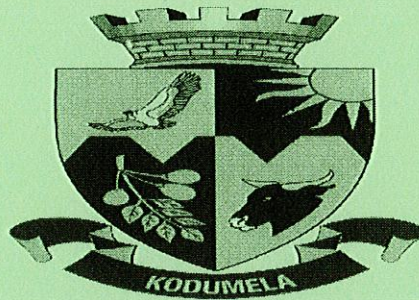


BLOUBERG LOCAL MUNICIPALITY



DRAFT ANNUAL REPORT 2021/22

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 2021/22

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

GENERAL INFORMATION

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

A. FOREWORD BY THE HONORABLE MAYOR: CLLR THAMAGA MARIA

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



On behalf of the council of Blouberg local municipality, we present the draft Annual Report for the financial year 2021/2022. The report demonstrates the hard work attained by the collective of our administration, council and communities that we serve. The report comes at the time when we have just constituted the fifth council of Blouberg local municipality after the November 2021 local government elections.

The local government elections reaffirmed the confidence the communities have on the African National Congress by overwhelming voting for it. While changing the political spectrum, the newly formed ABC party formed part of the council and COPE got the seat in the Executive committee. The number of the DA seats were reduced to one.

The local government elections ushered in the new Political Management Team (Troika). The former Speaker of council Councilor Thamaga N.M was elected the Mayor, while Councilor Boloka M.P was elected the Speaker of the council and Councilor Rangata M.J was elected the chief whip of the multi-party. The former Mayor councilor Pheedi M.S was elected the Speaker of Capricorn District municipality.

The new administration saw the resignation of the accounting officer Mr. Machaba Junius and Senior Manager: Economic Development and Planning Ms Mapholli H.C. Council appointed Mr. Ramothwala Refilwe as the acting Municipal Manager and Mr. Masama M.J as Acting Senior Manager Economic Development and Planning.

Mr. Moremi M.S was appointed to act in position of Senior Manager: Economic Development, Planning, and he replaced Mr. Masama M.J. The meet and Greet sessions were arranged with key stakeholders such as: the Traditional leaders, Mining houses, Business and Farmers unions amongst others. The new council had the task of unblocking the projects that were stuck from the predecessor council. Such projects included the shopping mall and the finalization of the township establishment projects.

On the service, delivery front the capital projects that were completed were handed over to the municipality while the new projects were launched. The Alldays bulk point upgrade was also done to augment capacity to the area.

The problem of the road conditions was addressed through the gravelling programme as funded by disaster relief grant allocation from CoGTA. Such programs were undertaken at Mokhurumela, Lebakong and Inveraam. The Pinkie- Sebotse sports complex had a variation as it was under budgeted and deferred to the next financial year for completion (2022-23).

The major challenge was with regard to the plant and machinery breakdowns. The maintenance of our roads infrastructure was negatively affected. The municipality still used the aging machines and given the vastness of the municipality, more plant was needed for the maintenance of the roads.

The maintenance of the access roads and internal streets remained the challenge for the municipality. The problem was further aggravated by the floods that ravaged most parts of the municipality where roads and houses were swept away leaving people stranded and homeless. The areas hard hit were villages in wards 09 and 08.

The municipality performed in the expenditure of the MIG and received additional funding for the capital projects. The internal streets upgrading projects in Senwabarwana were implemented. We did well to maintain our audit record of unqualified opinion as council and hope we can attain the clean audit in the near future. The other thorny issue is the litigations that consume the chunk of the municipal budget. During the period under review council managed to obtain court order for the illegal occupiers of Bochem 145 LS. The notices were served to the trespassers but they could not vacate the said area.

The case against the illegal occupiers of Bochum Extension 09 was struck off the roll due to insufficient document needed for the case to continue. The case had since been re- enrolled in the Limpopo High court. Another challenge was with regard to the township establishment projects, which took forever to be completed. The service providers were not hands on, as the projects could not be completed.

It was not an easy year because of COVID- 19 and the regulations imposed because of the State of Disaster that was declared.

Despite the setback council continued to execute the mandate diligently, service delivery was not interrupted the communities continued to receive service due to them. There is political stability in the council despite the numerous protest marches to the municipality. At the heart of the protests was the poor roads condition and the challenge with the clean drinking water.

The other burning issue was the relationship of the community with the mine regarding the recruitment and the procurement of goods and services in the mine.

The mining protests culminated in the establishment of the Blouberg Community Engagement Forum that coordinates the affairs of the community in the mine. To address community issues with Venetia mine representatives were drawn from all the traditional Authorities, business, civic organizations and the municipality to constitute the BCEF.

The working relationship with the mining houses has improved through regular interactions. The Social and Labour Plans (SLPs) of the mines have been improved to address the needs of the communities. The SLPs with the mines that still has to operate have been concluded and we hope the lives of our people will be improved when implementation start. The IDP of the fifth council has been developed in such a way that it covers the whole municipality for the next five years. We are ready to serve our people with all the power that we have, to respect and honour the renewed mandate bestowed upon us by the people of our municipality.

A re kodumeleng gore maphelo a batho ba rena a kaonafale

HONOURABLE MAYOR

THAMAGA N.M.

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
Wards	19	21	22
Number of Villages	125	125	137
Number of Households	35 595	41 416	43 747
Population	194 119	162 625	172 601

The above table depicts Municipal demographic trends since 2006. The number of Wards and settlements have increased due to 2006 and 2016 Municipal Demarcation process 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 N0 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, Mankgod, 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).

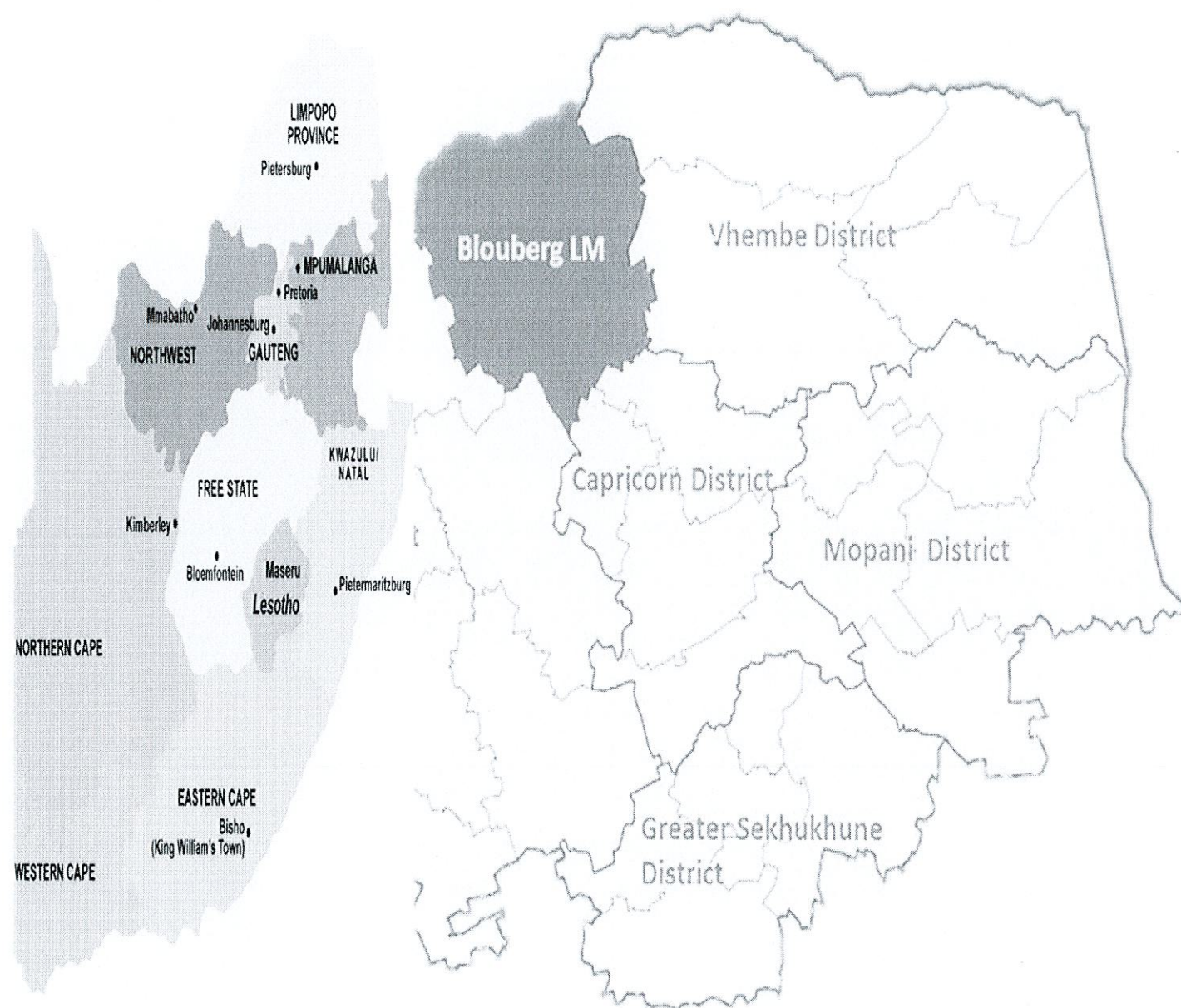
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

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.

