 13-15 (Finance Posts)	•	•	•
• Highly skilled supervision: Levels 9-12 (excluding Finance posts)	• 14	•	•
• Highly skilled supervision: Levels 9-12 (Finance posts)	• 4	•	•
• Total	• 61	•	•

• Turn-over Rate				
• Details	• Total Appointments as of beginning of financial year • No.	• Terminations during the financial year • No.	• Turn-over Rate*	
• 2021/22	• 179	• 05	•	
• 2022/23	• 182	• 03	•	
• 2023-24	• 195	• 0	•	

- **COMMENT ON VACANCIES AND TURNOVER:**
- Unavailability of Succession Plan/Policy makes it impossible to ideally source personnel from the institution to fill the vacated posts. The Plan will come in handy in preparing potential incumbents of the challenges that lie ahead. Most of the vacancies were filled except for Senior Management level.

## **COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

- **INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**
- The Municipality has taken into cognizance the history of apartheid laws and practices with the resultant disparities and inequalities, in the spirit of Employment Equity Act is geared towards achieving employment equity across all occupational levels and categories and therefore in order to redress the imbalance of the past and move towards a humane and representative Labour market underpinned by Equity, Equity redress and Affirmative Action. The Municipality has Employment Equity Plan and active/functional Employment Equity Committee. 2022-23 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

### • **4.2 POLICIES**

•	• <b>HR Policies &amp; Plans</b>			
•	• <b>Name of Policy</b>	• <b>Completed</b> • %	• <b>Reviewed</b> • %	• <b>Date adopted by council or comment on failure to adopt</b>
• 1	• Affirmative Action	• 0%	• 0 %	• Using employment equity policy
• 2	• Attraction & Retention	• 100 %	• 100%	• 30/06/2015
• 3	• Code of conduct for employees	• 100%	• 100%	• Using the Disciplinary code collective agreement.



• 4	• Delegations, Authorization & responsibility	• 100%	• 100%	• Done by council for the entire council term.
• 5	• Disciplinary Code & Procedures	• 100 %	• 100 %	• Using the disciplinary code collective agreement
• 6	• Essential Services	• 100 %	• 100 %	• 2023/06
• 7	• Employee Assistance/ wellness	• 100%	• 100%	• 2023/06
• 8	• Employment Equity	• 100%	• 100%	• 2023/06
• 9	• Exit Management	• 100%	• 100%	• 2023/06
• 10	• Grievance Procedures	• 100%	• 100%	• 2023/06
• 11	• HIV/AIDS	• 100%	• 100%	• 2023/06
• 12	• Human Resource & Development	• 100%	• 100%	• 2023/06
• 13	• Information Technology	• 100%	• 100%	• 2023/06
• 14	• Job Evaluation	• 100%	• 100%	• 2023/06
• 15	• Leave	• 100%	• 100%	• 2023/06
• 16	• Occupational Health & Safety	• 100%	• 100%	• 2023/06
• 17	• Official Housing	• 0 %	• 0 %	• N/A
• 18	• Official Journeys	• 100%	• 100%	• Using treasury guidelines
• 19	• Official Transport to attend funerals	• 100%	• 100%	• 2023
• 20	• Official working hours and overtime	• 100 %	• 100 %	• Using main collective agreement

• 21	• Organisational rights	• 100 %	• 100 %	• Using main collective agreement
• 22	• Payroll Deductions	• 100%	• 100%	• 2023/06
• 23	• Performance Management & Development	• 100 %	• 100%	• 2023/06
• 24	• Recruitment, selection & Appointments	• 100%	• 100%	• 2023/06
• 25	• Remuneration Scales & Allowances	• 100 %	• 100 %	• 2023/06
• 26	• Resettlement	• 0 %	• 0 %	•
• 27	• Sexual Harassment	• 100%	• 100%	• 2023/06
• 28	• Skills development	• 100%	• 100%	• 2023/06
• 29	• Smoking	• 100%	• 100%	• 2023/06
• 30	• Special skills	• 0 %	• 0 %	• 2023/06
• 31	• Work Organization	• 100 %	• 100 %	• 2023/06
• 32	• Uniforms & protect clothing	• 100 %	• 100 %	• 2023/06
• 33	• Other	•	•	•

#### **COMMENT ON WORKFORCE POLICY DEVELOPMENT:**

- Over the years the Municipality has managed to develop all priority human resource policies, procedures and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective and transparent personnel administration. During the year in issue emphasis was placed on improving implementation of the policies and amendment of those policies that were becoming outdated. The Corporate Services Portfolio Committee had developed a monitoring tool and monthly received and considered policy implementation progress report. Policies were developed and adopted by the council. There is a need to develop a detailed implementation plan that will outline the processes to be followed in implementing the plan. Bursaries will be issued to eligible employees for career development purposes. The municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both organization and employees benefit from the project

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

• Number and cost of injuries on duty						
• Type of injury	• Injury leave taken • Days	• Employees using injury leave	• Proportion employees using sick leave • %	• Average injury leave per employee • Days	• Total estimated cost • R'000	
• Required basic medical attention only	• 02	• 0	• 68%	• 01	• 0	
• Temporary total disablement	• 0	• 0	•	•	•	
• Permanent disablement	• 0	• 0	•	•	•	
• Fatal	•	•	•	•	•	
• Total	• 02	• 0	• 68%	•	•	
• Number of days and cost of sick leave (excluding injuries on duty)						

• Designations	• Total sick leave	• Proportion of sick leave without medical certification	• Employees using sick leave	• Total employees in post*	• *Average sick leave per employees	• Estimated cost
	• Days		• No.	• No.	• Days	• R '000
• (level 1-2)	• 28	• 2	• 8	• 26	• 1.07	• 38 230
• Skilled (level 3-5)	• 46	• 4	• 11	• 49	• 0.9	• 96 000
• (levels 6-8)	• 14	• 1	• 3	• 43	• 0.32	• 26 000
• (level 9-10)	• 17	• 0	• 6	• 28	• 0.60	• 21 232
• (levels 11)	• 19	• 0	• 4	• 32	• 0.59	• 8 703
• MM & S57	• 6	• 2	• 2	• 4	• 2	• 26 000
• Total	•	•	•	• 182	• 5.48	•
*Number of employees in post at the beginning of the year						
*Average calculated by taking sick leave in column 2 divided by total employees in column 5						

**COMMENT ON INJURY AND SICK LEAVE:**

- Minor injuries were encountered which only needed basic medical attention during the year under review. Occupational Health and Safety Committee conducted risk assessment. Recommendations to minimize risks were made and implemented to minimize risks.

• Number and period of suspensions				
• Position	• Nature of alleged misconduct	• Date of suspension	• Details of disciplinary action taken or status of case and reasons why not finalized	• Date finalized
	None	None	None	None
•	None	None	None	None

• Disciplinary action taken on cases of financial misconduct			
• Position	• Nature of alleged misconduct and rand value of any loss to the municipality	• Disciplinary action taken	• Date finalized
• 0	• 0	• 0	• 0

- COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:
- There were no cases related to financial misconduct during 2023/24

#### 4.4. PERFORMANCE REWARDS

Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW)						
Designation	Beneficiary Profile					
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2023/24	Proportion of beneficiaries within group %	
Lower skilled (levels 1-2)	Female	0	0	0	0	
	Male	0	0	0	0	
Skilled (levels 3-5)	Female	0	0	0	0	
	Male	0	0	0	0	
Highly skilled production (levels 6-8)	Female	0	0	0	0	
	Male	0	0	0	0	
Highly skilled supervision (levels 9-12)	Female	0	0	0	0	
	Male	0	0	0	0	

• Senior Management (levels 13-15)	• Female	• 0	• 0	• 0	• 0	• 0
	• Male	• 0	• 0	• 0	• 0	• 0
• MM and S57	• Female	• 0	• 0	• 0	• 0	• 0
	• Male	• 0	• 0	• 0	• 0	• 0
• Total	•	•	•	•	•	•
Has the statutory municipal calculator been used as part of the evaluation process?						
<p>Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP ...' (IDP objectives and targets are set out in chapter 3) and that service delivery and budget implementation plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>						

## INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Work Skills Plan and Annual Training Report were developed and submitted to LGSETA within required time frame. The municipality complies with the plan. Mandatory and discretionary grants were claimed and received to assist training interventions

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# SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Manage ment	Gender	Employ ees in post as at 30 June 2024	Number of skilled employees required and actual as at 30 June 2024											
			Learnerships			Skills programme & other short courses			Other forms of training			Total		
		No.	Actual 30 July 2023	Actual 30 June 2024	Target	Actual 30 July 2023	Actual 30 July 2024	Target	Actual 30 July 2023	Actual 30 June 2024	Target	Actual 30 July 2023	Actual 30 June 2024	Target
MM & S57	Female	0	0	00	0	0	00	02	02	02	02	02	02	02
	Male	0	0	0	0	00	00	00	0	0	0	0	00	00
Councillo rs, senior officials & managers	Female	0	0	0	0	15	15	15	0	0	0	15	15	15
	Male			0	06	06	06	06	0	0	0	06	06	06
Technicia ns & associate	Female			0	0	07	07	07	0	0	0	07	07	07
	Male			0	0	06	06	06	0	0	0	06	06	06



Financial competency development: progress report

Description	A Total number of officials employed by municipality (Regulation 14 (4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: competency assessment 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)(a))
Financial officials	22	00	22	00	00	20
Accounting officer	01	00	01	01	01	02
Chief Financial Officer	01	00	01	0	01	01
Senior Managers	02	02	04	02	02	02
Any other financial officials	12	00	12	0	12	0
Supply Chain Management officials	03	00	03	0	00	03
Heads of SCM units	01	00	01	0	00	01
SCM senior managers	00	00	00	0	00	00
<b>Total</b>	<b>42</b>	<b>02</b>	<b>44</b>	<b>03</b>	<b>16</b>	<b>49</b>

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2023/24				Total			
			Learnerships		Skills programmes & other short courses		Other forms of training		Original Budget	Actual
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual		
MM and S57	Female	00	110 000	00	00	00	00	00	110 000	00
	Male	00	00	00	00	00	00	00	00	00
Legislators, senior officials and managers	Female	22	500 000	000	000	00	00	00	500 000	00
	Male	22	50 000	00	10 000	00	00	00	50 000	00
Professionals	Female	21	00	00	10 000	00	00	00	350 000	00
	Male	06	00	00	30 00	00	00	00	350 000	00



14	30	10	1000	00	00	00
15	20	50	10000	00	00	00
16	00	10	10000	00	00	00
17	00	10	100	00	00	00
18	00	00	100	00	00	00
19	00	00	100	00	00	00
20	00	00	100	00	00	00
21	00	00	100	00	00	00
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96	00	00	100	00	00	00
97	00	00	100	00	00	00
98	00	00	100	00	00	00
99	00	00	100	00	00	00
100	00	00	100	00	00	00

**COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE****4.6. EMPLOYEE EXPENDITURE**

Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (level 1-2)	Female	3
	Male	
Skilled (level 3-5)	Female	
	Male	
Highly skilled production (levels 6-8)	Female	
	Male	
Highly skilled supervision (level 9-12)	Female	4
	Male	2
(levels 13-15)	Female	
	Male	1
MM & S57	Female	
	Male	
Total		3

Employees whose salary levels exceed the grade determined by Job Evaluation (NONE)				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
General workers	28	3	T3	Above the grade
Admin Officer	5	09	T9	Above grade
Process officer	1	09	T9	Above grade
Supervisor cleaning	1	8	T8	Above grade
Records Administrator	1	9	T9	Above grade





# **CHAPTER 5: 2023/24 ANNUAL FINANCIAL STATEMENTS**

## **ANNEXURE A**



Blouberg Local Municipality  
(Registration number LIM351)  
Annual Financial Statements  
for the year ended 30 June 2024

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## General Information

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### Legal form of entity

Local Municipality  
Category B

### Nature of business and principal activities

Local Government and the provision of basic services to the local community

### Executive committee

Executive Mayor

Speaker

Chief Whip

Members of executive committee

Thamaga MN

Boloka MP

Rangata MJ

Makobela SR

Raseruthe MA

Raphasha DS

Mosena DD

Motswabe LP

Keetse PP

Tlouamma NM

Maifo ML

### Councillors

Masebe KP

Lehong MV

Tlhako NB

Mashamaite MG

Mapunya PW

Manaka NA

Makhura KH

Baloyi HP

Motsoko L

Mahlape NJ

Molokomme MM

Mmoko ML

Mphago MA

Tlepyane S

Mokami ME

Mathekga MJ

Thema NR

Magwai RT

Pheedi MS

Makhura MH

Seokotsa MM

Moetji NT

Mokobodi MM

Sehata NA

Ntjana MI

Lehonye TJ

Maripa MS

Mailula MS

Maribeng MK

Dau MP

Maphoto MD

Blouberg Local Municipality  
(Registration number LIM351)  
Annual Financial Statements  
for the year ended 30 June 2024

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## General Information

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	Kobola JS Tlabela FP
Grading of local authority	Grade 3
Acting Chief Finance Officer (CFO)	Motupa MJ Riba M
Municipal Manager	Ramothwala RJ
Registered office	2nd Building Dendron Road Senwabarwana 0790
Business address	2nd Building Dendron Road Senwabarwana 0790
Postal address	P.O.Box 1593 Senwabarwana 0790
Bankers	ABSA
Auditors	Auditor- General of South Africa
Audit committee members	Mr. Poopedi MD (Chairperson) Adv. Nevondwe T(Member) Ms. Ngwenya L (Member) Mr. Ramalatso S (Member)
Attorneys	GSM Mohlabi Incorporated Attorneys Kgoroane Shabalala Incorporated Kuaho Attorneys Lebea and Associates Attorneys Lebetha Attorneys & Associates Machaba Incorporated Attorneys Modise Mabule Incorporated Attorneys Tshikovhi Incorporated
Published	To be published 31 January 2025

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Index

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

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Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 15
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Blouberg Local Municipality

Bankers

Bankers

Blouberg Local Municipality

Blouberg Local Municipality

Blouberg Local Municipality

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# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Index

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### Abbreviations used:

MFMA	Municipal Finance Management Act
AFS	Annual Financial Statements
AGSA	Auditor General South Africa
CFO	Chief Financial Officer
GRAP	Generally Recognised Accounting Practice
FMCMM	Financial Management Capability Maturity Model
FMG	Financial Management Grants
IAS	International Accounting Standards
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers (previously IMFO)
IPSAS	International Public Sector Accounting Standards
IDP	Integrated Development Plan
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant (Previously CMIP)
VAT	Value Added Tax
LED	Local Economic Development
CDM	Capricorn District Municipality
WIP	Work In Progress
COIDA	Compensation for Occupational Injuries and Diseases Act
IFRS	International Financial Reporting Standards
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
NT	National Treasury
LPT	Limpopo Provincial Treasury
SDBIP	Service Delivery Budget and Implementation Plan
mSCOA	Municipal Standard Chart of Accounts
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
NSF	National Skills Fund
SALBC	South African Local Government Bargaining Council

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WSP	Water Service Provider
INEP	Integrated National Electrification Programme Grant
EPWP	Expanded Public Works Programme
SETAS	Sector Education and Training Authority
EEDSM	Energy Efficiency Demand Side Management
EEDMG	Energy Efficiency and Demand-side Management Grant
UIF	Unemployment Insurance Fund
SDL	Skills Development Levy

[illegible]

# **Blouberg Local Municipality**

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## **Accounting Officer's Responsibilities and Approval**

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government funding 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.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by 31 August 2024 and were signed on its behalf by:

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**Ramothwala RJ**  
**Municipal Manager**

**Date:** \_\_\_\_\_



# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Position as at 30 June 2024

Figures in Rand

	Note(s)	2024	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	10	4,618,097	5,661,497
Receivables from exchange transactions	11	5,069,547	5,119,998
Receivables from non-exchange transactions	12	55,202,096	15,635,272
VAT receivable	13	-	2,358,739
Consumer debtors	14	12,216,896	12,768,748
Cash and cash equivalents	15	186,399,745	101,842,674
		<b>263,506,381</b>	<b>143,386,928</b>
<b>Non-Current Assets</b>			
Investment property	3	9,916,000	9,433,600
Property, plant and equipment	4	1,111,735,695	1,062,002,550
Intangible assets	5	108,885	174,803
Other financial assets	6	11,399,735	4,864,604
		<b>1,133,160,315</b>	<b>1,076,475,557</b>
<b>Total Assets</b>		<b>1,396,666,696</b>	<b>1,219,862,485</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	16	6,537,705	9,322,788
Payables from exchange transactions	7	96,374,672	68,547,240
VAT payable	8	7,124,531	5,361,772
Employee benefit obligation	9	1,399,000	1,064,000
Unspent conditional grants and receipts	17	59,646,503	20,158,139
Provisions	18	455,407	2,200,906
		<b>171,537,818</b>	<b>106,654,845</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	16	2,768,429	4,864,257
Employee benefit obligation	9	6,739,000	6,654,000
Provisions	18	16,860,685	22,339,560
		<b>26,368,114</b>	<b>33,857,817</b>
<b>Total Liabilities</b>		<b>197,905,932</b>	<b>140,512,662</b>
<b>Net Assets</b>		<b>1,198,760,764</b>	<b>1,079,349,823</b>
Accumulated surplus		1,198,760,764	1,079,349,823
<b>Total Net Assets</b>		<b>1,198,760,764</b>	<b>1,079,349,823</b>