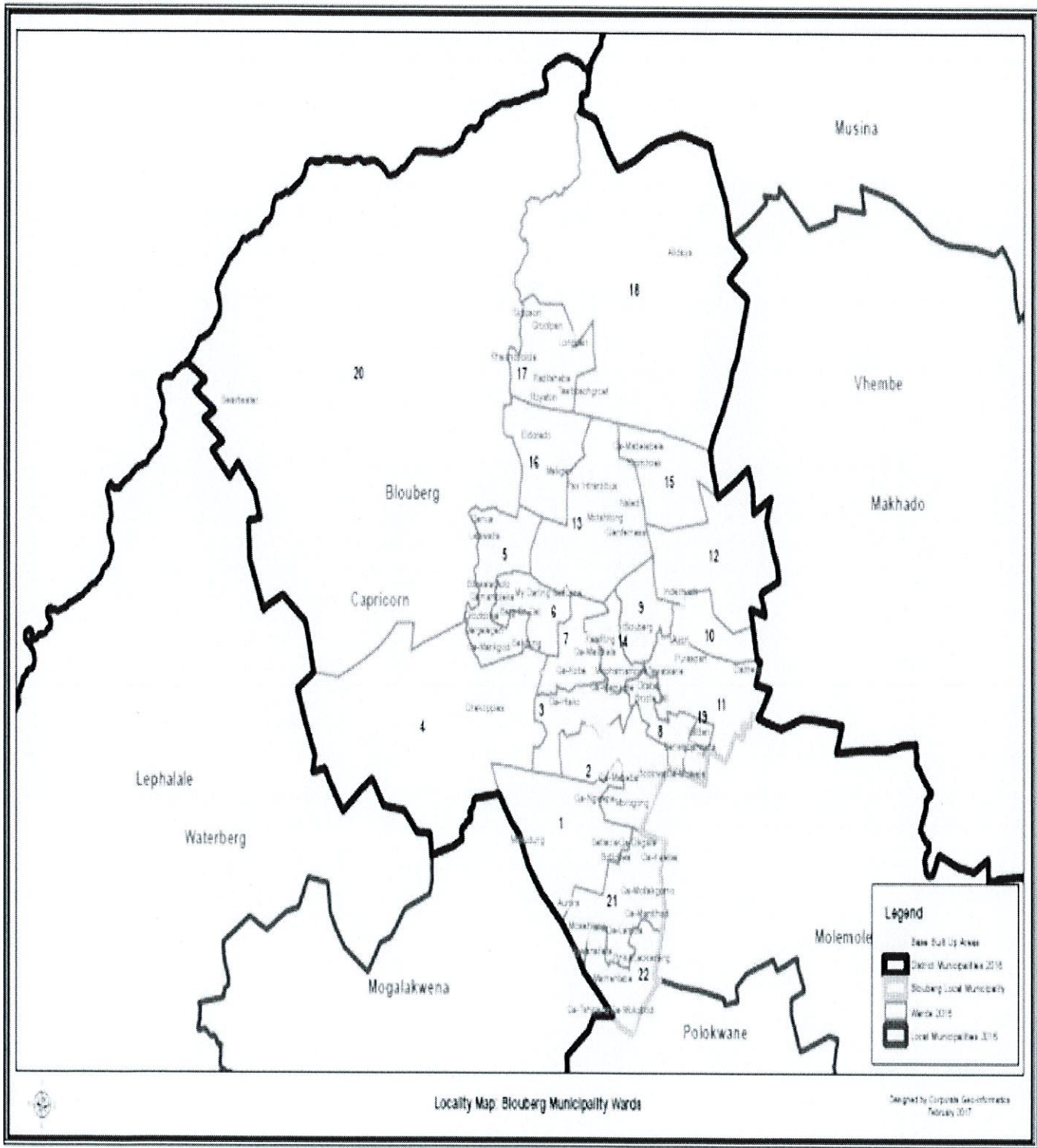
There are various mountain ranges found within the municipality with the Blouberg Mountain being the biggest mountain. The other mountains are the Makgabeng, which was declared the national heritage site because of its historical significant. The municipality is divided into three visible categories 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	Cleansing
Development of local tourism	Control of public nuisances
Municipal Planning	Control of undertaking that sell liquor to the public
Municipal Public Works	Fencing and fences
Municipal Public Transport	Ensuring the provision of facilities for accommodation, care and burial of animals
Storm Water management system	Licensing of dogs
Administration of trading regulations	Licensing and control of undertakings that sell food to the public
Provision and maintenance of water and sanitation (need to amend the notice of establishment as the function lies with the CDM at present)	Administration and maintenance of local amenities
Administration of billboards and display of advertisements in public areas	Development and maintenance of sports facilities
Administration of cemeteries, funeral parlours and crematoria	Development and administration of markets
Cleansing	Development and maintenance of municipal parks and recreation
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	
Regulation of noise pollution	

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 he Municipality with the assistance of ESKOM annual 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 the integrated waste management plan and is the only authority that manages waste removal and collection. The exercise is done in the towns of Senwabarwana and Alldays and in other 11 villages. The function is rendered on daily basis in both Senwabarwana and Alldays and bi-weekly in other villages.

The municipality has two landfill sites and one transfer station.

1.7. HOUSING PROVISION

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.

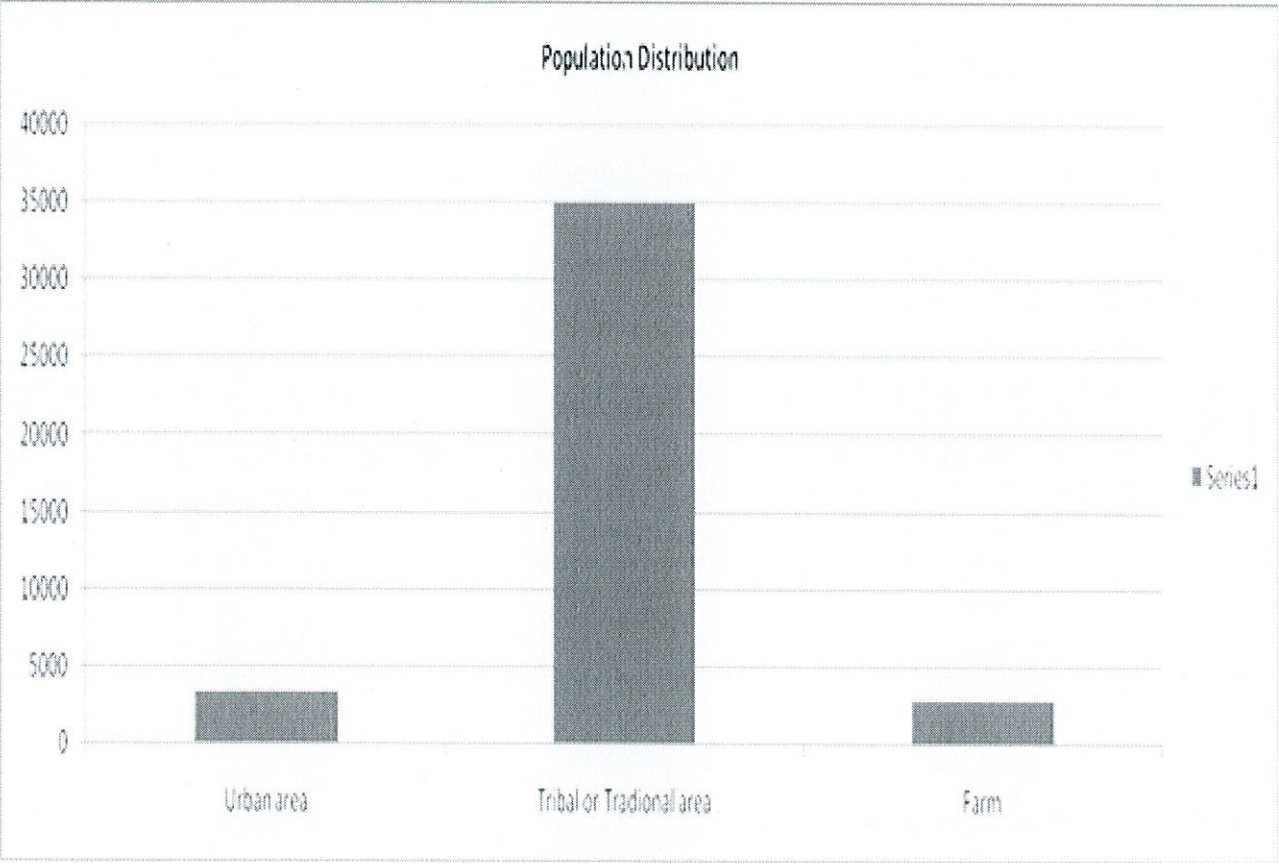
1.9. NATURAL RESOURCES

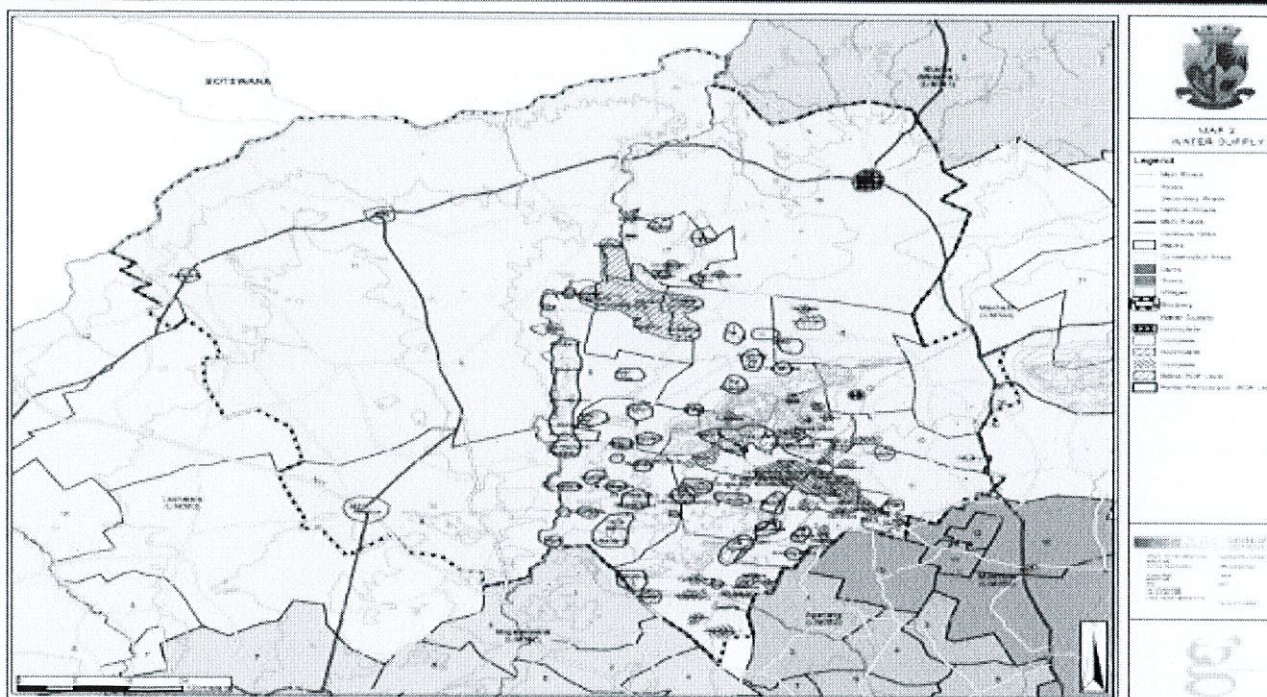
Rivers and Streams	Livestock water and farming
Mountains and Hills	Heritage and Historical sites
Game Reserves and Farms	Wild game preservation and conservation
Wetlands and Swamps	Heritage sites

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	73195	87 880	161075
COLOURED	40	26	65
INDIAN	129	22	151
WHITE	540	466	1006
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 2021/22 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 2021-22 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 2017-18, 2018-19, 2019-20, 2020-21 and 2021/22 the opinion is thus

2017/2018	2018/19	2019/20	2020/21	2021/22
QUALIFIED OPINION	UNQUALIFIED OPINION	UNQUALIFIED OPINION	UNQUALIFIED OPINION	UNQUALIFIED OPINION

The issues raised in the auditor general report are addressed through the development 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
ACTING MUNICIPAL MANAGER

CHAPTER TWO: GOVERNANCE

4. CHAPTER TWO: GOVERNANCE

5. CHAPTER TWO: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The first Council of the municipality consisted of 16 proportionally elected and 16 ward Councilors as determined in the Provincial Notice 15 dated 11 May 2000. The second Council consisted of 18 proportionally elected and 18 Ward Councilors (2006) while the third Council consists of 20 proportionally elected and 21 Ward Councilors, which makes the total of 41 Councilors (2011). Currently after the 2021 municipal elections, the Municipality has 22 Ward Councilors and 22 proportionally elected Councilors, which makes the total of 44 Councilors.

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 Councilors 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 Councilors 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 Keetse P.P : (Without Portfolio)

4. Cllr Tlouamma N.M (Without Portfolio)

4.3. FULL COUNCIL OF BLOUBERG MUNICIPALITY

WARD COUNCILORS	PROPOTIONAL 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 THLAKO	4. CLLR MOSENA D.D
5. CLLR. MOSHOKOA M.S	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. BALOYI H.P	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 TLEPYANE S	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
<div>1. MUNICIPAL MANAGER MR MPHEEHE JUNIUS MACHABA APPOINTED – VACATED IN OCTOBER 2021</div> <div>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING MS CHARITY MAPHOLI APPOINTED – VACATED IN OCTOBER 2021</div> <div>3. DIRECTOR, CORPORATE SERVICES MR REFILWE RAMOTHWALA : APPOINTED</div> <div>4. CHIEF FINANCIAL OFFICER(BUDGET AND TREASURY) MR JACK MABOTE: APPOINTED</div> <div>5. DIRECTOR ,TECHNICAL SERVICES: MS DENG SIBOIBOI APPOINTED</div> <div>6. DIRECTOR, COMMUNITY SERVICES. MS MONYEMORATHO B - APPOINTED</div>
For the period under view, about two officials acted on the senior management positions. The above table illustrates the names and the positions for which acting was effected.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO –OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in national intergovernmental 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

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 visually.

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 2021/2022 financial year include the usage of monthly Ward Public meetings for the 22 wards where in ward Councilors provided feedback and progress report to ward members.

The use of social media, radio and other COVID-19 compliant were applied during the earlier part of 2021/22 due to COVID-19 lockdown regulations

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 Manger and then to all relevant departments.

The 18th ward committee conference was successfully held in clusters during the period under review.

2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in –house. Council approved the 2019/20 revised IDP/Budget. Like previous IDPs, the 2019/20 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 PRTICIPATION 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 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

COMPONENT D: CORPORATE GOVERNANCE
OVERVIEW OF CORPORATE GOVERNANCE

For the 2020/21 financial year, like the 2021/22, 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 if 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 2021/22 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 BBBEEE 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 2021/22				
Newly Developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/No)	Dates of Public Participation	By- Laws gazette (Yes/No)
N/A	N/A	N/A	N/A	N/A

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 (2020/21)	YES
The Annual Report (2020/21) 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 (2021/22)	N/A
All long term borrowing contracts (2021/22)	N/A
All supply chain management contracts above a prescribed value (give value) for 2021/221)	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 2021/22	YES
Contracts agreed in 2021/22 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 2021/22	YES
All quarterly reports tabled in the council in terms of section 52 (d) During 2021/22	YES

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 2021/22 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 268 households for the 2020/21 financial year and other incomplete projects were rolled over to 2021/22 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 2018\19 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 three 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 2021/22 period the number of EPWP participants was increased from **200** to **210** 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 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 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 11 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; the 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 under review. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

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. For the 2019/20 financial year a total of 400 housing units were approved and successfully implemented within the municipality.

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 although for the year under review it was not done due to COVID-19.

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 3,500 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
2017\18	786.98km	0	0	488.44
2018\19	786.98km	0	0	488.44
2019\20	786.98km	0	0	488.44
2020\21	786.98km	0	0	488.44
2021\22	786.98km	0	0	488.44
Source : Department of Public Works, Roads and Infrastructure				

3.8. TRANSPORT (INCLUDINGVEHICLE 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 and Mmabi bus 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, Senwabarwana, 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 Louis Trichardt
Letswatla	The rank is informal	It covers Senwabarwana

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, Windhoek and Harriswich remains a challenge. Disputes over operating routes occasionally occur resulting in conflicts among taxi associations.

Poor road conditions that negatively affect the taxi industry

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 rectification. 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 learners licensing centre while other full licensing services remained unfulfilled.

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 2014\15 financial year, the following were achieved: pre- approval of Tolwe layout plan and the pre-approval of the surveyor-diagram for the subdivision of the farm Monmouth. A total of 300 low cost houses were constructed and handed over to beneficiaries even though the Limpopo Provincial Government had made an allocation of 500 units to the Blouberg Municipality. Such could not be attained due to supply chain challenges in the Department responsible for housing provision, viz, CoGHSTA but only 300 units were approved and implemented.

Main challenges experienced in the financial year 2021-22 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana, Borkum and Alladays. 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 R16 billion and the resultant work opportunities for the mine's two ;labour sending areas, viz, Blouberg Municipality and Musina Municipality. The expansion has also resulted in an increased population for the town of Alldays.

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 1387 job opportunities through Community Works Programme, EPWP(210), and implementation of municipal capital works programme through labour-intensive methods was maintained.

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 CREMATORIUMS

The Municipality operated the cemetery function in the two R293 towns of Senwabarwana and Alldays.

3.56. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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, Public Works and Education.

.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 Satellite Office, covering both Eldorado and Tolwe satellite offices.

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 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 BEN SERAKI	0
15	0	1
16	1 STANDARD SPORTS FACILITY	0
17	0	1
18	1 ALLDAYS SPORTS COMPLEX	0
19	0(SENWABARWANA RECREATIONAL PARK)	1
20	0	1
21	0	1
22	PINKIE SEBOTSE SPORTS COMPLEX	1
TOTAL	4	18

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

WARD COMMUNITY HALLS

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1
5	1	0
6	1	0
7	0	1
8	0	1
9	1	0
10	0	1
11	1	0
12	1	0
13	0	1
14	0	1
15	1	0
16	1	0
17	1	0
18	1	0
19	2 (institution-linked)	0
20	0	1
21	0	1
22	1	0
TOTAL	11 WARDS	12

5.5.2 CHALLENGES

The challenge is that 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 is busy with the 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 held 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 one standard sports facility at Eldorado while a semi standard sports facility is at Ben Seraki (Buffelshoek). For the 2021/22 financial year the municipality made a provision in its budget for the construction of the Senwabarwana sports complex.