\* See Note 43

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	20	37,518,573	33,866,035
Rental of facilities and equipment	21	604,906	461,443
Licences and permits		3,997,903	4,166,391
Electricity illegal connections		5,880	43,524
CDM - Commissions received		250,126	259,654
Landfill site provision reversal		8,218,745	-
Cemetery, Burial and Plans approval fees		201,154	231,794
Valuation Services		3,167	2,722
Interest charged on outstanding debtors		1,065,528	806,882
Sale of Inventory - Sites/Land		8,476,924	5,683,006
Cattle Grazing		383,248	108,985
Interest received - investment	23	7,844,238	4,112,364
Gain on disposal of assets and liabilities		181,278	-
Fair value adjustments	3	482,400	483,099
<b>Total revenue from exchange transactions</b>		<b>69,234,070</b>	<b>50,225,899</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	24	68,960,737	25,228,987
Interest charges on overdue account	24	1,396,171	1,266,424
<b>Transfer revenue</b>			
Government grants & subsidies	25	336,832,636	337,919,177
Donated assets	26	-	6,107,929
Fines	22	1,133,750	1,154,400
Unclaimed money		-	1,758,495
Actuarial gains		-	1,200,433
<b>Total revenue from non-exchange transactions</b>		<b>408,323,294</b>	<b>374,635,845</b>
<b>Total revenue</b>		<b>477,557,364</b>	<b>424,861,744</b>
<b>Expenditure</b>			
Employee related costs	27	(132,413,802)	(125,450,428)
Remuneration of councillors	28	(19,212,717)	(17,982,273)
Depreciation and amortisation	29	(33,819,528)	(31,026,520)
Impairment loss	30	(143,588)	(5,390,169)
Repairs and maintenance	31	(10,065,162)	(2,671,178)
Finance costs	32	(6,061,142)	(4,440,458)
Debt Impairment	34	11,132,557	(54,121,084)
Bad debts written off		(73,367)	-
Bulk purchases	36	(60,926,195)	(52,983,493)
Contracted services	37	(36,824,707)	(49,975,911)
Loss on disposal of assets and liabilities		-	(260,520)
Actuarial losses		(28,871)	-
General Expenses	35	(69,709,901)	(61,779,410)
<b>Total expenditure</b>		<b>(358,146,423)</b>	<b>(406,081,444)</b>
<b>Surplus for the year</b>		<b>119,410,941</b>	<b>18,780,300</b>

\* See Note 43

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1,059,619,509	1,059,619,509
Adjustments		
Prior year adjustments 43	950,014	950,014
<b>Balance at 01 July 2022 as restated*</b>	<b>1,060,569,523</b>	<b>1,060,569,523</b>
Changes in net assets		
Surplus for the year	18,780,300	18,780,300
Total changes	18,780,300	18,780,300
Opening balance as previously reported	1,082,169,319	1,082,169,319
Adjustments		
Prior year adjustments 43	(2,819,496)	(2,819,496)
<b>Restated* Balance at 01 July 2023 as restated*</b>	<b>1,079,349,823</b>	<b>1,079,349,823</b>
Changes in net assets		
Surplus for the year	119,410,941	119,410,941
Total changes	119,410,941	119,410,941
<b>Balance at 30 June 2024</b>	<b>1,198,760,764</b>	<b>1,198,760,764</b>

Note(s)

1. Opening balance as previously reported  
 Adjustments  
 Prior year adjustments 43  
 Balance at 01 July 2022 as restated\*  
 Changes in net assets  
 Surplus for the year  
 Total changes  
 Opening balance as previously reported  
 Adjustments  
 Prior year adjustments 43  
 Restated\* Balance at 01 July 2023 as restated\*  
 Changes in net assets  
 Surplus for the year  
 Total changes  
 Balance at 30 June 2024

1. Opening balance as previously reported  
 Adjustments  
 Prior year adjustments 43  
 Balance at 01 July 2022 as restated\*  
 Changes in net assets  
 Surplus for the year  
 Total changes  
 Opening balance as previously reported  
 Adjustments  
 Prior year adjustments 43  
 Restated\* Balance at 01 July 2023 as restated\*  
 Changes in net assets  
 Surplus for the year  
 Total changes  
 Balance at 30 June 2024

\* See Note 43

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from rate payers and other		96,063,143	72,254,816
Grants		376,321,000	333,762,001
Interest income		9,930,786	4,112,364
		<u>482,314,929</u>	<u>410,129,181</u>
<b>Payments</b>			
Employee costs		(151,626,519)	(143,432,701)
Suppliers		(147,094,641)	(144,238,442)
Finance costs		-	(4,440,468)
		<u>(298,721,160)</u>	<u>(292,111,611)</u>
<b>Net cash flows from operating activities</b>	38	<b>183,593,769</b>	<b>118,017,570</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(84,738,648)	(100,159,896)
Proceeds from sale of property, plant and equipment	4	1,559,869	-
Proceeds from sale of financial assets		(6,535,131)	(226,631)
<b>Net cash flows from investing activities</b>		<b>(89,713,910)</b>	<b>(100,386,527)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(4,880,911)	(622,920)
Interest paid on finance lease		(4,441,877)	-
<b>Net cash flows from financing activities</b>		<b>(9,322,788)</b>	<b>(622,920)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>84,557,071</b>	<b>17,008,123</b>
Cash and cash equivalents at the beginning of the year		101,842,674	84,834,551
<b>Cash and cash equivalents at the end of the year</b>	15	<b>186,399,745</b>	<b>101,842,674</b>

The accounting policies on pages 16 to 38 and the notes on pages 39 to 79 form an integral part of the annual financial statements.

\* See Note 43

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Service charges	60,971,356	(8,606,470)	52,364,886	37,518,573	(14,846,313)	Refer to note 54 (1)
Rental of facilities and equipment	350,000	389,802	739,802	604,906	(134,896)	
Licences and permits	1,109,803	3,890,197	5,000,000	3,997,903	(1,002,097)	
Landfill site provision reversal	-	-	-	8,218,745	8,218,745	
Agency services	300,000	-	300,000	201,154	(98,846)	Refer to note 54 (2)
Interest earned - outstanding debtors	456,901	500,000	956,901	1,065,528	108,627	Refer to note 54 (3)
Other income	8,938,655	1,920,000	10,858,655	9,119,345	(1,739,310)	Refer to note 54 (4)
Interest received - investment	3,206,212	3,000,000	6,206,212	7,844,238	1,638,026	
<b>Total revenue from exchange transactions</b>	<b>75,332,927</b>	<b>1,093,529</b>	<b>76,426,456</b>	<b>68,570,392</b>	<b>(7,856,064)</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	32,970,836	-	32,970,836	68,960,737	35,989,901	Refer to note 54 (6)
Property rates - penalties imposed	288,023	900,000	1,188,023	1,396,171	208,148	Refer to note 54 (7)
Licences and Permits (Non-exchange)	5,000,000	(5,000,000)	-	-	-	

##### Transfer revenue

Government grants & subsidies	322,952,000	73,391,966	396,343,966	336,832,636	(59,511,330)	Refer to note 54 (8)
Fines, Penalties and Forfeits	2,021,540	(100,000)	1,921,540	1,133,750	(787,790)	
<b>Total revenue from non-exchange transactions</b>	<b>363,232,399</b>	<b>69,191,966</b>	<b>432,424,365</b>	<b>408,323,294</b>	<b>(24,101,071)</b>	

#### Total revenue

**438,565,326 70,285,495 508,850,821 476,893,686 (31,957,135)**

#### Expenditure

Personnel	(135,978,991)	(345,000)	(136,323,991)	(132,413,802)	3,910,189	Refer to note 54 (10)
Remuneration of councillors	(20,752,503)	-	(20,752,503)	(19,212,717)	1,539,786	Refer to note 54 (11)
Depreciation and amortisation	(37,667,907)	365,000	(37,302,907)	(33,819,528)	3,483,379	Refer to note 54 (12)
Impairment loss/ Reversal of impairments	-	-	-	(143,588)	(143,588)	
Expenses from service concession arrangements	-	-	-	(10,065,162)	(10,065,162)	
Finance costs	-	-	-	(6,061,142)	(6,061,142)	Refer to note 54 (13)

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Debt Impairment	(5,769,623)	-	(5,769,623)	11,132,557	16,902,180	Refer to note 54 (14)
Bad debts written off	-	-	-	(73,367)	(73,367)	
Bulk purchases	(60,000,000)	-	(60,000,000)	(60,926,195)	(926,195)	Refer to note 54 (15)
Contracted Services	(59,971,051)	1,514,025	(58,457,026)	(36,824,707)	21,632,319	Refer to note 54 (16)
Inventory consumed	(5,854,960)	788,880	(5,066,080)	-	5,066,080	
General Expenses	(63,077,218)	(4,602,180)	(67,679,398)	(69,709,901)	(2,030,503)	Refer to note 54 (17)
<b>Total expenditure</b>	<b>(389,072,253)</b>	<b>(2,279,275)</b>	<b>(391,351,528)</b>	<b>(358,117,552)</b>	<b>33,233,976</b>	
<b>Operating surplus</b>	<b>49,493,073</b>	<b>68,006,220</b>	<b>117,499,293</b>	<b>118,776,134</b>	<b>1,276,841</b>	
Gain on disposal of assets and liabilities	-	2,000,000	2,000,000	181,278	(1,818,722)	
Fair value adjustments	-	-	-	482,400	482,400	
Actuarial gains/losses	-	-	-	(28,871)	(28,871)	
	-	2,000,000	2,000,000	634,807	(1,365,193)	
<b>Surplus before taxation</b>	<b>49,493,073</b>	<b>70,006,220</b>	<b>119,499,293</b>	<b>119,410,941</b>	<b>(88,352)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>49,493,073</b>	<b>70,006,220</b>	<b>119,499,293</b>	<b>119,410,941</b>	<b>(88,352)</b>	

Revenue			
Property rates	52,670,896	-	52,670,896
Property rates - penalties	208,023	900,000	1,108,023
Fines and Penalties (Non-judicial)	5,000,000	(5,000,000)	-
Transfer from surplus	-	-	-
Government grants & subsidies	522,952,000	72,391,986	595,343,986
Fees, Penalties and Forfeits	2,021,540	(100,000)	1,921,540
Total revenue from non-judicial transactions	583,852,459	68,191,986	652,044,445
<b>Total revenue</b>	<b>636,525,355</b>	<b>70,225,466</b>	<b>706,750,821</b>
Expenditure			
Personnel	(135,978,891)	(345,000)	(136,323,891)
Remuneration of councillors	(5,770,000)	-	(5,770,000)

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	5,900,710	(239,211)	5,661,499	4,618,097	(1,043,402)	Refer to note 54 (18)
Receivables from exchange transactions	10,000,000	-	10,000,000	5,069,547	(4,930,453)	
Receivables from non-exchange transactions	941,847,183	(897,459,797)	44,387,386	55,202,096	10,814,710	
VAT receivable	16,361,432	5,329,769	21,691,201	-	(21,691,201)	
Consumer debtors	11,870,570	500,000	12,370,570	12,216,896	(153,674)	
Cash and cash equivalents	92,096,784	21,483,147	113,579,931	186,399,745	72,819,814	
	<b>1,078,076,679</b>	<b>(870,386,092)</b>	<b>207,690,587</b>	<b>263,506,381</b>	<b>55,815,794</b>	

##### Non-Current Assets

Investment property	8,950,501	566,016	9,516,517	9,916,000	399,483	
Property, plant and equipment	150,697,248	986,229,639	1,136,926,887	1,111,735,695	(25,191,192)	Refer to note 54 (19)
Intangible assets	-	185,291	185,291	108,885	(76,406)	
Other financial assets	-	9,053,553	9,053,553	11,399,735	2,346,182	Refer to note 54 (20)
	<b>159,647,749</b>	<b>996,034,499</b>	<b>1,155,682,248</b>	<b>1,133,160,315</b>	<b>(22,521,933)</b>	
<b>Total Assets</b>	<b>1,237,724,428</b>	<b>125,648,407</b>	<b>1,363,372,835</b>	<b>1,396,666,696</b>	<b>33,293,861</b>	

#### Liabilities

##### Current Liabilities

Finance lease obligation	7,000,000	-	7,000,000	6,537,705	(462,295)	Refer to note 54 (21)
Payables from exchange transactions	37,171,349	6,229,348	43,400,697	96,374,672	52,973,975	
VAT payable	5,000,000	17,178,753	22,178,753	7,124,531	(15,054,222)	
Employee benefit obligation	2,000,000	-	2,000,000	1,399,000	(601,000)	
Unspent conditional grants and receipts	10,000,000	(4,664,606)	5,335,394	59,646,503	54,311,109	Refer to note 54 (22)
Provisions	600,000	-	600,000	455,407	(144,593)	
	<b>61,771,349</b>	<b>18,743,495</b>	<b>80,514,844</b>	<b>171,537,818</b>	<b>91,022,974</b>	

##### Non-Current Liabilities

Finance lease obligation	-	14,187,046	14,187,046	2,768,429	(11,418,617)	
Employee benefit obligation	8,500,000	-	8,500,000	6,739,000	(1,761,000)	
Provisions	18,037,377	6,608,787	24,646,164	16,860,685	(7,785,479)	
	<b>26,537,377</b>	<b>20,795,833</b>	<b>47,333,210</b>	<b>26,368,114</b>	<b>(20,965,096)</b>	
<b>Total Liabilities</b>	<b>88,308,726</b>	<b>39,539,328</b>	<b>127,848,054</b>	<b>197,905,932</b>	<b>70,057,878</b>	
<b>Net Assets</b>	<b>1,149,415,702</b>	<b>86,109,079</b>	<b>1,235,524,781</b>	<b>1,198,760,764</b>	<b>(36,764,017)</b>	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Net Assets

#### Net Assets Attributable to Owners of Controlling Entity

#### Reserves

Accumulated surplus	1,149,415,702	86,109,079	1,235,524,781	1,198,760,764	(36,764,017)	
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Financial assets	91,770,577	500,000	92,270,577	92,270,577	0	
Financial assets equivalents	100,108,764	21,445,147	121,553,911	121,553,911	0	
	1,571,076,679	(570,550,000)	1,000,526,679	1,000,526,679	0	
Non-current assets						
Property, plant and equipment	9,350,504	588,048	9,938,552	9,938,552	0	
Property, plant and equipment	150,597,246	805,728,500	956,325,792	1,421,333,000	465,007,208	
Intangible assets	-	145,291	145,291	145,291	0	
Long-term investments	-	3,653,555	3,653,555	3,653,555	0	
	150,597,246	954,354,394	1,104,951,640	1,425,021,800	320,070,160	
Total Assets	1,247,724,428	120,654,497	1,368,378,925	1,425,548,479	56,169,554	
Liabilities						
Current liabilities						
Finance lease obligation	7,000,000	-	7,000,000	7,000,000	0	
Payables from exchange transactions	37,171,349	6,220,348	43,391,697	43,391,697	0	
VAT payable	8,000,000	17,175,755	25,175,755	25,175,755	0	
Employee benefit obligation	2,000,000	-	2,000,000	2,000,000	0	
Unrequited conditional grants and donations	10,000,000	(4,604,000)	5,396,000	5,396,000	0	
Provisions	600,000	-	600,000	600,000	0	
	47,771,349	12,571,755	60,343,104	81,263,452	20,920,348	
Non-current liabilities						
Finance lease obligation	-	14,187,046	14,187,046	14,187,046	0	
Employee benefit obligation	6,000,000	-	6,000,000	6,000,000	0	



# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

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

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

Cash receipts from rate payers and other	108,204,288	(6,469,469)	101,734,819	96,746,560	(4,988,259)
Interest income	3,206,212	1,500,000	4,706,212	9,491,773	4,785,561
Grants	322,952,000	63,391,965	386,343,965	376,321,000	(10,022,965)
	<b>434,362,500</b>	<b>58,422,496</b>	<b>492,784,996</b>	<b>482,559,333</b>	<b>(10,225,663)</b>

##### Payments

Employee costs and suppliers	(345,634,723)	6,934,845	(338,699,878)	(299,340,714)	39,359,164
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<b>Net cash flows from operating activities</b>	<b>88,727,777</b>	<b>65,357,341</b>	<b>154,085,118</b>	<b>183,218,619</b>	<b>29,133,501</b>
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#### Cash flows from investing activities

Purchase of property, plant and equipment	(86,892,000)	(70,436,342)	(157,328,342)	(84,738,648)	72,589,694
Proceeds from sale of property plant and equipment	-	2,000,000	2,000,000	1,559,869	(440,131)
Purchase of financial assets	-	-	-	(6,535,131)	(6,535,131)

<b>Net cash flows from investing activities</b>	<b>(86,892,000)</b>	<b>(68,436,342)</b>	<b>(155,328,342)</b>	<b>(89,713,910)</b>	<b>65,614,432</b>
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#### Cash flows from financing activities

Finance lease payments	-	9,053,553	9,053,553	(4,880,911)	(13,934,464)
Interest paid on finance lease	-	-	-	(4,441,877)	(4,441,877)

<b>Net cash flows from financing activities</b>	<b>-</b>	<b>9,053,553</b>	<b>9,053,553</b>	<b>(9,322,788)</b>	<b>(18,376,341)</b>
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<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,835,777</b>	<b>5,974,552</b>	<b>7,810,329</b>	<b>84,181,921</b>	<b>76,371,592</b>
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<b>Cash and cash equivalents at the beginning of the year</b>	<b>90,261,007</b>	<b>12,352,228</b>	<b>102,613,235</b>	<b>101,842,674</b>	<b>(770,561)</b>
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<b>Cash and cash equivalents at the end of the year</b>	<b>92,096,784</b>	<b>18,326,780</b>	<b>110,423,564</b>	<b>186,024,595</b>	<b>75,601,031</b>
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# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

Figures in Rand	Note(s)	2024	2023
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### 1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparations

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.