The 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, Councilors 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 councilors. Other powers have been delegated to the Municipal Manager

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The support for councilors' policy is in place and councilors 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 2020/21 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 2019 for implementation in the 2019\20 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councilors 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. All the budgeted positions were filled. Employment Equity is the area where the division was found more wanting with middle management the most glaring. Out of twenty five (25) managers, only four (4) are female and none of those was employed during the period under review. Capacity building was also compromised by the non-functionality of the Training Committee, which managed to hold only one meeting out of a possible four for the financial year. Training programmes were consequently not that 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 for 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 Business Continuity, Electronic Records Management Systems and E-Mail, IT Equipment's and Systems Maintenance Plans. 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 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. Council however, approved IT Governance Framework, IT Monitoring Framework, Operating System Security (Server) Baseline Policy and Environmental Controls Policy

CHAPTER 3:

2021/22 ANNUAL

PERFORMANCE

REPORT

2. INTRODUCTION AND LEGISLATIVE BACKGROUND

The Blouberg Municipality 2021-22 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 2021-22 is aligned to the Municipal IDP and Budget for the 2021-22 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2021-22 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 2021/22

The Annual Performance Report serves the following Purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2021-22 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 2021-22 financial year to which this report relates.

4. SUMMARY OF PERFORMANCE FOR THE 2021/22 FINANCIAL YEAR.

4.1. SUMMARY OF PERFORMANCE FOR THE 2021/22 FINANCIAL YEAR

The table below indicate the summary of Annual SDBIP Performance 2021/22 per KPA. Out of **124** targets for the year, **115** targets were achieved while **9** targets were not achieved. The overall Annual Performance stands at **93 %**

Department	Total Annual Targets	Total Annual Targets Achieved	Total Annual Targets not Achieved	Overall Percentage of Targets achieved
Basic Service and Infrastructure Development	29	25	4	86 %
Municipal Transformation and Organisational Development	48	47	1	98 %
Local Economic Development	2	2	0	100 %
Financial Viability and Management	19	18	1	95 %
Good Governance and Public Participation	18	17	1	98 %
Spatial Planning and Environment	8	6	2	75 %
Overall Total Municipal Targets	124	115	9	93 %

4.2. COMPARISON OF 2021/22 AND 2020/21 SDBIP PERFORMANCE

The table below illustrate comparison of 2021/22 and 2020/21 performance

Department	Total Targets			Total Targets Achieved		Total Targets not Achieved		Overall Percentage of Targets achieved		Remarks
	2021/22	2020/21		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Basic Service and Infrastructure Development	29	34		25	32	4	2	86 %	94 %	Declined by 8 %
Municipal Transformation and Organisational Development	48	40		47	34	1	6	98 %	85 %	Improved by 13 %
Local Economic Development	2	3		2	3	0	0	100 %	100%	Maintained
Financial Viability and Management	19	18		18	12	1	6	95 %	67 %	Improved by 28 %
Good Governance and Public Participation	18	19		17	17	1	2	94 %	89 %	Improved by 5 %
Spatial Planning and Environment	8	9		6	5	2	4	75 %	55 %	Improved by 20 %
Overall Total Municipal Targets	124	123		115	103	9	20	93 %	84 %	Improved by 9 %

Comment: The Local economic development, Municipal transformation and Organisational Development and good governance and public participation financial viability and management and spatial planning and environment improved while basic services and infrastructure declined by 8 %. However the overall performance improved by 9 %.

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 2021/22.

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	APPOINTED SERVICE PROVIDERS	VALUE FOR THE CONTRACT AWARDED	EXPENDITURE TO DATE	ACTUAL PERFORMANCE (COMPLETED OR INCOMPLETED)	REASON FOR NON-COMPLETION	SERVICES PROVIDERS PERFORMANCE (i.e. Poor, fair, good etc.)	COMMENTS AND RECOMMENDATION
Senwabarwana sports complex phase 5	Sizeya consulting engineers Izigi Molokwana Trading JV	R20 306 604,97	R20 306 604,97	Completed	N/A	Good	The project annual target was completed on time.
Senwabarwana sports complex phase 6	Sizeya consulting engineers Chisa multi projects JV PJMJ engineering	R 29,982,616.46	R 29,982,616.46	Completed	N/A	Good	The project annual target was completed on time.
Witten internal street and Stormwater phase 2	Tlou Integrated Urich Construction	R 19,200,000.00	R 19,200,000.00	Completed	N/A	Good	The project was completed on time
Construction of Senwabarwana sports complex and stormwater phase 1	Urich Construction Senwabarwana Integrated Engineers	R 3 272,261.13	R 3 272,261.13	Completed	N/A	Good	The project was completed on time
Pinkie Sebotse Sports	T2 Tech consulting Engineers DZWA DEVELOPMENT AND PROJECTS	R 10 000,000.00	R 10 000,000.00	Completed	N/A	Good	The project was completed on time.
Re-graveling of Boshaba Stormwater Control	Urich Construction Senwabarwana Integrated Engineers JV Urich Construction	R 3,987,702.29	R 3,987,702.29	Completed	N/A	Good	The project was completed on time.

PROJECT NAME	APPOINTED SERVICE PROVIDERS	VALUE FOR THE CONTRACT AWARDED	EXPENDITURE TO DATE	ACTUAL PERFORMANCE (COMPLETED OR INCOMPLETED)	REASON FOR NON-COMPLETION	SERVICES PROVIDERS PERFORMANCE (i.e. Poor, fair, good etc.)	COMMENTS AND RECOMMENDATION
Re-graveling of Kwarung to Lebakong Access Road and Stormwater Control	Oltatech Consulting Engineers JV Urich Construction	R 2,894,224.61	R 2,894,224.61	Completed	N/A	Good	The project was completed on time
Mokhurumela Stormwater Channel-Erosion Protection and Stormwater Control	Morula Consulting Engineers JV PJMJ engineering	R 5,996,327.96	R 5,996,327.96	Completed	N/A	Good	The project was completed on time.

5.2. COMPARISON OF PERFORMANCE OF SERVICE PROVIDERS FOR 2021/22 AND 2020/21

No projects were rolled over for 2022/23fy. No service provider was terminated due to poor performance in the 2021/22fy

Year	Service providers rated good	Service providers rated fair	Service providers rated poor	Service provider/s terminated
2021/22	8	0	0	0
2020/21	10	0	0	0

6. CAPITAL GRANT SPENDING

6.1. CAPITAL GRANTS SPENDING FOR 2021/22

The Municipality was allocated R 56 764 000 for MIG and No allocation or INEP for the financial year 2021/22. The Municipality has managed to spend 99,7 % for Municipal Infrastructure grant.

6.2. COMPARISON OF CAPITAL GRANTS SPENDING FOR 2021/22 AND 2020/21

Municipality has managed to spend 99, 7 % of MIG grant for 2021/22 compared to 2020/21 Financial year where MIG spending was 100 % and INEP 99, 7%

Grant	2021/22 Allocation	2021/22 Percent Spending	2020/21 Allocation	2020/21 Spending	Percent	Comments
MIG	R 56, 764,000,00	99.70%	R 43,525 ,000.00	100%		None
INEP	No allocation	N/A	R6,000 ,000 .00	99.7 %		None

7. OPERATING REVENUE COLLECTION

7.1. 2021/22 OPERATING REVENUE COLLECTION

The Municipality has managed to collect R 102 404 532 out of R 98 619 265 Operating Revenue budget for 2021/22. This represent 100 % of money collected.

7.2. COMPARISON OF 2021/22 AND 2020/21 OPERATING REVENUE COLLECTION

Item	2021/22		2020/21		Comments
Operating Revenue Collection	2021/22 Operating budget R 98 619 265	2021/22 Actual Collection R 102 404 532	2020/21 Operating budget R 89 486 880	2020/21 Actual Collection R 47 157 793.42	The 2021/22 collection has improved from previous year collection.
Overall Percentage	100 %		53 %		

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	Improve on billing system and collection measures Identification of additional revenue sources. Support the work of revenue management committee	
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 and split meters
COVID-19 Alert levels regulations which affected normal working hours, physical contact et cetera	Adapt to new measures for business continuity

DETAILED SDBIP REPORT 2021-22

[illegible]