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

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

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

#### 1.3 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.

#### 1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

#### 1.5 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:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

#### 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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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

#### 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 [name a key assumption] 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 18 - Provisions.

#### Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the assets in use. 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 present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis, using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 9.

#### Receivables /Investments and/or loans

The municipality assesses its trade receivables, investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, judgements has to be made as to whether there were observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment is measured at the reporting date taking into account the different classes of debtors and the history of payment success of debtors.

### 1.6 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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.6 Investment property (continued)

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

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

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

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.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

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

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

### 1.7 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.

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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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

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	5-55
Infrastructure	Straight-line	5-55
Plant and machinery	Straight-line	5-20
Furniture and fixtures	Straight-line	5-19
Motor vehicles	Straight-line	5-25
Office equipment	Straight-line	5-13
IT equipment	Straight-line	5-19
Roads and paving	Straight-line	5-55
Concrete	Straight-line	5-55
Electricity	Straight-line	5 - 55
Recreational facilities	Straight-line	5 - 55
Security	Straight-line	5 - 55
Halls	Straight-line	5 - 55
Libraries	Straight-line	5 - 55
Parks and gardens	Straight-line	5 - 55
Other assets	Straight-line	5 - 55
Other property, plant and equipment	Straight-line	5 - 55
Specialist vehicles	Straight-line	5 - 55
Bins and Containers	Straight-line	10 - 20
Specialised past and equipment	Straight-line	5 - 10
Other items of plant and equipment	Straight-line	5 - 15
Leased assets	Straight-line	3 - 5
Emergency equipment	Straight-line	5 - 10
Paintings and artifacts	Straight-line	5 - 50

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 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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.8 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	5-8 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.8 Intangible assets (continued)

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

### 1.9 Financial instruments

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

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.

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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 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.

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.

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.

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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies;
- combined instruments that are designated at fair value; or
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

A financial instrument is a contract that requires the issuer to pay or deliver cash or another financial asset to the holder or to transfer a specified debt, title to make payment when due (debt instrument).



# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Exchange - Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Investments	Financial asset measured at amortised cost
Non-exchange - Consumer receivables: property rates	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost

### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity 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.

The entity measures a financial asset and financial liability initially at its fair value (if subsequently measured at fair value).

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### Subsequent measurement of financial assets and financial liabilities

The entity 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 entity 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 entity 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.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

### Impairment and uncollectibility of financial assets

The entity assesses 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 OR through the use of an allowance account. 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.

### 1.10 Statutory receivables

#### Identification

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

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

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## Accounting Policies

### 1.10 Statutory receivables (continued)

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

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

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

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

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

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

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

#### Accrued interest

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

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

#### Other charges

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

#### Impairment losses

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

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

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

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## Accounting Policies

### 1.10 Statutory receivables (continued)

- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

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

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

### Derecognition

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

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

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

### 1.11 Leases

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

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

#### Finance leases - lessee

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

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

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

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

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## Accounting Policies

### 1.12 Inventories

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

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

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

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

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

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

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) 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 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

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## Accounting Policies

### 1.14 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

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 presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

### 1.15 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.

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## Accounting Policies

### 1.15 Provisions and contingencies (continued)

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

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

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

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

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

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

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 41; 42.

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

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### 1.15 Provisions and contingencies (continued)

- 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.

- 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

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

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.

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 giving (or receiving) 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.

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

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

- 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.



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## Accounting Policies

### 1.17 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions 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.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue is measured at the fair value of the consideration received or receivable. Revenue arising from a transaction where it is statutory (in accordance with the relevant legislation, regulation or similar means). The fee structure, regulation or similar means is used to determine the amount of revenue for each year, on initial measurement, of the consideration received or receivable (contractual) arrangement (see the accounting policy on Statutory Receivables).

Revenue from the sale of goods is recognised when all the following conditions are met:

Revenue from the sale of goods is recognised when all the following conditions are met: the municipality has transferred to the purchaser the significant risks and rewards of ownership; the purchaser has accepted the goods; the amount of revenue can be measured reliably; and it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.18 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.

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.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of, alienation, and transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and/or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

#### Recognition

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

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

#### Measurement

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

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## Accounting Policies

### 1.18 Revenue from non-exchange transactions (continued)

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

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

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

#### 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. The sections are transferred that the recipient exchanges for either receives value from another municipality without directly giving or another municipality without directly receiving approximately equal value.

#### 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; it is revenue of the entity to which the fine is payable.

#### Grants

Revenue received from conditional grants, donations 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. A liability is recognised when the criteria, conditions or obligations have not been met.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

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## Accounting Policies

### 1.19 Investment income

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

### 1.20 Borrowing costs

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

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

### 1.21 Accounting by principals and agents

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent); undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets, and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

#### Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.21 Accounting by principals and agents (continued)

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

### 1.22 Comparative figures

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

When the presentation or classification of the items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the classification 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 the 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 means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable), assets and/or liabilities that result from the arrangement.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 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 in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. If the municipality concludes that the expenditure was made in vain, then it is the agent. If the municipality concludes that the expenditure was made in vain, then it is the agent.

### 1.25 Irregular expenditure

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 is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.25 Irregular expenditure (continued)

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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.

#### 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.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.27 Budget information (continued)

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 cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

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 Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

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.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within the 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.

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).

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 1.29 Events after reporting date (continued)

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 Value Added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis in accordance with Section 15(2) of the VAT Act (Act 89 of 1991). VAT is accounted for on accrual basis in the financial records.

VAT output refers to tax charged by municipality and the entities on a taxable supply and is declared in the Part A of the VAT 201 return. Input tax and other deductions are deducted from the output tax liability to arrive at the net VAT payable (or refundable) for any particular tax period.

The net amount of VAT recoverable from or payable to the taxation authority is reported separate from other receivables or payables in the statement of financial position.

Control is the power to govern the financial and operating policies of an entity.

A related party is a person or an entity with the ability to control or jointly control the financial and operating policies of the municipality.

Control is the power to govern the financial and operating policies of an entity.

Control is the power to govern the financial and operating policies of an entity.

Related party transaction is a transfer of resources, services or other benefits between related parties, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policies of an entity.

Management are those persons responsible for planning, directing and controlling the financial and operating policies of the municipality in accordance with the objectives of the municipality.

Close members of the family of a person are those family members who are related to that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions on terms and conditions that are not comparable to those that would be expected if dealing with an arm's length party and conditions are within the normal operating parameters of the municipality.

Where the municipality is exempt from the disclosure requirements in accordance with the above, the municipality is required to disclose the nature of the transactions and the related party relationship.



# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

##### Standard/ Interpretation:

##### Effective date:

##### Years beginning on or after

##### Expected impact:

- GRAP 103 (as revised): Heritage Assets

01 April 2025

Unlikely there will be a material impact

- Guideline: Guideline on the Application of Materiality to Financial Statements

01 April 2025

Unlikely there will be a material impact

- GRAP 104 (as revised): Financial Instruments

01 April 2025

Impact is currently being assessed

This is a list of standards and interpretations that are expected to be applicable to the financial statements of the municipality in the year ending 30 June 2025.

## Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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#### 3. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	9,916,000	-	9,916,000	9,433,600	-	9,433,600

#### Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	9,433,600	482,400	9,916,000

#### Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	8,950,501	483,099	9,433,600

#### Pledged as security

The municipality does not have any investment property that is pledged as security.

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.

The effective date of the revaluations was Friday, 30 June 2023. Revaluations were performed by an independent valuer, Mod Hope Properties by Modiba Kholofelo, registered as a Professional Associated Valuer in terms of the Property Valuer's Professional Act, 2000 (Act No 47 of 2000). Mod Hope Properties are not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 4. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,026,575	-	8,026,575	7,756,290	-	7,756,290
Buildings	40,571,293	(28,643,398)	11,927,895	40,571,293	(27,016,100)	13,555,193
Infrastructure	1,198,550,310	(473,747,178)	724,803,132	1,127,004,177	(454,084,261)	672,919,916
Community Assets	245,492,448	(81,418,855)	164,073,593	239,666,718	(73,717,245)	165,949,473
Other Assets	63,309,713	(24,441,666)	38,868,047	70,391,706	(27,333,665)	43,058,041
WIP - Community Assets	35,992,414	-	35,992,414	39,495,191	-	39,495,191
WIP - Infrastructure	128,044,039	-	128,044,039	119,268,446	-	119,268,446
<b>Total</b>	<b>1,719,986,792</b>	<b>(608,251,097)</b>	<b>1,111,735,695</b>	<b>1,644,153,821</b>	<b>(582,151,271)</b>	<b>1,062,002,550</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	7,756,290	-	-	270,285	-	-	8,026,575
Buildings	13,555,193	-	-	-	(1,627,298)	-	11,927,895
Infrastructure	672,919,916	837,891	(858,117)	72,545,881	(20,642,441)	-	724,803,132
Community Assets	165,949,473	-	-	5,825,730	(7,701,610)	-	164,073,593
Other Assets	43,058,041	256,329	(520,474)	-	(3,782,260)	(143,588)	38,868,047
WIP - Community Assets	39,495,191	2,322,953	-	(5,825,730)	-	-	35,992,414
WIP - Infrastructure	119,268,446	81,321,475	-	(72,545,881)	-	-	128,044,039
<b>Total</b>	<b>1,062,002,550</b>	<b>84,738,648</b>	<b>(1,378,591)</b>	<b>270,285</b>	<b>(33,753,609)</b>	<b>(143,588)</b>	<b>1,111,735,695</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Depreciation	Impairment loss	Total
Land	7,756,290	-	-	-	-	7,756,290
Buildings	15,178,045	-	-	(1,622,852)	-	13,555,193
Infrastructure	644,168,673	217,090	48,393,541	(19,662,830)	(196,558)	672,919,916
Community Assets	126,660,555	-	46,761,662	(6,410,272)	(1,062,472)	165,949,473
Other Assets	29,001,529	20,450,164	-	(3,523,170)	(4,131,138)	43,058,041
WIP - Community assets	73,543,448	12,713,405	(46,761,662)	-	-	39,495,191
WIP - Infrastructure	80,739,170	86,922,817	(48,393,541)	-	-	119,268,446
<b>Total</b>	<b>977,047,710</b>	<b>120,303,476</b>	<b>-</b>	<b>(31,219,124)</b>	<b>(5,390,168)</b>	<b>1,062,002,550</b>

#### Pledged as security

The municipality does not have any property, plant and equipment that is pledged as security.

#### Work-in-Progress delayed projects

##### Work-in-Progress delayed projects

Avon Multi-purpose community center

5,529,105

-

Avon Multi-purpose community center to the amount of R5,529,105 is deemed to be delayed as the project has been delayed for more than 12 months after the projected end date of 24 May 2023.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 4. Property, plant and equipment (continued)

#### Expenditure incurred to repair and maintain property, plant and equipment

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

General expenses

10,065,162

2,671,178

Delayed projects

There were no delayed projects in current financial year.

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.

### 5. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	750,685	(641,800)	108,885	750,685	(575,882)	174,803

#### Reconciliation of intangible assets - 2024

Computer software, other

#### Reconciliation of intangible assets - 2023

Computer software, other

#### Pledged as security

The municipality does not have any intangible assets that is pledged as security

### 6. Other financial assets

#### At amortised cost

ABSA Bank -20-7075-0019

ABSA Bank -93-6800-0389

3,469,626

7,930,109

11,399,735

3,209,553

1,655,051

4,864,604

#### Non-current assets

At amortised cost

11,399,735

4,864,604

The Municipality has a long term investment in an ABSA fixed deposit as Eskom Guarantee to an amount of R3,466,682 in capital. The balances is R3,466,682 (2023: R3,209,553) as at 30 June 2024. The difference from the capital amount is due to accrued interest at the end of each financial period. The municipality does not have access to the account, only receives interest on investment. During the year an amount of R261,317 (2023: R159,889.98) interest was earned from the investment.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 6. Other financial assets (continued)

#### Eskom Guarantee

The Municipality has an investment in ABSA fixed deposit as Eskom Guarantee to an amount of R7,930,109 (2023: R1,655,051) in capital. The municipality open an additional Eskom Guarantee to an amount of R5,844,000 during the 2024 financial year for Witten. The municipality does not have access to the account, only receives interest on investment. During the year and amount of R431,058.76 (2023: R230,203.06) interest was earned from the investment and capitalized.

### 7. Payables from exchange transactions

Trade payables	33,788,068	17,408,108
Payments received in advanced	7,368,938	7,885,191
Retentions	21,878,517	18,859,224
13th cheque provision	2,591,202	2,346,110
Accrued leave pay	12,082,806	11,926,313
Prepaid electricity accrual	1,281,761	210,548
Sale of stands deposits	9,100,635	3,567,521
Other Creditors	418,115	146,745
Unallocated deposits	7,864,630	6,197,480
	<b>96,374,672</b>	<b>68,547,240</b>

#### Sale of sites

Included in payables from exchange transactions is the amount of R9,100,635 (2023: R3,567,521) relating to monies paid by customers for the sale of stands. Once ownership has been transferred to customers, a reallocation will be made from payables to sale of stands in the statement of financial performance thereby realising the revenue from sale of stands.

#### Accrued for leave

Provision is made for employees who are having leave credit at the end of the financial period and is provided up to 48 days in terms of SALBC agreement. The leave provision is calculated by taking the total basic salary divide by number of working days per year multiply by the number of days unused/remaining.

#### Unallocated deposits

This relate to monies received from individuals and companies with either incorrect reference numbers or without references which cannot be allocated when identified as received for less than three years. This relates to monies both received in current year and prior years, the municipality policy is to recognise the monies received unallocated as revenue when it is not claimed for more than a period of three years. All those monies which have been received for more than three years, an advert in the local newspaper is done to allow those who deposited monies in the municipality account to come forward and provide supporting documentations so that the municipality can allocate funds for a reasonable period of time. Failure of individuals to provide evidence will result in the municipality recognising the monies as revenue.

### 8. VAT payable

#### Tax refunds payables

7,124,531 5,361,772

### 9. Employee benefit obligations

#### Defined benefit plan

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 9. Employee benefit obligations (continued)

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

#### Carrying value

Present value of fund obligation	7,718,000	8,260,000
Current service costs	578,000	492,000
Interests costs	786,000	772,000
Benefits paid	(972,871)	(605,567)
Acturial (gains)/lossess	28,871	(1,200,433)
	<b>8,138,000</b>	<b>7,718,000</b>

Current assets

Non-current liabilities

Current liabilities

6,739,000 6,654,000

1,399,000 1,064,000

**8,138,000 7,718,000**

#### Key assumptions used

Assumptions used at the reporting date:

#### Rate of interest

Discount rate

Consumer price inflation

General earnings inflation rate

Net effective discount rate

Rate of award

Included in payables from exchange transactions is the amount of R4.00 customers for the sale of stands. 10.68% partnership 10.92% in transfer payables to sale of stands in the state 4.91% financial 6.39% since then

5.91 % 6.39 %

Accrued for leave 4.51 % 4.26 %

#### Provision for long - service awards

Provision for leave for employees who are paying leave credit at the end of terms of SALEO agreement. The leave provision is calculated by taking

The employees of Blouberg Municipality qualifies for the following long service award additional leave for various periods of uninterrupted service:

- 10 years uninterrupted service: 10 working day's leave
- 15 years uninterrupted service: 20 working day's leave
- 20 years uninterrupted service: 30 working day's leave
- 25 years uninterrupted service: 30 working day's leave
- 30 years uninterrupted service: 30 working day's leave
- 35 years uninterrupted service: 30 working day's leave
- 40 years uninterrupted service: 30 working day's leave
- 45 years uninterrupted service: 30 working day's leave

The Long Service Awards are defined benefits plans. As at year end 30 June 2024 191 (2023: 180) employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability as at 30 June 2024 is estimated at R8 138 000 (2023: R7 718 000). The current cost for the year ending 30 June 2024 is estimated at R578 000 (2023: R492 000).

The actual expense cost for the year ending 30 June 2023, and the net change in the accrued obligation over the financial year ending 30 June 2023 are determined as follows:

#### Net change in the accrued obligation

Current service cost	578,000	492,000
Current interest cost	786,000	772,000
Actuarial (gain)/loss	28,871	(1,200,433)
Net expense recognised in income statement	1,392,871	63,567
Actual benefit payments	(972,871)	(605,567)
Net change in the accrued liability over the financial year ending	<b>420,000</b>	<b>(542,000)</b>

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 10. Inventories

Inventory sites	3,510,167	3,981,555
Consumable stores	1,107,930	1,679,942
	<b>4,618,097</b>	<b>5,661,497</b>

Inventories recognised as an expense during the year	3,439,546	3,569,119
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### Inventory pledged as security

The municipality does not have any inventory that is pledged as security.

### 11. Receivables from exchange transactions

Prepaid electricity Accrued	776,059	746,770
Other Receivables	-	1,041,525
Accrued VAT (Statutory receivable)	4,293,488	3,331,703
	<b>5,069,547</b>	<b>5,119,998</b>

### 12. Receivables from non-exchange transactions

#### Gross balances

Traffic fines	8,053,302	7,342,879
Other receivables - Senior Managers	211,143	211,143
Other receivables from non-exchange transactions	1,715,853	1,715,853
Rates	97,474,098	76,705,456
	<b>107,454,396</b>	<b>85,975,331</b>

#### Less: Allowance for impairment

Traffic fines	(6,919,552)	(6,193,009)
Other receivables from non-exchange transactions	(1,715,853)	(1,715,853)
Rates	(43,616,895)	(62,431,197)
	<b>(52,252,300)</b>	<b>(70,340,059)</b>
	<b>55,202,096</b>	<b>15,635,272</b>

#### Net balance

Traffic Fines	1,133,770	1,149,870
Other receivable- Senior Managers	53,857,183	14,274,259
Consumer debtors - Rates		

#### Non-current assets

#### Current assets

### Statutory receivables included in receivables from non-exchange transactions above are as follows:

Fines	1,133,770	1,149,870
Rates	53,857,183	14,274,259
	<b>54,990,953</b>	<b>15,424,129</b>

### Financial asset receivables included in receivables from non-exchange transactions above

	211,143	211,143
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# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 12. Receivables from non-exchange transactions (continued)

Total receivables from non-exchange transactions	55,202,096	15,635,272
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Receivables from non-exchange transactions

The ageing of these receivables is as follows:

#### Rates

Current	879,663	-
31-60 days	1,261,945	1,047,537
61-90 days	535,387	741,207
91-120 days	595,338	357,215
121-365 days	49,191,545	12,045,876
>365 days	45,009,612	62,513,621
	<b>97,473,490</b>	<b>76,705,456</b>

#### Traffic fines

Current	117,800	253,600
31-60 days	157,000	77,100
61-90 days	128,050	133,800
91-120 days	142,400	133,200
121-365 days	839,100	723,800
>365 days	6,668,952	6,021,379
	<b>8,053,302</b>	<b>7,342,879</b>

### Receivables from non-exchange transactions impaired

Included in the Traffic fines receivables there is a provision for impairment of R6 919 552 (2023: R6 193 009). Included also is a debt write off of R- (2023: R-).

Included in the property rates receivable there is a provision for impairment of R43 705 700 (2023: R62 431 197). Included also is a debt write off of R- (2023: R-).

### Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	Net balance	(70,340,059)	(23,015,012)
Provision for impairment	Traffic Fines	18,087,759	(47,325,047)
	Other receivable- Senior Manager	<b>(52,252,300)</b>	<b>(70,340,059)</b>
	Consumer debtors - Rates		

### 13. VAT receivable

VAT (Statutory receivable)	-	2,358,739
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These amounts are receivable by the group as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services.

No impairments against the Vat receivables.



# Blouberg Local Municipality

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### 14. Consumer debtors

#### Gross balances

Electricity	27,252,982	23,534,948
Refuse	7,750,511	6,111,631
VAT on Services	5,076,146	4,368,821
Sundries	3,063,547	2,748,785
	<b>43,143,186</b>	<b>36,764,185</b>

#### Less: Allowance for impairment

Electricity	(22,124,897)	(17,355,009)
Refuse	(6,090,976)	(4,279,393)
Sundries	(2,710,417)	(2,361,035)
	<b>(30,926,290)</b>	<b>(23,995,437)</b>

#### Net balance

Electricity	5,128,085	6,179,939
Refuse	1,659,535	1,832,238
VAT on Services	5,076,146	4,368,821
Sundries	353,130	387,750
	<b>12,216,896</b>	<b>12,768,748</b>

#### Electricity

Current (0 -30 days)	805,863	1,567,954
31 - 60 days	1,391,657	645,677
61 - 90 days	660,079	1,189,983
91 - 120 days	506,850	489,480
121 - 365 days	3,886,349	3,510,233
> 365 days	20,002,184	16,131,621
	<b>27,252,982</b>	<b>23,534,948</b>

#### Refuse

Current (0 -30 days)	191,344	177,584
31 - 60 days	411,413	333,334
61 - 90 days	172,890	163,578
91 - 120 days	170,058	160,544
121 - 365 days	1,306,160	1,204,051
> 365 days	5,498,647	4,072,540
	<b>7,750,512</b>	<b>6,111,631</b>

#### Sundries

Current (0 -30 days)	30,881	58,488
31 - 60 days	277,363	28,793
61 - 90 days	30,177	28,684
91 - 120 days	30,095	28,607
121 - 365 days	235,906	199,292
> 365 days	2,459,125	2,404,134
	<b>3,063,547</b>	<b>2,747,998</b>

#### Reconciliation of allowance for impairment

Balance at beginning of the year	(23,995,437)	(17,200,122)
Debt impairment	(6,930,853)	(6,795,315)
	<b>(30,926,290)</b>	<b>(23,995,437)</b>

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<b>15. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	660	660
Short-term deposits	5,699,780	5,214,870
Bank balances	180,699,305	96,627,144
	<b>186,399,745</b>	<b>101,842,674</b>

### Cash and cash equivalents pledged as collateral

No cash and cash equivalents are held as collateral.

### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
ABSA BANK - Current Account - 11 5016 9476	180,324,155	96,627,144	78,848,458	180,324,155	96,627,144	78,848,458
ABSA BANK - Short-term investment Account - 93 540 119 04	5,699,780	5,214,870	5,985,432	5,699,780	5,214,870	5,985,432
<b>Total</b>	<b>186,023,935</b>	<b>101,842,014</b>	<b>84,833,890</b>	<b>186,023,935</b>	<b>101,842,014</b>	<b>84,833,890</b>

### NEDBANK ACCOUNT -037-8811-376-14

During the current year the municipality invested in Nedbank fixed deposit account number 037-8811- 376-14 which earned interest totalling R2,629,041. The investment of R50,000,000 was invested from 15 August 2023 to 16 October 2023 which earned the municipality a interest of R 1 224 373. Re-invest R80,000,000 from 16 October 2023 to 17 November 2023 which earned interest of R 616,504.10 municipal The investment of R100 000 000 was invested from 15 August 2023 to 16 October 2023 which earned the interest of R788,164.40 The investment amount and interest were withdrawn to the main municipal account before the end of the year.

### 16. Finance lease obligation

#### Minimum lease payments due

- within one year
- in second to fifth year inclusive

less: future finance charges

#### Present value of minimum lease payments

#### Present value of minimum lease payments due

- within one year
- in second to fifth year inclusive

Non-current liabilities

Current liabilities

2024		
Current (0 - 30 days)		
31 - 60 days	8,958,875	9,322,788
61 - 90 days	2,986,292	11,945,167
91 - 120 days	11,945,167	21,267,955
121 - 150 days	(2,639,033)	(7,080,910)
> 150 days	<b>9,306,134</b>	<b>14,187,045</b>
2023		
Current (0 - 30 days)	6,537,705	4,880,911
31 - 60 days	2,768,429	9,306,134
61 - 90 days	<b>9,306,134</b>	<b>14,187,045</b>
91 - 120 days		
121 - 150 days	2,768,429	4,864,257
> 150 days	6,537,705	9,322,788
	<b>9,306,134</b>	<b>14,187,045</b>

It is municipality policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 10% (2023: 10%).

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### 16. Finance lease obligation (continued)

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.

#### Defaults and breaches

In the current financial year the municipality never defaulted and/or breached any terms and conditions of the lease contract.

#### Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

Rand	9,306,134	14,187,045
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The fair value of finance lease liabilities approximates their carrying amounts.

### 17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Financial Management Grant (FMG)  
Municipal Infrastructure Grant (MIG)  
Capricorn District Municipality Grant (CDM)  
Integrated National Electrification Programme Grant (INEP)  
Disaster Relief Grant (DRG)

#### Movement during the year

Balance at the beginning of the year  
Additions during the year  
Income recognition during the year

Non-current liabilities  
Current liabilities

During the current year the interest totalling R2,329,041. The interest earned on the investment of R100,000,000 was R124,570. Re-invest R100,000,000 at the interest of R124,570. The investment of R100,000,000 earned the interest of R124,570. The investment of R100,000,000 earned the interest of R124,570. The investment of R100,000,000 earned the interest of R124,570.		
	59,646,503	20,158,139
	183,514,231	112,686,000
	(144,025,867)	(116,843,176)
	59,646,503	20,158,139
	59,646,503	20,158,139
	59,646,503	20,158,139

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

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 18. Provisions

#### Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Environmental rehabilitation	24,246,165	-	(1,906,605)	(6,312,140)	833,265	16,860,685
Performance bonus	294,301	161,106	-	-	-	455,407
	<b>24,540,466</b>	<b>161,106</b>	<b>(1,906,605)</b>	<b>(6,312,140)</b>	<b>833,265</b>	<b>17,316,092</b>

#### Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	23,221,540	1,024,625	-	24,246,165
Performance bonus	582,583	-	(288,282)	294,301
	<b>23,804,123</b>	<b>1,024,625</b>	<b>(288,282)</b>	<b>24,540,466</b>
Non-current liabilities			16,860,685	22,339,560
Current liabilities			455,407	2,200,906
			<b>17,316,092</b>	<b>24,540,466</b>

The provision represents management's best estimate of the municipality's liability on the experience and knowledge. (INER)

#### Provision for performance bonus

Performance bonus is the benefit paid to the senior management after performance assessment are being done and expectations or targets are met. Performance bonus is calculated at 14% of total package.

#### Environmental rehabilitation provision

The Alldays and Senwabarwana land fill sites are permitted facilities in terms of section 20 of Environmental Conservation Act 73 of 1989. The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation discounted at 3.73% as at 30 June 2024. Both landfill sites are expected to be in operation for a period of more than 5 years from July 2023.

Non-current liabilities  
Current liabilities

The nature and extent of government grants recognised in the annual financial statements are as follows:

Unfunded conditions and other contingencies relating to government grants

Reconciliation of grants from National/Provincial Government

These amounts are included in the long term investment portfolio.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>19. Revenue</b>		
Service charges	37,518,573	33,866,035
Rental of facilities and equipment	604,906	461,443
Licences and permits	3,997,903	4,166,391
Photocopies & Electricity Fines - Illegal connections	5,880	43,524
CDM - Commissions received	250,126	259,654
Landfill site provision reversal	8,218,745	-
Cemetery, Burial and Plans approval fees	201,154	231,794
Valuation services	3,167	2,722
Interest charged on Outstanding Debtors	1,065,528	806,882
Sale of Inventory - Sites/Land	8,476,924	5,683,006
Cattle Grazing	383,248	108,985
Interest received - Investments & Current accounts	7,844,238	4,112,364
Property rates	68,960,737	25,228,987
Property rates - penalties imposed	1,396,171	1,266,424
Government grants & subsidies	336,832,636	337,919,177
Donated assets	-	6,107,929
Fines	1,133,750	1,154,400
Other transfer revenue	-	1,758,495
Fair value adjustments and actuarial gains	-	1,683,532
	<b>476,893,686</b>	<b>424,861,744</b>

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

Service charges	37,518,573	33,866,035
Rental of facilities and equipment	604,906	461,443
Licences and permits	3,997,903	4,166,391
Photocopies & Electricity Illegal connections	5,880	43,524
CDM - Commissions received	250,126	259,654
Landfill site provision reversal	8,218,745	-
Cemetery, Burial & Plans approval fees	201,154	231,794
Valuation Services	3,167	2,722
Interest on Outstanding Debtors	1,065,528	806,882
Sale of Inventory - Sites/Land	8,476,924	5,683,006
Cattle Grazing	383,248	108,985
Interest received - investment	7,844,238	4,112,364
Fair value adjustments and actuarial gains	482,400	483,099
	<b>69,052,792</b>	<b>50,225,899</b>

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

<b>Taxation revenue</b>		
Property rates	68,960,737	25,228,987
Property rates - penalties imposed	1,396,171	1,266,424
<b>Transfer revenue</b>		
Government grants & subsidies	336,832,636	337,919,177
Donated assets	-	6,107,929
Fines	1,133,750	1,154,400
Unclaimed money	-	1,758,495
Actuarial gains	-	1,200,433
	<b>408,323,294</b>	<b>374,635,845</b>

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Figures in Rand	2024	2023
<b>20. Service charges</b>		
Sale of electricity	35,449,329	31,889,458
Refuse removal	2,069,244	1,976,577
	<b>37,518,573</b>	<b>33,866,035</b>
<b>21. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Rental of facilities	604,906	461,443
<b>22. Traffic fines</b>		
Traffic fines	1,133,750	1,154,400
<b>23. Investment revenue</b>		
<b>Interest revenue</b>		
Investments	7,844,238	4,112,364
<b>24. Property rates</b>		
<b>Rates received</b>		
Residential	3,981,742	2,378,680
Commercial	3,572,074	2,804,938
State-owned	59,997,358	18,550,238
Small holdings and farms	1,409,563	1,495,131
Interest charges on overdue account	68,960,737	25,228,987
	<b>70,356,908</b>	<b>26,495,411</b>
<b>Valuations</b>		
Residential	739,240,182	580,597,430
Commercial	324,532,830	439,588,960
State-owned	1,281,143,600	385,260,000
Municipalities	44,413,032	108,576,062
Other	6,174,820	8,380,500
Small holdings and farms	2,517,309,980	3,484,082,565
	<b>4,912,814,444</b>	<b>5,006,485,517</b>
<b>25. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	233,791,778	221,255,921
Financial Management Grant (FMG)	2,400,000	2,185,222
Expanded Public Works Programme (EPWP)	1,185,000	1,950,000
Disaster Relief Grant	8,394,330	-
	<b>245,771,108</b>	<b>225,391,143</b>
<b>Capital grants</b>		
Municipal Infrastructure Grant (MIG)	68,341,174	85,302,320

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## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>25. Government grants &amp; subsidies (continued)</b>		
Integrated National Electrification Programme (INEP)	22,720,354	27,225,714
	<b>91,061,528</b>	<b>112,528,034</b>
	<b>336,832,636</b>	<b>337,919,177</b>

### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

### Financial Management Grant (FMG)

Balance unspent at beginning of year	214,778	-
Current-year receipts	2,400,000	2,400,000
Conditions met - transferred to revenue	(2,400,000)	(2,185,222)
Withheld by National Treasury Through Equitable share	(214,778)	-
	<b>-</b>	<b>214,778</b>

Conditions still to be met - remain liabilities (see note 17).

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA, its regulations and associated financial reforms.

### Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	10,395,680	161,955
Current-year receipts	59,059,000	71,698,000
Conditions met - transferred to revenue	(68,341,174)	(61,302,320)
Repayment of grant	-	(161,955)
	<b>1,113,506</b>	<b>10,395,680</b>

Conditions still to be met - remain liabilities (see note 17).

To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities. To Improved access to basic services infrastructure for poor communities, through the use of labour-intensive construction methods where it is technically feasible. To Improved reliability of basic services infrastructure for poor communities.

### Expanded Public Works Programme (EPWP)

Current-year receipts	1,185,000	1,266,000
Conditions met - transferred to revenue	(1,185,000)	(1,266,000)
	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 17).

To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised.

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### 25. Government grants & subsidies (continued)

#### Capricorn District Municipality (CDM)

Balance unspent at beginning of year	135,395	135,395
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Conditions still to be met - remain liabilities (see note 17).

CDM grant - disposal of unwanted waste through compaction inside the working cell.

#### Integrated National Electrification Programme (INEP)

Balance unspent at beginning of year	5,412,286	96,748
Current-year receipts	33,000,000	32,638,000
Conditions met - transferred to revenue	(22,720,354)	(27,225,714)
Repayment of grant	-	(96,748)
	<u>15,691,932</u>	<u>5,412,286</u>

Conditions still to be met - remain liabilities (see note 17).

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure.

#### Disaster Relief Grant (DRG)

Balance unspent at beginning of year	4,000,000	12,900,000
Current-year receipts	47,100,000	-
Conditions met - transferred to revenue	(8,394,330)	(8,900,000)
	<u>42,705,670</u>	<u>4,000,000</u>

Conditions still to be met - remain liabilities (see note 17).

To provide for the immediate release of funds for disaster response.

To enable a timely response to immediate needs after a disaster has occurred.

### 26. Donated assets

#### Donated assets

During the year CDM donated 3 Waste Disposal Trucks to the municipality that are worth R6 107 929.

Specialised Public Works Programme (SPWP)

Current year receipts	6,107,929
Conditions met - transferred to revenue	-

Conditions still to be met - remain liabilities (see note 17).



# Blouberg Local Municipality

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### 27. Employee related costs

Basic salary	73,210,628	69,057,406
Bonus	6,426,508	5,280,091
Medical aid - company contributions	5,402,194	5,038,152
Unemployed Insurance Fund (UIF)	398,963	396,226
Skills Development Levy (SDL)	1,132,416	1,121,173
Leave payout	825,922	1,234,794
Pension Fund contributions	16,537,800	15,962,960
Travel, motor car, accommodation, subsistence and other allowances	17,732,459	16,618,894
Overtime payments	5,187,614	5,410,246
Long-service awards	578,000	492,000
Acting allowances	528,162	516,178
Housing benefits and allowances	281,532	269,131
Bargaining Council	25,536	23,846
Standby allowance	695,292	718,379
Telephone & CellPhone allowances	3,246,098	3,131,851
Group life insurance	204,678	179,101
	<b>132,413,802</b>	<b>125,450,428</b>

The amounts disclosed below for senior managers have been included in the table above.