BSID 1	Electrical Equipment	Purchasing of identified Electrical equipment	To ensure minimal energy consumption by users as per the national energy reduction strategy	BLM	Number identified electrical equipment purchased by June 2022	45 Electrical equipment purchased ed.	25 Electrical equipment purchased by June 2022	Target not achieved 23 Electrical equipment purchased by June 2022	Delays in procurement processes	Procurement plan to be in place to avoid delays	R 1 000 000 (Actual Exp R 934 115.66)	Proof of Purchase	Technical services
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BSID 3	Transformers	Purchasing and Installation of emergency Transformers	To ensure minimal energy consumption by users as per the national energy reduction strategy	BLM	Percentage emergency transformers purchased and installed as an when required by June 2022	100% emergency transformers purchased and installed as an when required	100 % Purchasing and Installation of emergency Transformers as an when required by June 2022	Target achieved. 100 % Purchasing and Installation of emergency Transformers as an when required by June 2022	N/A	N/A	R 140 000.00 (Actual Exp R121 210.88)	Proof of Purchase and Transformer register	Technical services
BSID 4	Transformers	Reconditioning of Transformers	To ensure minimal energy	BLM	Number Transformers reconditione	20 Transformers recondit	16 Transformers reconditione	Target achieved. 16 Transformers	N/A	N/A	R 500,000 (Actual Exp R	Proof of Purchase and pictures	Technical services

			consumption by users as per the national energy reduction strategy		d by June 2022	ioned by June 2021	d by June 2022	reconditioned by June 2022			477,724,26)		
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BSID 5	Auto- Recloser	Purchasing of Auto Recloser	To ensure minimal energy consumption by users as per the national energy reduction strategy	Witten	Number Auto Recloser purchased and installed at Witten by June 2022	New Indicator	One Auto- recloser purchased and installed at Witten by June 2022	Target achieved. One Auto- recloser purchased and installed at Witten by June 2022	N/A	N/A	R 366 383 (Actual Exp R 361,874 ,67)	Proof of Purchase and pictures	Technical services
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BSID 13	Alldays Bulk Point	Upgrading of Alldays Bulk point	To ensure minimal energy consum ption by users as per the national energy reducti on strateg y	Alldays	Number Bulk point upgraded at Alldays by June 2022	New Indicato r	One Bulk point upgraded at Alldays by June 2022	One Bulk point upgraded at Alldays by June 2022	N/A	N/A	R 1 125 974 (Actual Exp R 1,005 194.38)	Proof of payment	Techni cal servic es
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BSID 26	Indigent relief	Provision of indigent services	To provide indigent relief	BLM	Number Indigent households provided with Free basic electricity by June 2022	5340 Indigent provided with Free basic electricity by June 2022	5340 Indigent provided with Free basic electricity by June 2022	Target not achieved. 5303 Indigent provided with Free basic electricity by June 2022	37 forms lacked supporting documents and were not declared as indigents	All forms will be taken to respective household for required attachments	R1,329 220 (Actual Exp R1.222 856.76)	Reports	Budget & Treasury
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BSID 27	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Senwabarwana	Number of road signs installed and number of speed humps constructed and square meters of potholes patched at Senwabarwana Internal Streets and Storm water done by June 2022.	6.7km of road marking, 15 road signs, 15 road humps constructed and 300 square meters of potholes patched at Senwabarwana Internal Streets and Storm water done by June 2022.	15 road signs installed and 2 speed humps constructed and 300 square meters of potholes patched at Senwabarwana Internal Streets and Storm water done by June 2022.	Target achieved. 15 road signs installed and 2 speed humps constructed and 300 square meters of potholes patched at Senwabarwana Internal Streets and Storm water done by June 2022.	N/A	N/A	R 350 000 (Actual Exp R 348 400.00)	Photographs, Ward Councillors confirmations on letter	Technical services
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[illegible]

BSID 28	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Dilaene	Number road signs installed and speed humps constructed at Dilaeneng Internal Streets and Storm water done by June 2022.	3.0km of road marking s, 10 road signs, 20 m of road patching and 3.0km sweepin g at Dilaene ng Internal Streets and Storm water	04 road signs installed and 02 speed humps constructed at Dilaeneng Internal Streets and Storm water done by June 2022.	Target achieved. 04 road signs installed and 02 speed humps constructed at Dilaeneng Internal Streets and Storm water done by June 2022.	N/A	N/A	R 59 600 (Actual Exp R 59 600)	Photographs, Ward Councillors confirmation letter	Technical services
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BSID 29	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Witten	Number road signs installed and speed humps constructed and square meters potholes patched at Witten Internal Streets and Storm water done by June 2022	3.0km of road marking, 10 road signs, constructed 10m of road patching and potholes patched at 3.0km sweeping at Witten Internal Streets and Storm water completed	30 road signs installed and 9 speed humps constructed and 50 square meters potholes patched at Witten Internal Streets and Storm water done by June 2022	Target achieved. 30 road signs installed and 9 speed humps constructed and 50 square meters potholes patched at Witten Internal Streets and Storm water done by June 2022	N/A	N/A	R 219 000 (Actual Exp R 219 000)	Photographs, Ward Councillors confirmation letter	Technical services
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BSiD 30	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Puraspan	Number road signs installed and speed humps constructed with square meter road markings at Puraspan Internal Streets and Storm water done by June 2022.	2.5km of road marking, 10 road signs, 10 speed humps constructed with 25m ² of road markings at Puraspan Internal Streets and Storm water done by June 2022.	10 road signs installed and 5 speed humps constructed with 25m ² of road markings at Puraspan Internal Streets and Storm water done by June 2022.	Target achieved. 10 road signs installed and 5 speed humps constructed with 25m ² of road markings at Puraspan Internal Streets and Storm water done by June 2022.	N/A	N/A	R 75 000 (Actual Exp R 75 000)	Photographs, Ward Councillors confirmation letter	Technical services
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June 2021

BSID 31	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Avon	Number road signs installed, 10 square meters potholes patched and 30m of road swept at Avon Internal Streets and Storm water done by June 2022.	3.0km of road marking, 07 road signs, 30m of road repair and .60km sweepin g at Avon Internal Streets and Storm water complet	6 road signs installed, 10 square meters potholes patched and 3 kilometers swept at Avon Internal Streets and Storm water done by June 2022.	Target achieved. 6 road signs installed, 10 square meters potholes patched and 3 kilometers swept at Avon Internal Streets and Storm water done by June 2022.	N/A	N/A	R 49 590 (Actual Exp R49 590.41)	Photographs, Ward Councillors confirmation letter	Technical services
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BSID 32	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Indermark	Number road signs installed, square meters potholes patched and kilometers swepted at Indermark Internal Streets and Storm water done by June 2022	4.7km of road marking signs, 10 road signs, 30m of road patching and Indermark Internal Streets and Storm water sweepin g at Indermark Internal Streets and Storm water	7 road signs installed, 50 square meters potholes patched and 1 kilometer swepted at Indermark Internal Streets and Storm water done by June 2022	Target achieved. 7 road signs installed, 50 square meters potholes patched and 1 kilometer swepted at Indermark Internal Streets and Storm water done by June 2022	N/A	N/A	R 49 994(Actual Expenditure R49 993,85)	Photographs, Ward Councillors confirmati on letter	Technical services
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[illegible]

BSID	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Kromhoek	Number road signs installed, square meters potholes patched and kilometers swepted at Kromhoek Internal Streets and Storm water done by June 2022.	3.0km of road marking s, 05 road signs and 6km sweepin g at Kromhoek Internal Streets and Storm water complet ed by June 2021	14 road signs installed, 50 square meters potholes patched and 1 kilometers swepted at Kromhoek Internal Streets and Storm water done by June 2022.	Target achieved. 14 road signs installed, 50 square meters potholes patched and 1 kilometers swepted at Kromhoek Internal Streets and Storm water done by June 2022.	N/A	N/A	R 64 986 (Actual Exp R 64 985.57)	Photographs, Ward Councillors confirmation letter	Technical services
33													

BSID 34	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Devred e	Number road signs installed and speed humps constructed and kilometers swept at Devrede Internal Streets and Storm water done by June 2022.	1.0km of road marking s, 5 road signs, 1 repair of a concret e drift and 1.0km sweepin g of Devrede Internal Streets and Storm water	10 road signs installed and 1 speed hump constructed and 1 kilometer swept at Devrede Internal Streets and Storm water done by June 2022.	Target achieved. 10 road signs installed and 1 speed hump constructed and 1 kilometer swept at Devrede Internal Streets and Storm water done by June 2022.	N/A	N/A	R 64 900 (Actual Exp R 64 900)	Photogra phs, Ward Councillor s confirmati on letter	Techni cal servic es
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completed by June 2021

BSID 35	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Taaibosch	Number of road signs installed and speed humps constructed at Taaibosch Internal Streets and Storm water by June 2022.	3.5km of road marking, 06 road signs, 200m of road patching and 3.5km sweeping at Taaibosch Internal Streets and Storm water	Installation of 10 road signs and construction of 02 speed humps at Taaibosch Internal Streets and Storm water done by June 2022.	Target achieved. Installation of 10 road signs and construction of 02 speed humps at Taaibosch Internal Streets and Storm water done by June 2022.	N/A	N/A	R 74 750 (Actual Exp R 74 750)	Photographs, Ward Councillors confirmation letter	Technical services
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[illegible]

BSID 36	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	All days	Number road signs installed and speed humps constructed, square meters potholes patched at All days Internal Streets and Storm water done by June 2022.	7.0km of road marking, 10 road signs, 500m of patching the road and 6.55km sweeping of All days Internal Streets and Storm water	19 road signs installed and 8 speed humps constructed, 5 square meters potholes patched at All days Internal Streets and Storm water done by June 2022.	Target achieved. 19 road signs installed and 8 speed humps constructed, 5 square meters potholes patched at All days Internal Streets and Storm water done by June 2022.	N/A	N/A	R 198 800 (Actual Expenditure 198 800)	Photographs, Ward Councillors confirmations on letter	Technical services
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completed by June 2021