### Remuneration of municipal manager

Annual Remuneration	802,208	653,999
Acting allowance	-	38,549
Car Allowance	279,644	228,287
13th Cheque	67,829	-
Contributions to UIF, Medical and Pension Funds	167,544	136,997
Other Allowances	47,924	47,924
Back Pay	400,995	44,609
Subsistence and Travelling Allowance	168,470	158,115
	<b>1,934,614</b>	<b>1,308,480</b>

### Remuneration of chief finance officer

Annual Remuneration	51,876	659,834
Car Allowance	19,288	229,748
13th Cheque	47,553	51,109
Contributions to UIF, Medical and Pension Funds	13,986	138,195
Other allowances	3,994	47,924
Back pay	40,192	44,684
Subsistence and Travelling Allowance	119,522	-
Leave Pay	63,337	-
Acting Allowance	-	-
	<b>363,019</b>	<b>1,279,392</b>

# Blouberg Local Municipality

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### 27. Employee related costs (continued)

#### Remuneration of Senior Management

There is no acting allowances paid during the year on the Director Technical Services because the managers acting on the position were earning above the minimum entry notch for the directors.

Remuneration of Senior Management 2024 (included in employee related cost)	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	-	-	321,220	321,220	642,440
Acting allowance	71,965	58,018	27,086	32,825	189,894
Car allowance	-	-	120,646	124,266	244,912
Contributions to UIF, Medical and Pension Funds	-	-	67,357	71,932	139,289
Other allowances	-	-	24,116	24,116	48,232
Subsistence and Travelling Allowance	-	-	39,517	68,580	108,097
	<b>71,965</b>	<b>58,018</b>	<b>599,942</b>	<b>642,939</b>	<b>1,372,864</b>

#### Remuneration of Senior Management 2023 (included in employee related cost)

Remuneration of Senior Management 2023 (included in employee related cost)	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	163,731	-	-	279,678	443,409
Acting allowance	17,804	18,078	37,678	48,978	122,538
Leave Pay out	-	-	63,784	53,098	116,882
13th Cheque	42,591	-	-	-	42,591
Car allowance	57,220	-	-	36,577	93,797
Contributions to UIF, Medical and Pension Funds	33,732	-	-	24,890	58,622
Other allowances	12,545	-	-	7,987	20,532
Back pay	-	-	177	-	177
Subsistence and Travelling Allowance	20,828	-	-	-	20,828
	<b>348,451</b>	<b>18,078</b>	<b>101,639</b>	<b>451,208</b>	<b>919,376</b>

### 28. Remuneration of councillors

Mayor	998,615	961,902
Chief Whip	769,365	731,210
Executive Committee Members	4,109,956	4,437,142
Speaker	817,067	773,652
Councillors	12,517,714	11,078,367
	<b>19,212,717</b>	<b>17,982,273</b>

#### In-kind benefits

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

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

### 29. Depreciation and amortisation

Property, plant and equipment	33,753,609	30,960,625
Intangible assets	65,919	65,895
	<b>33,819,528</b>	<b>31,026,520</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>30. Impairment loss</b>		
<b>Impairments</b>		
Property, plant and equipment	143,588	5,390,169
<b>31. Repairs and maintenance</b>		
Repairs and maintenance	10,065,162	2,671,178
<b>32. Finance costs</b>		
Finance leases	4,441,877	3,668,458
Landfill site discounting interest	833,265	-
Long service award	786,000	772,000
	<b>6,061,142</b>	<b>4,440,458</b>

The interest paid is made up of Long service award, landfill site discounting interest and the finance lease on the office equipment.

### 33. Auditors' remuneration

#### Fees

Annual Remuneration	165,731
Retiring allowances	4,754,784
Leave Pay out	4,370,569
11th Cheque	42,591
Travel allowance	57,220
2019-2020 WIF, Medical and Dental	20,000
Fines	(11,132,557)
Other allowances	12,345
Substance and Travelling Allowance	20,000
	<b>423,451</b>

The movement of debt impairment reversal was due to better collections on the government debt.

### 34. Debt impairment

#### Debt impairment

The Mayor, Speaker, Chief Whip and Executive Committee Members, Special, Councilors

#### Related benefits

The Mayor, Speaker, Chief Whip and Executive Committee Members, Special, Councilors

The Mayor, Speaker, Chief Whip and Executive Committee Members, Special, Councilors

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 35. General expenses

Advertising	1,271,523	977,069
Auditors remuneration	4,754,784	4,370,569
Bank charges	542,876	500,390
Provision for restoration costs of landfill site	803,061	2,176,939
EPWP costs	6,335,225	5,951,212
Consulting and professional fees	2,246,194	-
Workmens Compensation Costs	612,533	406,582
Insurance	3,131,419	1,702,123
Conferences, Accomodation and seminars	2,151,500	2,248,426
IT expenses	1,610,452	2,057,076
Fuel Costs	3,682,876	4,401,932
Postage and courier	2,010	2,010
Printing and stationery	304,061	100,000
Promotions	165,675	191,596
Master Plans for LDP	1,170,924	1,432,788
Poverty Alleviation	355,450	529,840
Staff welfare	11,000	-
Subscriptions and membership fees	2,355,923	2,525,668
Telephone and fax	3,899,691	1,515,738
Subsistence and travel	14,758,226	13,846,312
Refuse	145,306	-
Special Focus	253,978	758,647
Audit committee fees	385,302	336,784
Bursaries	87,366	232,257
Public participation	515,548	178,000
Licence fees - vehicles	145,184	148,434
Refreshments	144,982	137,800
Remuneration of ward committee members	4,520,861	4,703,761
Free basic services electricity	752,599	775,286
Support of ward committee	1,852,243	1,767,238
Other expenses	10,741,129	7,804,933
	<b>69,709,901</b>	<b>61,779,410</b>

### 36. Bulk purchases

Electricity - Eskom	60,926,195	52,983,493
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### 37. Contracted services

Information Technology Services	-	202,377
Fleet Services	302,598	190,914
Operating Leases	2,520,783	3,059,422
Specialist Services	7,452,099	25,448,481
Other Contractors	26,549,227	21,074,717
	<b>36,824,707</b>	<b>49,975,911</b>

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Surplus	119,410,941	18,780,300
<b>Adjustments for:</b>		
Depreciation and amortisation	33,819,528	31,026,520
Gain or loss on sale of assets and liabilities	(181,278)	260,520
Fair value adjustments	(482,400)	(483,099)
Finance costs	1,619,265	-
Interest income	2,461,699	-
Impairment deficit	143,588	5,390,169
Debt impairment	(11,132,557)	54,121,084
Bad debts written off	73,367	-
Movements in employee benefits obligation	420,000	(542,000)
Movements in provisions	(6,965,699)	736,343
Actuarial loss	28,871	-
Donated assets	-	(6,107,929)
<b>Changes in working capital:</b>		
Inventories	773,114	(294,279)
Receivables from exchange transactions	50,451	(4,129,330)
Consumer debtors	11,684,409	(55,213,976)
Other receivables from non-exchange transactions	(39,566,824)	51,667,054
Payables from exchange transactions	27,827,432	22,081,532
VAT	4,121,498	4,881,837
Unspent conditional grants and receipts	39,488,364	(4,157,176)

**183,593,769      118,017,570**

[illegible]

Trial	Subject 1	Subject 2	Subject 3	Subject 4	Subject 5	Subject 6	Subject 7	Subject 8	Subject 9	Subject 10
1	10	15	20	25	30	35	40	45	50	55
2	15	20	25	30	35	40	45	50	55	60
3	20	25	30	35	40	45	50	55	60	65
4	25	30	35	40	45	50	55	60	65	70
5	30	35	40	45	50	55	60	65	70	75
6	35	40	45	50	55	60	65	70	75	80
7	40	45	50	55	60	65	70	75	80	85
8	45	50	55	60	65	70	75	80	85	90
9	50	55	60	65	70	75	80	85	90	95
10	55	60	65	70	75	80	85	90	95	100

Electricity - Eskom

### 37. Unrecorded Services

Information Technology Services  
Floor Services  
Operating Leases  
Specialist Services  
Other Contractors

# Blouberg Local Municipality

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### 39. Financial instruments disclosure

#### Categories of financial instruments

##### 2024

##### Financial assets

	At amortised cost	Total
Other financial assets	11,399,735	11,399,735
Trade and other receivables from exchange transactions	4,776,734	4,776,734
Receivables from non-exchange transactions	55,180,900	55,180,900
Consumer debtors	9,824,693	9,824,693
Cash and cash equivalents	186,024,595	186,024,595
	<b>267,206,657</b>	<b>267,206,657</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	93,878,197	93,878,197
Finance lease obligation	9,306,134	9,306,134
	<b>103,184,331</b>	<b>103,184,331</b>

##### 2023

##### Financial assets

	At amortised cost	Total
Other financial assets	4,864,604	4,864,604
Trade and other receivables from exchange transactions	5,119,998	5,119,998
Receivables from non-exchange transactions	5,635,272	5,635,272
Consumer debtors	2,768,748	2,768,748
Cash and cash equivalents	101,842,674	101,842,674
	<b>120,231,296</b>	<b>120,231,296</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	68,547,240	68,547,240
Finance lease obligation	14,187,045	14,187,045
	<b>82,734,285</b>	<b>82,734,285</b>

# Blouberg Local Municipality

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Figures in Rand	2024	2023
<b>40. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	57,912,314	105,183,014
<b>Total capital commitments</b>	57,912,314	105,183,014
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Security services	37,284,715	57,348,763
• Consulting services	2,416,662	-
• Township Establishment	877,500	-
• Leasing of 10 photocopying machines	-	575,564
• Telephone Management Solution	2,029,621	4,656,162
• Landfill Management	5,976,335	11,473,671
• Leasing of Graders	12,914,696	20,380,425
• Supply and Delivery of Protective Clothing	-	699,445
• Unbundling of Assets	1,105,549	1,908,610
• Valuation Roll	-	2,775,950
• Enhancement of Network Connectivity of All Satellites Offices	4,044,724	4,044,724
	<b>66,649,802</b>	<b>103,863,314</b>
<b>Total operational commitments</b>		
Already contracted for but not provided for	66,649,802	103,863,314
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	57,912,314	105,183,014
Authorised operational expenditure	66,649,802	103,863,314
	<b>124,562,116</b>	<b>209,046,328</b>

This committed expenditure relates to Security, consulting, growth strategy and special development services and property, plant and equipments and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

# Blouberg Local Municipality

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### 41. Contingencies

Litigation claims are in progress against the municipality relating to various matters who alleges that the municipality has infringed on certain laws and regulations and they are seeking damages. The municipality's lawyers and management consider the likelihood of the actions against the municipality being successful is unlikely, and the case should be resolved within the next two years.

There is no reimbursement from any third parties for potential obligations of the municipality.

2024

2023

#### Contingent Liabilities

Below is a detail explanation of the nature and financial impact:

1. Kgamaki Jonas Mangweta: Case No. LP/PLK/RC 499/2015 - The plaintiff is suing the municipality for defamation.	545,071	518,071
2. Machuene Charlese Keetse - The plaintiff is suing the Municipality and the Minister of Police for unlawful arrest and detention. The matter is still pending, awaiting for trial date.	300,000	300,000
3. Joseph Manaka - The plaintiff is suing both the municipality and Eskom after he was electrocuted by a half fallen electrical pole after a disaster caused by heavy rainfalls and Winds	6,584,125	6,194,625
4. Overland cruises and logistics - The plaintiff is suing the Premier of Limpopo and the Municipality for non-payment of service rendered, the Premier's office procured transport services to ferry residents of Blouberg Municipality to Polokwane during a memorial service of the late former President Nelson Mandela. N J Morero Attorneys has been appointed to act on behalf of the municipality. The matter was provisionally withdrawn and awaiting for new trial date.	574,800	574,800
5. Tebogo Mokoboti - The plaintiff is suing the Municipality for damages which she claim to have suffered as a results of a collision which between her vehicle and the Council's grader. The matter is still pending, Awaiting further particulars (discovery documents) and trial date from the court.	73,949	68,839
6. Pension Fund For Municipal Councillors - The Municipality received a letter of demand from the Municipal Councillors Pension Fund for outstanding contributions by some of the Municipality's Councillors and sought a legal opinion from Lebea and Associates Attorneys on the letter of demand. The matter is still pending, awaiting for summons MC Incorporated Attorneys.	7,800,000	7,800,000
7. Salaelo Andrew Madibana the Applicant is suing the Municipality for Defamation	859,262	-
8. Magoja Communications sued Municipality for non payment of services rendered.	132,731	-
9. NCM Printing and Projects (Pty) Ltd sued Municipality for non payment of services rendered	62,268	-
10. Raseruthe Matome Ben the Applicant is suing the Municipality for damages suffered due to the Demolition of his property as a result of a Court Order granted in favor of the Municipality	6,181,600	-
	<b>23,113,806</b>	<b>15,456,335</b>



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### 42. Related parties

Relationships

Members of key management

Councillors

Executive Committee Members

Municipal Manager

Chief Financial Officer

### Related party transactions

#### Debtors Balance with key management

Councillor Thamaga NM

359,725

341,000

The above executive members have balances included in the Receivables from exchange and non-exchange transactions relating to the assessment rates, refuse, water and interest charged on overdue accounts. Payables as and when the members pay to the municipality.

#### Compensation to accounting officer and other key management

Defined contribution plans

103,555

93,797

### Key management information

#### Remuneration of management

1. *Chantelle Nkomo* - The plaintiff is suing the Municipality for non-payment of services rendered and damages for the period 1st January 2021 to 31st December 2023. The plaintiff is suing for R103,555.00 and interest.

2. *Chantelle Nkomo v. The Municipality* - The plaintiff is suing the Municipality for non-payment of services rendered and damages for the period 1st January 2021 to 31st December 2023. The plaintiff is suing for R103,555.00 and interest.

3. *Overhead costs and expenses* - The plaintiff is suing the Municipality for non-payment of services rendered, the plaintiff's office provided services to many residents of Blouberg Municipality to Blouberg Municipality services of the late former President Nelson Mandela. The plaintiff has been awarded R103,555.00 by the court. The plaintiff has withdrawn and awaiting for new trial date.

4. *George Mokoena* - The plaintiff is suing the Municipality for damages for the period 1st January 2021 to 31st December 2023. The plaintiff is suing for R103,555.00 and interest. The plaintiff is still pending, awaiting further particulars of documents and trial date from the court.

5. *Pension Fund for Municipal Councillors* - The Municipality received a letter from the Municipal Councillors Pension Fund for outstanding amounts of R103,555.00. The plaintiff is suing the Municipality for R103,555.00 and interest. The plaintiff is still pending, awaiting further particulars of documents and trial date from the court.

6. *Selepe Andrew Madibane the Applicant* is suing the Municipality for R103,555.00 and interest.

7. *Madibane Communications sued Municipality* for non-payment of services rendered.

8. *Chantelle Nkomo and Projects (Pty) Ltd* sued Municipality for non-payment of services rendered.

9. *Reserve Bank of South Africa* is suing the Municipality for R103,555.00 and interest. The plaintiff is suing the Municipality for R103,555.00 and interest. The plaintiff is still pending, awaiting further particulars of documents and trial date from the court.

# Blouberg Local Municipality

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### 42. Related parties (continued)

#### Municipal Manager and Chief Financial Officer

2024

Name	Basic salary	Bonuses and performance related payments	Car Allowance	Post-employment benefits	Other benefits received	Acting Allowance	Total
Ramothwala RJ	802,208	67,829	279,644	167,544	617,389	-	1,934,614
Mabote NJ	51,876	47,553	19,288	13,986	166,979	-	299,682
Motupa MJ - Acting CFO	-	-	-	-	-	32,812	32,812
Riba M - Acting CFO	-	-	-	-	-	30,524	30,524
	<b>854,084</b>	<b>115,382</b>	<b>298,932</b>	<b>181,530</b>	<b>784,368</b>	<b>63,336</b>	<b>2,297,632</b>

2023

Name	Basic salary	Bonuses and performance related payments	Car Allowance	Post-employment benefits	Other benefits received	Total
Ramothwala RJ	653,999	38,549	228,287	136,997	250,648	1,308,480
Mabote NJ	659,834	51,109	229,748	138,195	200,506	1,279,392
	<b>1,313,833</b>	<b>89,658</b>	<b>458,035</b>	<b>275,192</b>	<b>451,154</b>	<b>2,587,872</b>

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## Notes to the Annual Financial Statements

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### 42. Related parties (continued)

#### Councillors/Executive Committee Members

2024

Name	Basic salary	Allowances	Subsistence & Traveling	Total
Thamaga MN	659,439	346,601	1,288	1,007,328
Boloka MP	528,999	294,684	142,718	966,401
Rangata MJ	496,391	279,364	199,080	974,835
Makobela SR	496,391	279,099	179,601	955,091
Motswabe LP	496,391	279,290	202,540	978,221
Raseruthe MA	496,391	279,246	216,116	991,753
Maifo ML	486,562	275,139	236,469	998,170
Phoshoko NC	269,975	174,374	93,124	537,473
Tlouamma NM	280,126	176,629	181,157	637,912
Mosena DD	280,126	176,779	193,034	649,939
Raphasha DS	280,126	176,629	182,647	639,402
Lehong MV	213,636	144,836	105,157	463,629
Moetjie NT	213,636	145,535	188,248	547,419
Makhura MH	213,636	144,869	108,900	467,405
Mathekgu MJ	213,636	144,859	126,440	484,935
Molokomme MM	213,636	144,251	112,984	470,871
Mphago MA	213,636	144,785	101,921	460,342
Magwai RT	213,636	144,900	124,299	482,835
Lehonye TJ	213,636	144,811	71,737	430,184
Mapunya PW	213,636	144,759	88,118	446,513
Manaka NA	213,636	144,873	125,715	484,224
Makhura KH	213,636	144,869	122,755	481,260
Tihako NB	213,636	144,800	119,679	478,115
Mashamaite MG	213,636	144,790	120,012	478,438
Motsoko L	213,636	144,697	97,214	455,547
Mahlape NJ	213,636	144,870	124,104	482,610
Mmoko ML	213,636	144,696	-	358,332
Pheedi MS	204,879	138,586	66,753	410,218
Mokami ME	213,636	144,991	124,199	482,826
Thema NR	213,636	145,037	145,538	504,211
Seokotsa MM	213,636	144,850	120,906	479,392
Mokobodi MM	213,636	145,156	151,186	509,978
Sehata AQ	213,636	145,007	132,564	491,207
Tlabela FP	213,636	145,228	141,863	500,727
Maphoto MD	213,636	144,797	70,622	429,055
Mailula MS	213,636	144,788	73,733	432,157
Ntjana MI	213,636	144,950	107,911	466,497
Dau MP	213,636	144,751	72,225	430,612
Maribeng MK	213,636	144,776	59,186	417,598
Kobola JS	213,636	144,923	99,554	458,113
Maripa MS	213,636	145,263	2,740	361,639
Masebe KP	213,636	144,696	96,241	454,573
Maputla SA	213,636	135,529	188,440	537,605
Molokomme MJ	146,361	109,491	-	255,852
	<b>11,744,873</b>	<b>7,467,853</b>	<b>5,218,718</b>	<b>24,431,444</b>

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### 42. Related parties (continued)

2023

Name	Basic salary	Allowances	Subsistence & Traveling	Total
Thamaga MN	633,558	328,345	20,943	982,846
Boloka MP	502,561	271,081	81,544	855,186
Rangata MJ	474,434	256,776	194,658	925,868
Makobela SR	477,254	256,776	180,846	914,876
Motswaba LP	523,097	204,837	200,355	928,289
Raseruthe MA	474,211	256,776	190,421	921,408
Maifo ML	461,646	252,079	229,915	943,640
Keetse PP	139,496	82,754	-	222,250
Tlouamma NM	266,453	161,920	173,835	602,208
Mosena DD	264,010	161,920	181,762	607,692
Raphasha DS	266,384	161,920	172,184	600,488
Lehong MV	202,819	132,755	121,210	456,784
Moetjie NT	203,111	132,755	178,266	514,132
Makhura MH	203,515	132,755	105,551	441,821
Mathekgu MJ	202,819	132,755	135,262	470,836
Molokomme MM	202,666	132,755	106,572	441,993
Mphago MA	202,663	132,755	103,116	438,534
Magwai RT	202,736	132,755	134,010	469,501
Phoshoko NC	120,110	79,166	21,251	220,527
Lehonye TJ	200,395	132,755	50,360	383,510
Mapunya PW	200,227	132,755	104,646	437,628
Manaka NA	200,293	132,755	118,758	451,806
Makhura KH	200,315	132,755	127,132	460,202
Tlhako NB	200,228	132,755	111,759	444,742
Mashamaite MG	200,227	132,755	116,642	449,624
Motsoko L	200,139	132,755	95,568	428,462
Mahlape NJ	200,274	132,755	120,446	453,475
Mmoko ML	200,134	132,755	1,976	334,865
Tlepyane S	52,554	31,206	30,168	113,928
Pheddi MS	208,765	132,755	133,789	475,309
Mokami ME	200,398	132,755	137,804	470,957
Thema NR	200,415	132,755	144,849	478,019
Seokotsa MM	200,275	132,755	115,199	448,229
Mokobodi MM	200,522	132,755	141,402	474,679
Sehata AQ	200,289	132,755	114,489	447,533
Tlabela FP	200,456	132,755	156,196	489,407
Maphoto MD	200,400	132,755	67,022	400,177
Mailula MS	200,226	132,755	75,430	408,411
Ntjana MI	200,400	132,755	131,279	464,434
Dau MP	200,188	132,755	70,525	403,468
Maribeng MK	200,150	132,755	9,267	342,172
Kobola JS	200,300	132,755	92,662	425,717
Baloyi HP	200,485	132,755	132,962	466,202
Maripa MS	200,705	132,755	11,263	344,723
Masebe KP	200,135	132,755	89,081	421,971
Maputla SA	79,413	57,083	24,155	160,651
	<b>11,171,851</b>	<b>6,810,799</b>	<b>5,056,530</b>	<b>23,039,180</b>

# Blouberg Local Municipality

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### 42. Related parties (continued)

Management class: Senior management

2024

Name	Technical Services	Local Economic Development	Corporate Services	Community Services	Total
Annual Remuneration	-	-	321,220	321,220	642,440
Acting Allowance	71,965	58,018	27,086	32,825	189,894
Car Allowance	-	-	120,646	124,266	244,912
Contributions to UIF, Medical and Pension Funds	-	-	67,357	71,932	139,289
Other allowances	-	-	24,116	24,116	48,232
Subsistence and Travelling Allowance	-	-	39,517	68,580	108,097
	<b>71,965</b>	<b>58,018</b>	<b>599,942</b>	<b>642,939</b>	<b>1,372,864</b>

2023

Name	Technical Services	Local Economic Development	Corporate Services	Community Services	Total
Annual remuneration	163,731	-	-	279,678	443,409
Acting Allowance	17,804	18,078	37,678	48,978	122,538
Leave pay out	-	-	63,784	53,098	116,882
13th Cheque	42,591	-	-	-	42,591
Travel, Motor Car, Accommodation	57,220	-	-	36,577	93,797
Contribution to UIF and Medical Aid	33,732	-	-	24,890	58,622
Other allowances	12,545	-	-	7,987	20,532
Back pay	-	-	177	-	177
Subsistence and Travelling Allowance	20,828	-	-	-	20,828
	<b>348,451</b>	<b>18,078</b>	<b>101,639</b>	<b>451,208</b>	<b>919,376</b>

The following were directors for senior management position:

Technical Services - Siboiboi DG

Community Services - Monyemoratho MB

### 43. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Trade debtors and revenue from exchange transactions were adjusted because of incorrect rates that are being used on prepaid revenue.

Trade and other payables was adjusted because of incorrect rates that are being used for prepaid revenue on electricity.

Property plant and equipment was adjusted due to incorrect depreciation calculations and impairment of assets that are not in use.

Statement of financial position

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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<b>43. Prior-year adjustments (continued)</b>				
<b>2022</b>				
	Note	As previously reported	Correction of error	Restated
Property, plant and equipment		977,360,374	950,014	978,310,388
Accumulated surplus		(1,059,619,509)	(950,014)	(1,060,569,523)
		<b>(82,259,135)</b>	<b>-</b>	<b>(82,259,135)</b>

<b>2023</b>				
	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions		4,650,016	469,982	5,119,998
VAT receivable		2,418,673	(59,934)	2,358,739
Trade and other payables from exchange transactions		(68,536,750)	(10,489)	(68,547,239)
Property, plant and equipment	4	1,065,221,605	(3,219,055)	1,062,002,550
Accumulated surplus		(1,082,169,320)	2,819,496	(1,079,349,824)
		<b>(78,415,776)</b>	<b>-</b>	<b>(78,415,776)</b>

### Statement of financial performance

<b>2023</b>					
	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue from exchange transactions		49,826,340	399,559	-	50,225,899
Impairment loss	30	(767,400)	(4,623,169)	-	(5,390,569)
Depreciation and amortisation	29	(31,482,240)	455,720	-	(31,026,520)
Loss on disposal of assets and liabilities	35	(260,520)	2,021	-	(258,499)
General expenses		(64,450,588)	-	2,671,178	(61,779,410)
Repairs and maintenance				(2,671,178)	(2,671,178)
<b>Surplus for the year</b>		<b>(47,134,408)</b>	<b>(3,765,869)</b>	<b>-</b>	<b>(50,900,277)</b>

### 44. Risk management

#### Financial risk management

In running its operations the city is exposed to variety of financial risks: market, liquidity, credit and interest rate risks. Section 62.(1)(c)(i) Of MFMA states that the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control in response to this the municipality's adopted National Treasury Public Sector Risk Management Framework and is committed to the effective management of the risks. The process is called risk monitoring and control. It involves monitoring the identified risks including the above mentioned financial risks, identifying new risks, and evaluating the overall effectiveness of the risk management plan in reducing the risks.

The municipality's Treasury is committed to the effective management of the financial risks, with Treasury office responsible for management of market, liquidity, and interest rate risks. The Revenue office is responsible for credit risk management. In the course of the municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

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

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### 44. Risk management (continued)

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 30 June 2024

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	93,878,197	-	-	-
Finance lease obligation	6,537,705	-	2,768,429	-

At 30 June 2023

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	68,547,240	-	-	-
Finance lease obligation	9,322,788	-	4,864,257	-

#### Credit risk

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 counter-party.

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. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

As of 30 June 2024, the municipality's total credit risk exposure, including trade and other receivables, amounts to R68,195,051 (2023: R30,192,315).

#### Market risk

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates. Interest rate risk arises from the fluctuations in the economic market due to the economic climate. The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

The Municipality has significant exposure to interest rate risk due to the volatility in South African interest rates; fluctuations in interest rates on bonds issued and short-term investment will impact the Municipality's cash flow negatively. The municipality's interest rate risk arises from interest that is being earned on the cash deposits and investments that the municipality has invested with the ABSA bank. Investments issued at variable rates expose the municipality to cash flow interest rate risk.

### 45. Going concern

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.

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 for the municipality to remain in force for as long as it takes to restore the solvency of the municipality.

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### 46. Events after the reporting date

The municipality have not identified any material non-adjusting events after the reporting date relating to the financial period then ended 30 June 2024.

### 47. Unauthorised expenditure

Opening balance as previously reported	-	7,086,649
Less: Amount written off - current SC(172)2022/2023	-	(7,086,649)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Prior year Unauthorized Expenditure: R7,086,649

The municipality has an unauthorised expenditure of R7,086,649 due to increase on Eskom Tarrif. On 29 June 2023 the council resolved to write Unauthorised expenditure of R7,086,649 as per the recommendation of the Municipal Public Accounts Committee report of 2021/22 and 2022/23 through resolution SC(172)2022/2023.

#### Credit risk

The municipality's portfolio of debt consists of debt securities and trade receivables. The municipality has no significant credit risk exposure to any single entity.

Trade receivables comprise a widespread customer base. Management monitors debtors. Customers are independently rated. These ratings and credit assessments are used to determine the credit quality of the customer, setting risk limits. Individual risk limits are set based on internal or external ratings. Credit risk is regularly monitored. Sales to retail customers are subject to credit control procedures. Credit risk is regularly monitored.

As at 30 June 2024, the municipality's total credit risk exposure, including (2023: R39,102,114).

#### Market risk

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a liability will be adversely affected by changes in interest rates. Interest rate risk arises from the use of variable rate borrowings and investments, as well as by entering into interest rate derivatives. The municipality's exposure to interest rate risk and the effective interest rate position are as follows:

The municipality has significant exposure to interest rate risk due to the interest rates on bonds issued and short-term investments. The effective interest rate risk arises from interest that is being earned on the cash invested in the ASISA bank. Investments issued at variable rates are not subject to interest rate risk.

##### Foreign exchange risk

The municipality's financial statements have been prepared on the basis of the



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<b>48. Irregular expenditure</b>		
Opening balance as previously reported	4,023,794	-
Opening balance as adjusted - prior period	-	195,000
Add: Irregular expenditure - current	34,653,587	4,507,094
Less: Amount written off - current	(6,799,744)	(678,300)
<b>Closing balance</b>	<b>31,877,637</b>	<b>4,023,794</b>

### Current Year Irregular Expenditure: R34,653,587

The municipality Irregular expenditure increased by R34,653,587 as a result of contravention of MFMA. The following are the contraventions to the MFMA:

R3,904,899 as a result of contravention of MFMA section 33 for the development of General valuation roll and maintenance thereafter.

R12,859,451 Irregular incurred on appointment of Debt Collector (Enigma) for the following reasons. The service provider did not attach proof of municipal rates for the company and was not evaluate on functionality.

R119,920 Kgokanang Trading Enterprises was appointed for delivery of Diesel four times using three quootation system instead of using formal quotation system and this resulted in Splitting of service.

R6,916,413 Irregular resulting from PPR 2022 requirement not applied to quotations after the regulation was changed form PPR 207 to PPR 2022.

R577,549 Irregular that arose as a result of Political allowances paid after employees were re-located.

R9,559,475 Irregular expenditure that arose from the appointment of Oakantswe Construction and Projects for construction of Senwabarwana Sub station. The Bidder did not sign MBD8 form.

R500,079 Irregular expenditure arose as a result of appointment of JMJ Electrical Projects for Electrification of Bayswater and the service provider did not attach Audited financial statements for 3 consecutive years.

R215,800 Irregular expenditure arose as a result of appointment of Blouberg Community Radio and Mohodi Community Radio without signing declaration of interest.

### Prior Year Irregular Expenditure: R4,507,094

The municipality Irregular expenditure increased by R483,300 as a result of contravention of SCM Reg22 from prior year during the year.

The municipality incurred additional Irregular Expenditure of R4,023,794 which was a result of a variation order which did not comply with MFMA section 116(3)(b) for the construction of Pinkie Sebotse Sports Facility.

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## Notes to the Annual Financial Statements

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### 48. Irregular expenditure (continued)

#### Amount written-off

Irregular Expenditure: R6,799,744 (2023: R678,300)

The Municipality has an prior year opening balance of R195,000 as a result of contravention of SCM Reg22( Ingwe, PJMJ , Izigi Molokwane Trading JV, Mode-Hope ) and CIDB Reg25 ( Urich ) and MFMA Circular 65 (Tlou Intergrated Tech).)

On 29 June 2023 the council resolved to write Irregular expenditure of R678,300 as per the recommendation of the Municipal Public Accounts Committee report of 2021/22 and 2022/23 through resolution SC(172)2022/2023.

On 27 March 2024 the council resolved to write off Irregular expenditure of R6,799,744 as per the recommendation of the Municipal Public Accounts Committee report.

Opening balance Irregular Expenditure 2022: R33,782,515.00

The Municipality has an opening balance of R 33 782 515 as a result of contravention of SCM Reg22( Ingwe, PJMJ , Izigi Molokwane Trading JV, Mode-Hope ) and CIDB Reg25 ( Urich ) and MFMA Circular 65 (Tlou Intergrated Tech).)

The said irregular expenditure was taken to council(SC06/2020-21) held on the 29 June 2021 which referred the matter to MPAC for further investigations.

Prior Year Expenditure: R8,337,640.00

The current year irregular expenditure amount is because of contravention of CIDB Reg25(Urich) , MFMA circular ( Tlou Intergrated Tech).

The irregular expenditures were written off on the 19 October 2021 and 27 July 2022; expenditure that arose from the appointment of G. Mavadenwa and others. The Mayor did not sign R678,300.

Irregular expenditure arose as a result of appointment of G. Mavadenwa and others. The Mayor did not sign R678,300.

### 49. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Current year subscription / fee

Amount paid - current year

1,590,309 1,586,780  
(1,590,309) (1,586,780)

#### Audit fees

Current year subscription / fee

Amount paid - current year

4,754,784 4,370,569  
(4,754,784) (4,370,569)

#### PAYE and UIF

Current year subscription / fee

Amount paid - current year

29,260,565 27,004,390  
(29,260,565) (27,004,390)

#### Pension and Medical Aid Deductions

Current year subscription / fee

Amount paid - current year

24,976,243 21,623,408  
(24,976,243) (21,623,408)

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

#### VAT

VAT receivable	-	2,358,739
VAT payable	7,124,531	5,361,772
	<u>7,124,531</u>	<u>7,720,511</u>

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

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

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Thamaga M	14,929	344,797	359,726

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Thamaga M	13,854	327,146	341,000

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

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### 50. 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.