BSID	Roads (Maintenance)	Maintenance of roads	To maintain internal streets and access roads on continuous basis	Desmond park	Number road signs installed and speed humps constructed, square meters potholes patched at Desmond park Internal Streets and Storm water done by June 2022.	New Indicator	26 road signs installed and 6 speed humps constructed, 150 square meters potholes patched at Desmond park Internal Streets and Storm water done by June 2022.	Target achieved. 26 road signs installed and 6 speed humps constructed, 150 square meters potholes patched at Desmond park Internal Streets and Storm water done by June 2022.	N/A	N/A	R 149 000 (Actual Expenditure R149 000)	Photographs, Ward Councillors confirmations on letter	Technical services
37													

BSID 38	Culverts	Construction of new culverts	To construct low water bridges	BLM	Number culverts and wing-walls constructed by June 2022	Forty two Culverts completed by June 2021	80 new culverts and 36 wingwalls constructed by June 2022	Target achieved. 92 new culverts and 38 wingwalls constructed by June 2022	more culvert and wingwalls were done with the disaster project	N/A	R 500 000 (Actual Exp R 500 000)	Photographs, Ward Councillors confirmations on letter	Technical services
BSID 39	Gravel roads and internal street maintenance	Re-graveling of access roads and internal streets in villages	To maintain internal streets and access roads on	BLM	Kilometres internal streets and access roads re-gravelled by June 2022	35 kilometres kilometres re-gravelled by June 2021	8 Kilometres of internal streets and access roads re-gravelled by June 2022	Target achieved. 8 Kilometres of internal streets and access roads re-gravelled by June 2022	N/A	N/A	R 3 000 000 (Actual Exp R 3 021 250)	Photographs, Ward Councillors confirmations on letter	Technical services

BSID 41	Machinery	Purchase of Rammer	contin- uous basis	BLM	Number of machinery purchased by June 2022	New Indicato r	One rammer purchased by June 2022	Target achieved. One rammer purchased by June 2022	N/A	N/A	R 49 705 (Actual Exp R48,00 0)	Proof of Purchase	Techni- cal servic- es
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BSID	Senwabarw	Confirmati	To	Senwab	Number	New	One design	Target	N/A	N/A	R	Design	Techni
42	ana internal and stormwater control phase 11	on of the Project on the IDP, Project Registrati on, Compilatio n of Specificati on/Tender document s, Tender advert, Evaluation , Appointm ents, Design, Constructi	ensure availabi lity of infrastr ucture to support public transpo rt	arwana	design report approved and contractor appointed by June 2022	Indicato r	report approved and contractor appointed by June 2022	achieved. One design report approved and contractor appointed by June 2022	N/A	N/A	27,272. 261.13 (Actual Exp R 2 845 444.46)	report, app roval letter, advert and appointm ent letter	cal servic es

on, closeout.	

BSID 43	Witten Internal Street and Stormwater channel (2.4km)	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifications/Tender document, Tender advert, Evaluation, Appointments, Design, Construction	To ensure availability of infrastructure to support public transport	Witten	Kilometer internal street and stormwater control completed by June 2022	Construction of 2,4 Km of Roadbed layer and Sub base layer for Witten internal street and Stormwater channel	Construction of 2,4km of internal street from gravel to pavement and Stormwater channel completed by June 2022	Target achieved. Construction of 2,4km of internal street from gravel to pavement and Stormwater channel completed by June 2022	N/A	N/A	R 8 530 360 (Actual Exp R 7 417 703.80)	Advert, appointment letters, handover minutes, Site visit report, pictures and Completion certificate	Technical services
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[illegible]

BSID 55	Construction of Senwabarwana Sports phase 6	Confirmation of the Project on the IDP, Project Registration, Compilation of Specifications/Tender documents, Tender advert, Evaluation, Appointment, Design, Construction	To provide safe and sustainable recreation and social facilities	Senwabarwana	Number concrete grand stand seats at Senwabarwana Sports Complex Completed by June 2022	Phase 1 - 4 Sports complex construction.	Construction n of 3265 Seaters concrete grand stand Completed by June 2022	Target not achieved. Construction of 3256 Seaters concrete grand stand Completed by June 2022	The sports complex capacity only accommodation modate 3256 concrete grand stand seats	N/A	R 34 393 739 (Actual ExpR 31 490 972.62)	Advertisement letters, handover minutes, Site visit report, pictures and Completion certificate	Technical services
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on, closeout.

BSID	Constructi	Confirmati	To	Pinkie-Sebots	Percentage Constructio	New Indicator	100%	Target	N/A	N/A	R10,00	Advert,ap	Techni
56	on of Pinkie Sebotse Sports facility	on of the Project on the IDP, Project Registrati on, Compilation of social facilities	provide safe and sustainable recreational and social facilities	Sebots e	Constructio n of Pinkie-Sebotse sports facility by June 2022(planning stage (tender stage stage), site handover , establishme nt and site clearing ,Constructio n of earthworks on Soccer		Constructio n of Pinkie-Sebotse sports facility by June 2022(planning stage 5%(tender stage stage), site handover , establishme nt and site clearing (5 %),Construct ion of earthworks on Soccer	achieved. 100% Constructio n of Pinkie-Sebotse sports facility by June 2022(planning stage 5%(tender stage stage), site handover , establishme nt and site clearing (5 %),Construct ion of	N/A	N/A	0,000.00 (Actual Exp R 8 695 652.17)	pointment letters,ha ndover minutes,S ite visit report ,pictures.	cal services

		on, closeout.		field and Athletic tracks , construction of Palisade fence , brick works on guard house, change rooms and ablution facility) by June 2022		field and Athletic tracks 30%, construction of Palisade fence 30%, brick works on guard house, change rooms and ablution facility 30%)	earthworks on Soccer field and Athletic tracks 30%, construction of Palisade fence 30%, brick works on guard house, change rooms and ablution facility 30%)					
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BSID 66	Hydraulic step ladder	To purchase and mounting of a hydraulic step ladder	To improv e road mainten ance capacit y	BLM	Number hydraulic step ladder purchased by June 2022	New Indicato r	1 of hydraulic step ladder purchased	Target not achieved. Specificatio n submitted, tender advertised.	It was adverti sed and the bid was non respon sive.	Due to budget constr aints it will be consid ered for 2023/2 4 financi al year	R 230 572 (Actual Exp R 0)	Proof of Purchase	Techni cal servic es
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BSID	Constructi	Confirmati	To	Senwab	Percentage	Phase 1	100%	Target	N/A	N/A	R	Advert,ap	Techni
70	on of Senwabarw ana Sports phase 5	Project on the IDP, Project Registrati on, Compilatio n of Specificati on/Tender document s, Tender advert, Evaluation , Appointm ents, Design, Constructi	provide safe and sustain able recreati onal and social facilitie s	arwana town	construction of athletic tracks, Soccer Pitch and boxing and gym building for Senwabarwa na Sports Complex Phase 5 completed by June 2022	- 4 Sports complex constru cted.	construction of Phase 5 sports complex by June 2022. planning stage 5%(tender stage stage), site handover , establishme nt and site clearing (5 %) athletic tracks (4652 sqm)30%, Soccer Pitch (278sqm)	achieved. 100% construction of Phase 5 sports complex by June 2022. planning stage 5%(tender stage stage), site handover , establishme nt and site clearing (5 %) athletic tracks (4652 sqm)30%,			2,917,6 00,00 (Actual Exp R2,917, 600,00)	pointment letters,ha ndover minutes,S ite visit report ,pictures and Completi on certificate	cal servic es

	on, closeout.									Soccer Pitch (278sqm) 30% and construction of boxing and gym building (floor 174sqm)30%	
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BSID 71	Re-graveling of Bosehla Access Road and stormwater control (4.0km)	Confirmation of the Project on the IDP, Compilation of Specifications on/Tender document s, Tender advert, Evaluation , Appointm ents, Design, Constructi on, closeout.	To ensure availability of infrastructure to support public transport	Bosehla	Kilometer internal street and storm water control completed at Bosehla by June 2022	New Indicator	Regraveling of 4km access road and Stormwater control completed at Bosehla by June 2022	Target achieved. Regraveling of 4km access road and Stormwater control completed at Bosehla by June 2022	N/A	N/A	R 4 000 000 (Actual Exp R3,414 885.67)	Advert, appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID 72	Re-graveling of Kwarung to Lebakong access road and stormwater control (3.0km)	Confirmation of the Project on the IDP, Compilation of Specifications on/Tender document s, Tender advert, Evaluation , Appointment s, Design, Constructi on, closeout.	To ensure availability of infrastructure to support public transport	Kwarung to Lebakong	Kilometer internal street and stormwater control completed at Kwarung to Lebakong by June 2022	New Indicator	Regraveling of 3km access road and Stormwater control completed at Kwarung to Lebakong by June 2022	Target achieved. Regraveling of 3km access road and Stormwater control completed at Kwarung to Lebakong by June 2022	N/A	N/A	R 3 000 000 (Actual Exp R 2,516,717.04)	Appointment letters, handover minutes, Site visit report ,pictures and Completion certificate	Technical services
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BSID	Constructi	Confirmati	To	Mokhur	Kilometers	New	2 kilometers	Target	N/A	N/A	R 6 000	Advert,ap	Techni
73	on of Mokhurum ela Stormwater Channel- Erosion protection and stormwater control	on of the Project on the IDP, Compilation n of Specificati on/Tender document s, Tender advert, Evaluation , Appointm ents, Design, Constructi on, closeout.	ensure availabi ty of infrastr ucture to support public transpo rt	umela	stormwater channel (erosion protection) constructed at Mokhurumel a by June 2022	Indicato r	stormwater channel (erosion protection) constructed at Mokhurumel a by June 2022	achieved. 2 kilometers stormwater channel (erosion protection) constructed at Mokhurumel a by June 2022	N/A	N/A	R 6 000 (Actual Exp R 5,214 198.22)	pointment letters,ha ndover minutes,S ite visit report ,pictures and Completio n certificate	cal servic es

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TOD 01	Employee wellness	Conducting employee wellness	improving employee health and well- being, optimize performance and productivity	BLM	Number Reports on the employee wellness conducted by June 2022	Two Reports on employee wellness conducted by June 2022	Two Reports on employee wellness conducted by June 2022	Target achieved. Two Reports on employee wellness conducted by June 2022	Reason variation	Corrective measure	R 10 000.00 (Actual Exp R 0.00)	Report and attendance registers	Corporate services
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TOD 02	Youth Program me	Support to youth programs	To provide support to special focus groups	BLM	Number youth programs supported by June 2022	Support to youth program s	Four youth programs supported by June 2022	Target achieved. Four youth programs supported by June 2022	N/A	N/A	R200 000.00 (Actual Exp R 196 457)	Report and attendanc e registers	MM/M ayor' Office
TOD 03	Gender Program me	Support to gender programs	To provide support to special focus groups	BLM	Number gender programs supported by June 2022	Two gender program s support to the gender program s	Two gender programs supported by June 2022	Two gender programs supported by June 2022	N/A	N/A	R 90 000 (Actual Exp R 82 956)	Report and attendanc e registers	MM/M ayor' Office

TOD 04	Children Program me	Support to the children programs	To provide support to special focus groups	BLM	Number children's programs b y June 2022	Two children 's program s support ed	Two children's programs supported by June 2022	Target achieved. Two children's programs supported by June 2022	N/A	N/A	R60 800.00 (Actual Exp R 73 620)	Report and attendanc e registers	MM/M ayor' Office
TOD 05	Disability Programs	Support to the disability programs	To provide support to special focus groups	BLM	Number disability programs supported by June 2022	Two disabilit y program s support ed	Two disability programs supported by June 2022	Target achieved. Two disability programs supported by June 2022	N/A	N/A	R 100 000.00 (Actual Exp R98 860)	Report and attendanc e registers	MM/M ayor' Office

TOD 06	Elderly programmes	Support to the elderly programs	To provide support to special focus groups	BLM	Number Elderly programmes supported by June 2022	Two program mes support ed	Two Elderly programmes supported by June 2022	Target achieved. Two Elderly programmes supported by June 2022	N/A	N/A	R65 000 (Actual Exp R 60 573.00)	Report and attendanc e registers	MM/M ayor' Office
TOD 07	HIV/AIDS Program me	Implement ation of HIV/AIDS Programs	Promot e healthy living	BLM	Number HIV/AIDS programs conducted by June 2022	Two HIV/AIDS S program mes impleme nted	Two HIV/AIDS Programs conducted by June 2022	Target achieved. Two HIV/AIDS Programs conducted by June 2022	N/A	N/A	R87 920 (Actual Exp R 87 240)	Report and attendanc e registers	MM/M ayor' Office

TOD 08	Back to School campaign	Conduct the back to school campaign	To provide support to schools	BLM	Number back to school campaigns conducted by June 2022	Two back to school campaigns conducted by June 2022	Two back to school campaigns conducted by June 2022	Target achieved. Two back to school campaigns conducted by June 2022	N/A	N/A	R103 840.00 (Actual Exp R 103 757)	Report and attendance registers	MM/M Mayor's Office
TOD 09	Licenses	Network Maintenance and Purchase of Server	To enhance municipal network connectivity	BLM	Number Network Maintenance reports compiled and number New Server Procurement by June 2022	New Indicator	Four Network Maintenance reports compiled and two New Server Procurement by June 2022	Target achieved. Four Network Maintenance reports compiled and two New Server Procurement by June 2022	N/A	N/A	R 1 432 568 (Actual Exp R 1,389,617.99)	PoP	Corporate services

TOD 10	IT Software and Licensing	Renewal of software and licenses	To enhanc e municip al network connect ivity	BLM	Number software and licenses purchased and renewed by June 2022	New Indicato r	3 Software licenses purchased and 5 software licences renewed by June 2022	Target achieved. 3 Software licenses purchased and 5 software licences renewed by June 2022	N/A	N/A	R620,0 00.00 (Actual Exp R 614 171)	PoP	Corpo rate servic es
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TOD 11	Rental of Office Equipment	Rental	improvement institutional capacity	BLM	Number reports on office equipment rental and maintenance compiled by June 2022	Four reports compiled	Four reports on office equipment rental and maintenance compiled by June 2022	Target achieved. Four reports on office equipment rental and maintenance compiled by June 2022	N/A	N/A	R 2000 000.00 (Actual Exp R 2 078 955)	Reports	Corporate services
TOD 12	Mayoral imbizos	Hosting of Mayor's Imbizo	Improved stakeholder relations	BLM	Number Mayoral Imbizos held by June 2022	One imbizo conducted	Two Mayoral imbizos held by June 2022	Target achieved. Two Mayoral imbizos held by June 2022	N/A	N/A	R50 000.00 (Actual Exp R 5 510)	Reports and Registers	MM/M Mayor's Office

TOD 13	Mayor – Magoshi	Hosting of Mayor Magoshi	Improv ed stakeho lder relation s	BLM	Number Mayor- Magoshi sessions held by June 2022	Four Mayor- Magoshi session s conduct ed	Four Mayor- Magoshi sessions held by June 2022	Target achieved. Four Mayor- Magoshi sessions held by June 2022	N/A	N/A	R150 000.00 (Actual Exp R 84 471)	Reports and registers	MM/M ayor' Office
TOD 14	Heritage Celebration s	Hosting of Heritage Celebratio ns	Preserv ation of heritag e	BLM	Number heritage celebrations conducted by June 2022	Five heritage celebrat ions hosted and support ed	Five heritage celebrations conducted by June 2022	Target achieved. Five heritage celebrations conducted by June 2022	N/A	N/A	R168,5 40.00 (Actual Exp R 166 873,16)	Report and attendanc e registers	MM/M ayor' Office

TOD 18	Uniform and PPE for Traffic	Procurement of uniform and PPE	To ensure safety for Law Officers	BLM	Number traffic officials provided with uniform by June 2022	New Indicator	16 traffic officials provided with uniform by June 2022	Target achieved. Uniform procured and distributed by June 2022	N/A	N/A	R500 000 (Actual Exp R 0)	PoP	Comm unity Service es
TOD 19	Landfill maintenance	Maintenance of landfill sites	To ensure proper maintenance and operation of site	BLM	Number landfill site maintenance reports compiled by June 2022	12 landfill site maintenance reports compiled d	12 landfill site maintenance reports compiled by June 2022	Target achieved. 12 landfill site maintenance reports compiled by June 2022	N/A	N/A	R3,350, 000. (Actual Exp R 3 331 742.64)	Report	Comm unity Service es

TOD 20	Coordination of the Disaster Management Plan	Curbing of the disaster incidents	To ensure effective Disaster Management	BLM	Number Disaster incidents coordination reports compiled by June 2022	New Indicator	Four Disaster incidents coordination reports compiled by June 2022	Target achieved. Four Disaster incidents coordination reports compiled by June 2022	N/A	N/A	R 140 000.00 (Actual Exp R 530)	Report	Community Services
TOD 21	Insurance	Insurance of Municipal Assets	Improve asset lifespan	BLM	Number reports on Municipal assets insurance compiled by June 2022	Four reports compiled	Four reports on Municipal assets insurance compiled by June 2022	Target achieved. Four reports on Municipal assets insurance compiled by June 2022	N/A	N/A	R1370, 000.00 (Actual Exp R 1 347 689)	Insurance Report	Budget & Treasury

TOD 22	Licensing and registration of vehicles Management	Licensing and registration of vehicles	To ensure uninterrupted provision of Licensing services	BLM	Number Licensing equipment purchased by June 2022	New Indicator	One Licensing equipment purchased by June 2022	Target achieved. One Licensing equipment purchased by June 2022	N/A	N/A	R 200 000.00 (Actual Exp R 171 008)	PoP	Community Services
TOD 23	Vehicle Tracking	Tracking of Municipal Vehicles	To improve and maintain Municipal fleet	BLM	Number vehicles fitted with tracking devices by June 2022	New Indicator	15 vehicles fitted with tracking devices by June 2022	Target achieved. 15 vehicles fitted with tracking devices by June 2022	N/A	N/A	R 278 000 (Actual Exp R 195 632.16)	Report	Corporate services