Supplier name and details	Reason	Amount
Truvelo Africa Electronics Division-Service & Repair of traffic speed meter	Sole Supplier	15,790
Workshop Electronics-Service and Repair of pro-lase machine	Sole Supplier	19,795
Mohodi Community Radio Station-Advertisement	Only local Radio Station available for the service	28,456
Mohodi Community Radio Station-Advertisement	Only local Radio Station available for the service	32,600
Mohodi Community Radio Station-Advertisement	Only local Radio Station available for the service	90,390
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	15,800
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	42,360
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	18,600
Lexis Nexis-Law books	Only printer of government law books	3,309
Truvelo Africa Electronics Division-Service & Repair of traffic speed meter	Sole Supplier	66,095
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	64,200
Mohodi Community Radio Station-Advertisement	Only local newspaper available for service	182,600
Mohodi Community Radio Station-Advertisement	Only local Radio Station available for the service	66,400
Mohodi Community Radio Station-Advertisement	Only local Radio Station available for the service	62,600
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	32,000
Lefokane consulting and projects-supply and installation of electrical poles and wires	Emergency	109,048
Tumishi Electrical-supply and installation of transformers	Emergency	135,359
S000000027 : SUPPLY & INSTALLATION OF 25KVA TRANSFORMER	Emergency	93,661
AT -supply and installation of transformers		
PIN AFRIKA CONSULTING ENGINEERS -INSTALLATION OF TRANSFORMER	Emergency	74,060
Bell equipment sales south Africa-maintenance of graders	Sole supplier	266,479
Blouberg Community Radio Station-Advertisement	Only local Radio Station available for the service	33,200
Lefokane consulting and projects-supply and installation of electrical poles and wires	Emergency	161,862
Lefokane consulting and projects-supply and installation of transformers	Emergency	139,889
Oakantswe Construction - supply and installation of broken poles	Emergency	212,577
Caterlim Quality parts for earthmoving -Processes to service and maintenance of excavator	Sole Supplier	94,098
Tumishi Electrical - Supply delivery and removal of transformer	Emergency	110,347
	-	<b>2,171,575</b>

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### 51. Segment information

#### General information

#### Identification of segments

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;
- Governance and administration

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

#### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

#### Reportable segment

- Segment 1
- Segment 2
- Segment 3
- Segment 4

#### Goods and/or services

- Community and Public Safety
- Economic and Environmental Services
- Trading Services
- Governance and administration

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## Notes to the Annual Financial Statements

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### 51. Segment information (continued)

#### Segment surplus or deficit, assets and liabilities

2024

	Community and Public Safety	Economic and Environmental Services	Trading Services	Governance and administration	Total
Revenue					
Revenue from non-exchange transactions	1,185,000	76,735,504	22,720,354	305,152,509	405,793,367
Revenue from exchange transactions	2,774,533	8,656,006	38,496,576	11,779,110	61,706,225
Total segment revenue	3,959,533	85,391,510	61,216,930	316,931,619	467,499,592
Entity's revenue					467,499,592

#### Segment expenditure

Total segment expenses	37,651,198	31,960,269	80,321,664	164,508,694	314,441,825
Depreciation and amortisation	9,328,908	8,106,050	12,536,391	3,848,178	33,819,527
Total segment expenditure	46,980,106	40,066,319	92,858,055	168,356,872	348,261,352
Total segmental surplus/(deficit)	(43,020,573)	45,325,191	(31,641,125)	148,574,747	119,238,240

#### Other Information

Segment assets	(14,723,486)	112,564,215	806,155,442	515,286,863	1,419,283,034
Segment liabilities	(16,996,080)	(47,806,305)	(29,350,924)	(122,333,758)	(216,487,067)
Total segment assets	(31,719,566)	64,757,910	776,804,518	392,953,105	1,202,795,967
Total assets as per Statement of financial Position					1,202,795,967

Management does monitor performance geographically but does not do so for financial reporting purposes. Provisions have been put in place to perform the most cost effective manner.

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- Community and public safety which includes:
    - Police and housing services;
    - Fire and rescue services;
    - Environmental protection services;
  - Trading services which includes energy and water management services;
  - Governance and administration.

The grouping of diverse segments is consistent with the nature of the services, the homogeneity of each service and the way the

management does monitor performance geographically but does not do so for financial reporting purposes. Provisions have been put in place to perform the most cost effective manner.

Types of goods and/or services provided

These reportable segments as well as the goods and/or services for each

reportable segment:  
Segment 1: Police and housing services  
Segment 2: Fire and rescue services  
Segment 3: Environmental protection services

Police and housing services  
Fire and rescue services  
Environmental protection services

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### 52. Accounting by principals and agents

The entity was a party to a principal-agent arrangement(s).

#### Details of the arrangement(s) is/are as follows:

Water Service Authority (WSA) and Water Service Provider (WSP) Service Level Agreement

WSA (CDM) was authorized in terms of Structures Act Section 84(1) b and 84(1) to perform functions and exercises the powers as Water Service Authority. The District Municipality appointed Local Municipalities as WSPs in line with Water Service Provider Contract regulations (R980 of 19th July 2002) on interim basis. The contract commenced on the 1st July 2018 and remain effective until revised, reviewed, changed or amended by the parties. In terms of SLA, WSP shall account for the revenue collected as commission earned from the agency services in line with paragraph 8.3 titled Revenue Collection and implement credit Control and Debt Collection in line with paragraph 8.4 of the Service Level Agreement.

Memorandum of Understanding between Department of Roads and Transport (DRT) and Blouberg Local Municipality (BLM)

DRT is responsible for general motor vehicle registration and drivers' licenses in terms of applicable National and Provincial Road Traffic legislations. MOU formalizes the relationship between the two state organs and establishes the terms and conditions which the Municipality shall provide functions on behalf of DRT, in line with applicable legislations to the citizens of the republic and as envisaged by Batho Pele Principles. In terms of the MOU, BLM shall collect and retain monies as per annexure B and C of the MOU and pay to DRT a percentage agreed in the annexures, within a period of 30 days of each calendar month.

Memorandum of Understanding between Ontec (Pty) Ltd and Blouberg Local Municipality (BLM)

Ontec is contracted to the municipality, to provide on line vending service to pre paid customers. The agent manages pre paid meters and collects revenue on behalf of the municipality from third party vendors. The agent is paid (10,25%) based on commission of revenue collected on a monthly basis.

Memorandum of Understanding between Enigma Consulting (Pty) Ltd and Blouberg Local Municipality (BLM)

Enigma Consulting is contracted by the municipality to provide services of revenue investigation, negotiation and collection for 36 months. The contract is based on a risk of 20% vat inclusive as quoted in the bid documents.

#### Entity as agent

##### Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R- (2023: R-).

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (WSA) is R250,126 (2023: R259,654).

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (DRT) is R3,997,903 (2023: R 4,166,391).

#### Entity as principal

##### Fee paid

The aggregate amount of compensation fee that the entity recognised as fees for the transactions carried out on behalf of the agent is R1,225,269 (2023: R1,174,490).

The aggregate amount of compensation fee that the entity recognised as fees for the transactions carried out on behalf of the agent (Enigma Consulting) is R562,523 (2023: R12,392,035).

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## Notes to the Annual Financial Statements

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<b>53. Distribution Losses</b>		
Electricity	11,667,060	7,922,414

The municipality purchased units 21,955,806 (2023: 21,201,696 units) from Eskom and sold 17,612,209 units (2023: 17,999,706 units) resulting in a difference of 4,343,595 units (2023: 3,201,990 units) between the purchases and sales. This amounts to a distribution loss of 19.78% (2023: 15.10%).

The municipality had a distribution loss amount of R11,667,060 (2023: R7,922,414).

### 54. Explanation of Variances on Actual Costs Versus Budgeted Costs

**Note 1** - The decrease is as a result of non payments by businesses and residential customers, this is due to economic conditions or challenges of the country.

**Note 2** - The decrease is as a result of non payments by businesses and residential customers.

**Note 3** - The movement of the interest is due to non payments by businesses and residential customers.

**Note 4** - The reason of the lower amount is due to most customers not finalising their purchase of land sites through signing the purchase agreement.

**Note 5** - The difference is due to unallocated amount that was advertised too allow community to give further documents so that the amounts can be allocated to correct accounts from 2021 balances and no responses were obtained on those amounts thus why they are allocated to revenue.

**Note 6** - The movement was due to the implementation of the new valuation roll and new tariff charge on state properties.

**Note 7** - The movement of the interest is due to no payment by debtors.

**Note 8** - The actual amounts include capital grants while the budget includes capital grants. The movement of both budgets is due to projects not finalised at year end that relates to capital nature that are still on going.

**Note 9** - The donation income was a result of assets (waste removal trucks) that were donated by CDM and were recognised at fair value.

**Note 10** - The reason why the expenditure is lower than the budget is due to unfilled post of senior managers.

**Note 11** - The councillors salary increase was below as budgeted for during the financial period 2023/24.

**Note 12** - The actual depreciation was lower than the budget due to few projects capitalised late into the year which did not attract more depreciation.

**Note 13** - The actual finance cost is high than the budget due to the fact that the actual budget for finance cost is allocated under general expenditure if included on the line the movement is still within the budget of total general expenses.

**Note 14** - The movement of debt impairment reversal was due to better collections on the government debt.

**Note 15** - The bulk purchases movement is due to electricity projects not completed on time which resulted in households not being connected.

**Note 16** - The significant amount of other receivables from exchange transactions were written off in the previous financial period after the budget has been submitted.

**Note 17** - The contracted services and general expenses were budgeted together if the spending and budgeted amount combined the spending of the two is within budget.

**Note 18** - The budget for inventory is lower due to increases in inventory consumables during the financial period.



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### 54. Explanation of Variances on Actual Costs Versus Budgeted Costs (continued)

**Note 19** - The budget is lower than the actual as the budget was based on the expected spending of capital expenses rather than the balance of the assets. The actual capital expenses of the financial period they are in line with the budgeted amount.

**Note 20** - Other financial assets seem to be higher than the budgeted amount as the amount was budgeted under cash and cash equivalents.

**Note 21** - The actual finance lease obligation is high than the budget due to purchase of 3 graders through finance lease.

**Note 22** - The actual unspent grant is more than the budget due to increase in grants received during the year.

### 55. Change in accounting estimates

Impact on debt impairment allowance

- 44,522,991

In the current year management reviewed the assumptions for debt impairment estimates of receivables from exchange and receivables from non-exchange transactions. This effect of this revision is an increase in debt impairment in the allowance in the current year.

The amount of the effect of future periods is not disclosed as it is impracticable to estimate.

Note 6 - The difference is due to expenditure incurred that was shown there the municipality can be allocated to general accounts from 2019 balance sheet why they are allocated to revenue.

Note 7 - The movement is due to the impact of the change in the value of the

Note 11 - The movement of the interest is due to no payment for interest.

Note 8 - The revenue accounts include capital grants which are being used to pay to projects and facilities at year end that relate to capital expenditure.

Note 9 - The donation income was a result of assets donated and their fair value.

Note 10 - The reason why the expenditure is lower than the budget is that

Note 12 - The councilors salary increase was reviewed and budgeted for

Note 13 - The actual depreciation was lower than the budget due to the

Note 14 - The actual finance cost is high than the budget due to the

Note 15 - The movement of debt impairment reversal was due to the

Note 16 - The budget movement is due to the change in the value of the

# **CHAPTER 6: 2023/24 AUDIT REPORT**

## **ANNEXURE B**

# Report of the auditor-general to Limpopo provincial legislature and the council on Blouberg Local Municipality

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Blouberg Local Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets and statement of cash flows and the 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the with Standards of General 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).

### Basis for qualified opinion

#### Property, plant and Equipment

3. In the prior year, property, plant and equipment was qualified due to assets selected from the asset register could not be physically verified. The misstatements are material, remain unresolved and recurred in the current year. I identified assets amounting to R468 539 058 that could not be located during the asset verification process. I was unable to verify the assets by any alternative means. Consequently property, plant and equipment disclosed in note 4 to the financial statements is overstated by R468 539 058. There is a consequential impact on surplus for the year.
4. Adequate systems were not in place to record assets in accordance with GRAP 17, *Property plant and equipment* as assets were not recorded in the current year. In the prior year, property, plant and equipment was qualified due to assets selected from the floor that could not be traced to the asset register. The misstatements are material, remain unresolved and recurred in the current year. I was not able to determine the full extent of the misstatement. Consequently I was unable to determine whether any adjustment was necessary to property plant and equipment, stated at R1 111 735 695 (2023:R1 062 002 550) in note 4 to the financial statements. There is a consequential impact on surplus for the year.
5. Work in progress amounting to R48 078 708 included in note 4 of the financial statements was incorrectly classified as work in progress while it is available to use in terms of GRAP

17, *Property, plant and Equipment*. This resulted in the overstatement of work in progress and understatement of completed assets by R94 937 354. Additionally there is resultant impact on surplus for the year and accumulated surplus.

6. I was unable to obtain sufficient appropriate audit evidence for the work in progress to the value of R16 154 186 as disclosed in note 4 to the financial statements as supporting documents were not submitted. Consequently I was unable to determine whether any adjustment was necessary to property plant and equipment, stated at R1 111 735 695 in the financial statements. There is a consequential impact on surplus for the year.
7. In prior year property plant and equipment was qualified due to an inadequate impairment assessment for property plant and equipment as required by GRAP 21, Impairment of non-cash generating assets. The misstatements are material and remain unresolved. Consequently I was unable to determine whether any adjustment was necessary to property plant and equipment, stated at R1 111 735 695 (2023:R1 062 002 550) in the financial statements. There is a consequential impact on surplus for the year.

#### **Repairs and maintenance**

8. Not all items of property, plant and equipment were recognised in accordance with GRAP 17, *Property, plant and equipment*. Additions to property, plant and equipment were incorrectly recognised as expenditure. Consequently, property, plant and equipment was understated and the total expenditure was overstated by R7 990 071, additionally, there was an impact on the surplus for the period and on the accumulated surplus.

#### **Context for opinion**

9. 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.
10. 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.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of matters**

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

#### **Restatement of corresponding figures**

13. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2024.

### **Material impairments**

14. As disclosed in note 12 and 13 to the annual financial statements, material impairments of R85 180 219 were incurred as a result of providing for doubtful debts.

### **Significant uncertainties**

15. With reference to note 40 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 was made in the financial statements.

### **Material losses -electricity**

16. As disclosed in note 52 to the financial statements, material electricity losses to the amount of R11 415 424 (2022: 7 922 414) was incurred which represents 19.36% (2023: 15.10%) of total electricity purchased.

### **Material underspending of government grants**

17. As disclosed in note 17 to the financial statements, the municipality materially underspent the Integrated National Electrification Programme Grant (INEP) by R 15 691 932.

### **Other matter**

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

### **Unaudited disclosure notes**

19. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it

### **Responsibilities of the accounting officer for the financial statements**

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

## Responsibilities of the auditor-general for the audit of the financial statements

22. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statements.
23. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 8 forms part of our auditor's report.

## Report on the audit of the annual performance report

24. 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.
25. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected development priorities that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance areas	Page numbers	Purpose
Basic service delivery and infrastructure development	xx-xx	To provide access to basic electricity, public transport and access to educational facilities
Local economic development	xx-xx	To create and promote LED initiatives in the business sector, to create job opportunities through EPWP programme.

26. 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.
27. 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

- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- 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 and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

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

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

#### **Basic service delivery and infrastructure development**

**Number of indigent households provided with free basic electricity as at 30 June 2024**

30. An achievement of 3500 was reported against a target of 3500. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

#### **Other matters**

31. I draw attention to the matter below:

#### **Achievement of planned targets**

32. The annual performance report includes information on reported achievements against planned targets and provides taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

33. The table that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages [xx to xx].

## Basic service delivery and infrastructure development

<p><i>Targets achieved: 73%</i></p> <p><i>Budget spent: 99%</i></p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
BSID 1- Number of identified electrical equipment purchased by June 2024	30 Identified sets of Electrical equipment purchased by June 2024	Target not achieved. 24 identified sets of Electrical equipment were purchased.
BSID 8- Number of 20 Poles purchased and installed by June 2024	20 Poles purchased and installed by June 2024	Target not achieved. 08 Electrical poles purchased and installed.
BSID 16- Number of Procurement and installation of 1 x 20MVA 132/22KV Power Transformer, 1X NECRT, 1 x AC/DC Distribution panel and construction 100 metres paving Internal Access Road by June 2024	Procurement and installation of 1 x 20MVA 132/22KV Power Transformer, 1X NECRT, 1 x AC/DC Distribution panel and construction 100 metres paving Internal Access Road by June 2024	Target not achieved. Construction of access road and installation of Power transformers, NECR and 22KV Switchgear not done as we still waiting for the delivery of the lead materials(Transformer and switchgear panels)
BSID 17- Number of 10 x 210L emulsion drums, 700 x 25 kg cold mix bags and 10 x 20L road marking paints purchased for Senwabarwana Internal Streets by June 2024	10 x 210L emulsion drums, 700 x 25 kg cold mix bags and 10 x 20L road marking paints purchased for Senwabarwana Internal Streets by June 2024	Target not achieved. Procurement of 05 x 210L emulsion drums and 200 x 25kg cold mix bags purchased for Senwabarwana internal streets.
BSID 29-Number of culverts constructed complete with wing-walls and number culverts purchased by June 2024.	06 Culverts and 4 wing walls constructed and 60 culverts purchased by June 2024.	Target not achieved. 06 culverts constructed and 60 culverts purchased. 4 wing walls not constructed
BSID 40-Kilometres of Roadbed layer, Sub base, base layer and interlocking pavement for Mochemi access road and internal street completed by June 2024	Kilometres of Roadbed layer, Sub base, base layer and interlocking pavement for Mochemi access road and internal street completed by June 2024	Target not achieved. 4.0 Km construction of Sub-base, base layer works, and interlocking pavement for Mochemi access road and internal street.
BSID 56- Number of 01 substation constructed at Senwabarwana(Phase 2) by June 2024 (Isolators(8x132kv)Current transformers(15x132kv),Voltage transformers(6x132kv)Circuit breakers(5x132kv),Twin tubular bus bars bar(2x132kv),Columns(2x132kv),4 x high mast lights and Perimeter fence(2,4m highx170m	01 substation constructed at Senwabarwana(Phase 2) by June 2024 (Isolators(8x132kv)Current transformers(15x132kv),Voltage transformers(6x132kv)Circuit breakers(5x132kv),Twin tubular bus bars bar(2x132kv),Columns(2x132kv),4 x high mast lights and Perimeter fence(2,4m highx170m	Target not achieved. Mounting equipment on the Street support structure, stringing of conductors, and installation of high mast light.
BSID 58- Number Multi-purpose Community centre at Avon Completed by June 2024	Construction of one Multi-purpose Community centre at Avon Completed by June 2024	Target not achieved. Quotation for the remaining scope of work submitted and awaiting approval.



## Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic service delivery and infrastructure development. Management did not correct the misstatement and I reported material findings in this regard.

## Report on compliance with legislation

35. 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.
36. 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.
37. 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.
38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:
- Procurement and contract management**
39. The preference point system was not applied some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
40. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM Regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM Regulation 38(1).
41. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).
42. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for legislative requirement that were stipulated in the original invitation for bidding [as required by the 2017 Preferential Procurement Regulation 5(1) & 5(3). Similar non-compliance was also reported in the prior year.

43. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

#### Conditional grants

44. The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 5 of 2023).

#### Annual financial statements, performance reports and annual reports

45. 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.
46. Material misstatements on current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

#### Assets management

47. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

#### Other information in the annual report

48. The accounting officer is responsible for the other information included in the annual report 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.
49. 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.
50. 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.
51. 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

52. 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.
53. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
54. The internal control environment is not operating effectively as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.
55. The leadership did not have an adequate record keeping system to enable reliable reporting on performance on performance information and the financial statements
56. There was no adequate review and monitoring of compliance with laws and regulations to detect and prevent instances of non-compliance with laws and legislations.

Auditor-General

Polokwane

30 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

57. An effective system of internal control for assets is in place as required by section 67(2)(c) of the MSA.

58. The accounting officer is responsible for the internal control committee's report. The other information referred to in the financial statements, the auditor's report and the other external documents, performance information and other documents.

59. My opinion on the financial statements, the report on the report and the report on compliance with legislation is based on the audit work I did not do and I did not do any other work.

60. My responsibility is to read this other information and, if necessary, to read it. The financial statements and the other information referred to in the financial statements, the auditor's report and the other external documents, performance information and other documents.

## **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 [type of auditee]'s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the 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 municipality's 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's 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

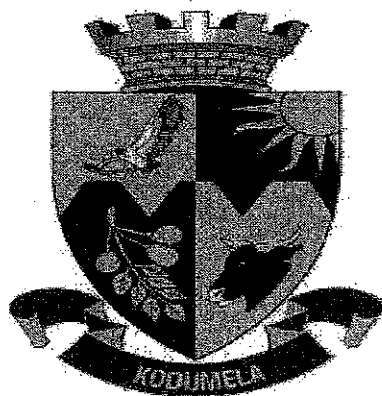
From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)

Legislation	Sections or regulations
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

### OVERSIGHT REPORT 2023-2024

#### VISION

A participatory municipality that turns  
Prevailing challenges into opportunities  
for growth and development through  
Optimal utilization of available resources.

#### MISSION

To ensure delivery of quality services  
through community participation and  
Creation of enabling environment for economic growth  
and job creation.



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# **MUNICIPAL PUBLIC ACCOUNTS COMMITTEES OVERSIGHT REPORT ON THE 2023 / 2024 DRAFT ANNUAL REPORT TO COUNCIL.**

## **1. PURPOSE OF THE REPORT**

The purpose of this report is to present the Municipal Public Accounts Committee's Oversight Report on the Draft Annual Report 2023 / 2024 Financial Year to the Council of Blouberg Municipality for consideration and adoption. The council of Blouberg Municipality has established the Municipal Public Accounts Committee in terms of Section 79 A of Local Government Municipal Structures Amended Act 2021. The Municipal Public Accounts Committee is expected to play an oversight role by promoting accountability and responsibility in all spheres of local government.

Section 121 of the Municipal Finance Management Act No. 56 of 2003 requires each municipality to prepare an Annual Report.

## **2. BACKGROUND**

The Draft Annual Report 2023/ 2024 was tabled before the council of Blouberg Municipality during the Council meeting held on the 30th January 2025 in compliance with Section 127 (2) of MFMA. The report was further referred to the Municipal Public Accounts Committee for further scrutiny and the committee was mandated to report back to council on the findings.

## **3. LEGISLATIVE AND REGULATIONS**

The Municipal Public Accounts Committee of Blouberg Local Municipality is guided by the following pieces of legislations and regulations in order to table the Draft Annual Report on the 2023 / 2024 Financial Year: -

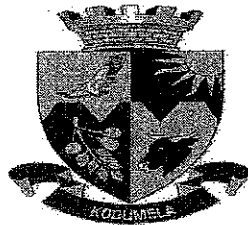
- i. Local Government: Municipal Systems Act, 2000
- ii. Draft Annual Report 2023 / 2024
- iii. Audited Financial Statements 2023 / 2024
- iv. Municipal Finance Management Act (Section 121)
- i. Draft IDP Review 2023 / 2024
- v. Service Delivery and Budget Implementation Plan 2023 / 2024

## **4. MUNICIPAL PUBLIC ACCOUNTS COMMITTEES PROGRAMME OF ACTION**

- a. The Municipal Public Accounts Committee is responsible for performing the oversight work and activities on the Draft Annual Report 2023 / 2024 and also engaging the community at large together with all responsible stakeholders in line with Section 33 and Section 79 of the Municipal Structure Act of 2000 as amended.
- b. The Municipal Public Accounts Committee developed the third quarter Programme of Action for the purposes of conducting the Public Consultations meetings specifically for the Four Clusters, namely (Cluster A, B, C and D) , Public Hearing meeting and other meetings with different stakeholders.

- c. The committee developed the Programme of Action aimed to deliberate more on the Draft Annual report 2023 / 2024 and all activities attached to the quarter under review. The programme is hereunder attached as "ANNEXURE A".

#### ANNEXURE "A"



#### PROGRAMME OF ACTION FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S PROGRESS ON IMPLEMENTATION FOR THE 3<sup>RD</sup> QUARTER ACTION PLAN (DRAFT ANNUAL REPORT 2023 / 2024)

ACTIVITY	DATE	VENUE	TIME	MAIN CONSIDERATION
MPAC Portfolio Meeting	27 <sup>th</sup> January 2025	Senwabarwana Sports Complex (Boardroom)	10h00	Discussion on the 03 <sup>rd</sup> Quarter Activities 2023 / 2024.
MPAC Working Session	19 <sup>th</sup> February 2025	Landmark Protea Hotel Polokwane	09h00	Scrutinizing the Mid – Year Performance Report, AG's Report, Audit Committee Report and Draft Annual Report 2023 / 2024. Formulation of questions to Management and Executive Committee.
MPAC meeting with the Auditor – General	20 <sup>th</sup> February 2025	Landmark Protea Hotel Polokwane	10h00	Presentation of the Audit – General's Report to MPAC Members.
MPAC Portfolio Meeting	05 <sup>th</sup> March 2025	Municipal Boardroom	10h00	Scrutinizing the Municipal Financial Statements
MPAC Public Participation (Cluster A)	10 <sup>th</sup> March 2025 Wards: 01,02,21&22	Raweshi Satellite Offices	11h00	Solicit inputs from Stakeholders and Community
MPAC Public Participation (Cluster B)	11 <sup>th</sup> March 2025 Wards: 03, 04, 05, 06, 07 & 20	Langlaagte Satellite Offices	11h00	Solicit inputs from Stakeholders and Community

MPAC Public Participation (Cluster C)	12 <sup>th</sup> March 2025 Wards: 08,09, 10, 11,12,14 & 19	Inveraan Satellite Offices	11h00	Solicit inputs from Stakeholders and Community
MPAC Public Participation (Cluster D)	14 <sup>th</sup> March 2025 Wards: 13, 15, 16, 17 & 18	Alldays Community Hall	11h00	Solicit inputs from Stakeholders and Community
MPAC Special Meeting	18 <sup>th</sup> March 2025	Inveraan Satellite Offices	09h00	Allocations of questions to MPAC Members in preparations of the Public Hearing ( Draft Annual Report 2023/2024, AG's Report 2023/2024 and UIF 2023/2024)
MPAC Public Hearing	18 <sup>th</sup> March 2025	Inveraan Satellite Offices	10h00	MPAC Public Hearing (Draft Annual Report 2023/2024, AG's Report 2023/2024 and UIF 2023/2024)
MPAC Special Meeting	25 <sup>th</sup> March 2025	Mayor's Boardroom	10h00	Adoption of the Final MPAC Report to Council
Council Meeting	28 <sup>th</sup> March 2025	Makgato Community Hall	10h00	Tabling of the Oversight Report to Council.

#### 5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PUBLIC CONSULTATIONS MEETINGS ON THE DRAFT ANNUAL REPORT 2023 / 2024

a. The Municipal Public Accounts Committee Public Participations Meetings were conducted and divided into Four (4) Clusters as follows: -

- i. Cluster A was convened at Raweshi Satellite Offices on the 10<sup>th</sup> March 2025 and the following Wards attended: Wards: 01, 02, 21 & 22. A total number of 188 People registered their attendance for the Public Participation meeting at Raweshi Satellite Offices.
- ii. Cluster B convened at Langlaagte Satellite Offices on the 11<sup>th</sup> March 2025 and the following Wards attended: Wards: 03, 04, 05, 06, 07 and 20. A total number of 202 People registered their attendance for the Public Participation meeting at Langlaagte Satellite Offices.

- iii. Cluster C convened at Inveraan Satellite Offices on the 12<sup>th</sup> March 2025 and the following Wards attended: Wards: 08, 09, 10, 11, 12, 14 & 19. A total number of 330 People registered their attendance for the Public Participation at Inveraan Satellite Offices.
- iv. Cluster D convened at Alldays Community Hall on the 14<sup>th</sup> March 2025 and the following Wards attended: Wards: 13, 15, 16, 17 and 18. A total number of 316 People registered their attendance for the Public Participation at Alldays Community Hall.

#### **6. PUBLIC HEARING ON THE DRAFT ANNUAL REPORT 2023 / 2024, AUDITOR – GENERAL'S REPORT 2023 / 2024 AND UIF&W EXPENDITURE 2023 / 2024 FINANCIAL YEAR**

- i. The Public Hearing on the Draft Annual Report 2023 / 2024, Auditor – General's Report and Unauthorized, Irregular and Fruitless Expenditure 2023 / 2024 was successfully held on the 18th March 2025 at Inveraan Satellite Offices to allow the Executive Committee and the Management to respond and Clarify the Municipal Public Accounts Committee on the issues raised regarding the below mentioned Reports.
- ii. The Public Hearing Session was successfully attended by the Mayor, Speaker, Executive Committee, Councillors, Management of Blouberg Municipality, Stakeholders and Community Members at large.
- iii. During the Public Hearing, all questions raised by the Municipal Public Accounts Committee were responded by the Mayor and the Chairpersons of the Portfolio Committees assisted by the Management for further clarifications.
- iv. A total number of 70 People registered their attendance during the Public Hearing on the Draft Annual Report 2023 / 2024, AG's Report 2023/2024 and UIF 2023/2024.
- v. The Committee noted the responses and clarifications provided by the Management and the Executive Committee during the Public Hearing. The Municipal Public Accounts Committee will always continue to play an oversight role and hold the Management and Executive accountable to ensure a smooth running of the municipality and also on the provision of services to the communities of Blouberg Local Municipality.

#### **7. RECOMMENDATIONS TO COUNCIL ON THE DRAFT ANNUAL REPORT 2023 / 2024, AUDITOR – GENERAL'S REPORT 2023/2024 AND UNAUTHORISED, IRREGULAR AND FRUITLESS EXPENDITURE 2023 / 2024**

### **7.1 DRAFT ANNUAL REPORT 2023 / 2024**

#### **7.1.1 FINDINGS: PUBLIC TRANSPORT CHALLENGES**

- a. The Municipal Facilities e.g Taxi Ranks are not clean and being maintained.

#### **RECOMMENDATION**

- i. The Municipal Public Accounts Committee recommend that the municipality develop memorandum of agreement with Taxi Associations in relation to maintenance of Taxi Ranks.

### **7.1.2 FINDINGS: SENWABARWANA INTERNAL STREETS**

- a. Consumers and Streets Tenants are exposed to air pollution through dust as the Contractor engaged in earth moving.

#### **RECOMMENDATION**

- i. The Committee recommend that strict measures be put in place to monitor the Contractor on a daily basis to ensure that Contractor do things diligently.

### **7.1.3 FINDINGS: MAINTENANCE OF SPORTS FACILITIES**

- a. The Sports facilities are not being maintained and they pose a threat to Security Personnel as well as the wellbeing of the facilities venue.

#### **RECOMMENDATION**

- i. The Committee recommend to Council to develop a plan on how to remedy the situation and the wellbeing of Municipal Sports Facilities.

### **7.2 AUDITOR – GENERALS REPORT 2023 / 2024**

#### **7.2.1 FINDINGS: MATERIAL LOSSES – ELECTRICITY**

- a. Municipality does not have a proper plan in terms of reviewing indigent register.

#### **RECOMMENDATION**

- i. The Municipal Public Accounts Committee recommend that the municipality must develop an action plan on reviewing and registering of indigents into the municipal indigent data base.

### **7.3 UIF 2023 / 2024**

#### **7.3.1 FINDINGS: FORMER EMPLOYEES IN POLITICAL OFFICES**

- a. The Municipal Public Accounts Committee findings are that Five (05) Municipal Officials were initially appointed / seconded to Municipal Political Offices, mainly as Chauffeurs to either at Speaker's Office and / or Mayor's Office (Political Office Bearers) and they were later transferred to either initial positions or in other positions within the municipality and in the process they continued receiving their allowances under pretext of title to holder.

- b. MPAC after investigations has discovered that the Management upon discovering that there are officials who were still receiving political allowances while they were no longer serving in the political offices, had on the 24<sup>th</sup> May 2024 issued letters to affected employees terminating / cancelling their allowances with effect from the 31<sup>st</sup> May 2024 and such allowances had indeed effectively terminated.

- c. MPAC have noted that the letters of appointments concerning those five employees to political offices did not clearly state that upon termination of their work in political offices, their allowances should have been terminated. And the fact that their allowances were either Overtime allowances or Political Special allowances, it is difficult to require these employees to pay back the funds as is not necessarily their faults but rather embedded in the abnormalities of the system in the institution on how HR processes were done.

### **7.3.2 RECOMMENDATIONS**

- i. It is against these findings that we therefore submit to Council and recommend that Council Write Off the Political allowances paid to the affected employees amounting to R577 549, 60.
- ii. The Municipal Public Accounts Committee recommend to this Council that municipality must ensure that upon terminating or moving employees from one office to another, the allowances of that particular offices be immediately done in terms of the Local Government: Municipal Staff Establishment Regulation Number 890 dated 20<sup>th</sup> September 2021 in particular Regulation 21 dealing with staff members in Political Offices.

### **7.3.3 FINDINGS UNDER IRREGULAR EXPENDITURE FOR 2023 / 2024 ON 06 COMPANIES NAMELY: -**

- i. ENIGMA 27 Consulting for the amount of R12, 859, 451, 31.
- ii. Kgokanang Trading Enterprises for the amount of R119, 920,00.
- iii. All Suppliers for the work below R30, 000, 00 resulting to the amount of R6, 916, 413, 53.
- iv. Oakantse Contructions and Projects for the amount of R9, 559, 474, 77.
- v. JMJ Electrical Projects and Management for the amount of R500, 079, 01.
- vi. Blouberg and Mohodi Community Radio Stations for the amount of R215, 800, 00.

7.3.4 The findings on the above mentioned companies are that the municipal officials dealing directly with the supply chain processes awarded these companies projects without verifying different attachments on their tender documents. Documents like municipal rates and taxes for the company ENIGMA 27 Consulting were not attached.

7.3.5 All Suppliers for work below R30, 000, 00, the historically disadvantaged individuals criteria was not applied, which is contrary to PPR 2022.

7.3.6 The MBD 8 Form was not signed for Oakantse Contructions and Projects.

7.3.7 JMJ Electrical Projects and Management did not attach audited financial statements and municipal rates for the Director of the Company.

7.3.8 Awards were made to Community Radio Stations without declaration of interest form signed.

7.3.9 In Conclusion, the Committee has sent questionnaires pertaining the UIF to Management and also publicly interviewed the Executive and Management to get the correct vision of events that transpired leading to accrued UIF and concluded in this following Recommendations: -

### **7.3.10 MPAC RECOMMENDATIONS ON THE ABOVE MENTIONED IRREGULAR EXPENDITURE**

- a. The Committee recommend to Council to Write Off all 06 amounts mentioned above as Irregular Expenditure as the committee did not detect any malicious intent in appointing all the above mentioned companies.
- b. MPAC further recommend that SCM trainings and workshops be organized for officials involved in all Bids Committees from Specifications to adjudications as a matter of urgency and applying corrective measures.

c. The Committee recommend that Management should also adhere to amended policies and pieces of legislations.

d. The Committee recommend consequence management on any official that may be found in breach of SCM policies and regulations.

## **8. CONCLUSION**

### **RECOMMENDATIONS**

- a. That Council should adopt the 2023 / 2024 Oversight Report and approve the 2023 / 2024 Annual Report without reservations.
- b. That Council should adopt all recommendations made by the Municipal Public Accounts Committee.
- c. That the Accounting Officer should publicise the 2023 / 2024 Oversight Report within Seven (07) days after adoption as per Section 129 (3) of Municipal Finance Management Act and in accordance with Section 21 A of the Municipal Systems Act.



CLLR. MAIFO M.L

CHAIRPERSON: MPAC

27/04/2025  
DATE