TOD 24	Wet Fuel	Management of fuel used by fleet.	To improve and maintain Municipal fleet	BLM	Number Reports on the use of wet fuel compiled by June 2022	Four reports completed	Four reports on the use of wet fuel compiled by June 2022	Target achieved. Four reports on the use of wet fuel compiled by June 2022	N/A	N/A	R 3 212 841 (Actual Exp R 2 281 784)	Report	Corporate services
TOD 25	Pound management	Pound Feeds	To provide feeding for impounded animals	BLM	Number reports on pound management compiled by June 2022	Four reports completed	Four reports on pound management compiled by June 2022	Target achieved. Four reports on pound management compiled by June 2022	N/A	N/A	R200 000.00 (Actual Exp R 160 860)	Pound management Reports	Community Services

TOD 27	Sports Facility	Maintenance of Sports Facility	To ensure user- friendly Sports facilities	BLM	Number sports facilities maintained by June 2022	New Indicator	2 Sports facilities Maintained by June 2022	Target achieved. 2 Sports facilities Maintained by June 2022	N/A	N/A	R 75 300 (Actual Exp R 75 300)	Maintenance Report	Community Services
TOD 28	Municipal Facilities	Maintenance of Municipal facilities	To ensure safe Municipal facilities	BLM	Percentage municipal buildings maintained by June 2022	100% maintained	100 % municipal buildings maintained by June 2022	Target achieved. 100 % municipal buildings maintained by June 2022	N/A	N/A	R426 000 (Actual Exp R 421 649)	Maintenance Report	Community Services

TOD 29	Community Hall	Maintenance of Community Halls	To provide commu nities with proper venue for events	BLM	Number Community halls maintained by June 2022	New Indicator	2 Community Halls Maintained by June 2022	Target achieved. 2 Community Halls(Invera an & Alldays) maintained by June 2022	N/A	N/A	R100 000 (Actual Exp R 99 430)	Maintenance Report	Community Services
TOD 30	Cemetery	Cemetery managem ent	To ensure that grave sites are well maintai ned	BLM	Number cemetery maintained by June 2022	New Indicator	2 Cemetery sites maintained (Senwabarw ana and Alldays) by June 2022	Target achieved. 2 Cemetery sites maintained (Senwabarw ana and Alldays) by June 2022	N/A	N/A	R100 000 (Actual Exp R 0)	Report	Community Services

TOD 33	Pound management	Renovation of the pound kraal	To ensure a safe and compliant storage for Animals	BLM	Percentage renovation of the Pound kraal completed by June 2022	New Indicator	100% renovation of the Pound kraal completed by June 2022	Target achieved. 100% renovation of the Pound kraal completed by June 2022	N/A	N/A	R 107 954 (Actual Exp R 0)	Report	Community Services
TOD 34	Materials and Surplus	Procurement of stationery (Traffic)	To ensure enough material for Traffic services	BLM	Percentage traffic stationery purchased by June 2022	100% Traffic stationery purchased	100% traffic stationery purchased by June 2022	Target achieved. 100% traffic stationery purchased by June 2022	N/A	N/A	R250,000.00 (Actual Exp R 0)	PoP	Community Services

TOD 35	Fire Arms	Purchase of 9 guns	To ensure safety for Law Officers	BLM	Number firearms purchased by June 2022	New Indicato r	9 firearms purchased by June 2022	Target achieved. 9 firearms purchased by June 2022	N/A	N/A	R180 000.00 (Actual Exp R 153 900)	PoP	Comm unity Servic es
TOD 36	Tolwe Satelite facelift	upgraded of Tolwe satelite	To improv e Municip al service s	BLM	Percentage upgrading of Tolwe Satelite completed by June 2022	New Indicato r	100% upgrading of Tolwe Satelite completed by June 2022	Target not achieved 90% upgrading of Tolwe Satelite completed by June 2022	Target not achieve d. Tiling and snag lists outstan ding	Compl ete the project in 2022- 23	R 500 000 (Actual Exp R 347 199.65)	Reports	Comm unity Servic es

TOD 39	Women Month campaign	To celebrate women month through law enforceme nt activities	To provide respect and dignity to women	BLM	Number women law enforcement event held by June 2022	One women event held	One women law enforcement event held by June 2022	Target achieved. One women law enforcement event held by June 2022	N/A	N/A	R40 000.00 (Actual Exp R 29 991)	Photos	Comm unity Servic es
TOD 40	Transport month	To celebrate transport month	To provide Road and Traffic Law awaren ess to the Public	BLM	Number transport Awareness Event conducted by June 2022	One celebrat ion held	One transport Awareness Event conducted by June 2022	Target achieved. One transport Awareness Event conducted by June 2022	N/A	N/A	R47 935.00 (Actual Exp R 46 160)	Photos	Comm unity Servic es

TOD 41	Maintenance of equipment	To make provision for maintaining the equipment	To ensure proper working equipment	BLM	Number Maintenance Report compiled by June 2022	Four reports compiled	Four Maintenance Reports compiled by June 2022	Target achieved. Four Maintenance Reports compiled by June 2022	N/A	N/A	R100 000 (Actual Exp R 100 000)	Report	Community Services
TOD 42	Occupational Health and safety	Provision of health and safety kits	To provide a safe and healthy working environment	BLM	Number Fire Extinguishers and Hose reel serviced and OHS Laws summary procured by June 2022	New Indicator	80 Fire Extinguishers and 14 Hose reel serviced and 15 OHS Laws summary procured by June 2022	Target achieved. 80 Fire Extinguishers and 14 Hose reel serviced and 15 OHS Laws summary procured by June 2022	N/A	N/A	R 10 000 (Actual Exp R 0)	Service Certificate	Corporate services

TOD 43	Uniform & protective clothing	Purchasing of Uniform and protective clothing	To protect employees from exposure to work place hazards and the risk of injuries	BLM	Number of employees provided with protective clothing by June 2022	90 employees provided with protective clothing by June 2022	90 employees provided with protective clothing by June 2022	Target achieved. 90 employees provided with protective clothing by June 2022	N/A	N/A	R 842 000 (Actual Exp R 541 639)	Collection register	Corporate services
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TOD 44	QHS	Maintenance of she bins	To provide discreet and hygiene way to dispose of feminine hygien waste	BLM	Number health and hygiene equipment purchased and maintenance report compiled by June 2022	New indicator	Four health and hygiene equipment purchased and four maintenance report compiled by June 2022	Target achieved. Four health and hygiene equipment purchased and maintenance report compiled by June 2022	N/A	N/A	R300 000.00 (Actual Exp R 296 122.14)	PoP and Maintenance Report	Corporate services
TOD 45	Fleet Management	Fleet procurement	To improve and maintain Municip al fleet	BLM	Number vehicles procured by June 2022	One vehicle purchased	Two vehicles procured by June 2022	Target achieved. Two vehicles procured by June 2022	N/A	N/A	R1300, 000.00 (Actual Exp R 1 211 217.39)	Report	Corporate services

TOD 46	Data line	Data line installatio n	To enhanc e municip al network connect ivity	BLM	Number dataline maintenance reports compiled by June 2022	New Indicato r	Four dataline maintenance reports compiled by June 2022	Target achieved. Four dataline maintenance reports compiled by June 2022	N/A	N/A	R 82 000.00 (Actual Exp R 5 484.98)	Report	Corpo rate servic es
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TOD 48	Clocking System	Maintenance of Clocking system	To enhance human resource management and development	BLM	Number face recognition device purchased and quarterly maintenance reports compiled by June 2022	New Indicator	One face recognition device purchased and four quarterly maintenance reports compiled by June 2022	Target achieved. On purchase of face recognition device and four quarterly maintenance reports compiled by June 2022	N/A	N/A	R126 000.00 (Actual Exp R 20 565)	PoP Maint enance Report	Corporate rate services
TOD 49	Fleet Management	To manage and keep municipal fleet in good condition	To improve and maintain Municipal fleet	BLM	Number fleet management reports compiled by June 2022	Four fleet reports compiled d	Four fleet management reports compiled by June 2022	Target achieved. Four fleet management reports compiled by June 2022	N/A	N/A	R 750 000 (Actual Exp R 750 000)	Fleet management Report	Corporate rate services

TOD 50	Air Conditions	To install the new air conditioners	Promote and maintain a healthy work environ ment	BLM	Number report on maintenance of air conditioners compiled by June 2022	64 new air conditio ners installed	Four reports on maintenance of air conditioners compiled by June 2022	Target achieved. Four reports on maintenance of air conditioners compiled by June 2022	N/A	N/A	R 83 000 00 (Actual Exp R 0)	Maintenan ce Report	Corpo rate servic es
TOD 53	Legal Fees	To pay service providers for the services rendered	Strengt hen municip al legal service s	BLM	Number litigation reports compiled by June 2022	New Indicato r	Four litigation reports compiled by June 2022	Target achieved. Four litigation reports compiled by June 2022	N/A	N/A	R 3000 000 (Actual Exp R 2 919 977)	Reports	MM/M ayor' Office

TOD 56	Training	To conduct employees training	to improv e skills and maximi ze product ivity	BLM	Number of employees trained by June 2022	15 Employ ees trained by June 2021	10 Employees trained by June 2022	Target achieved. 10 Employees trained by June 2022	N/A	N/A	R 400 000 (Actual Exp R 339 000)	Training Report	Corpo rate servic es
TOD 57	Training Councillor	To conduct councilors training	To improv e skills and maximi ze product ivity	BLM	Number councillors conducted By June 2022	44 Council ors trained	44 Councilors trained by June 2022	Target achieved. 44 Councilors trained by June 2022	N/A	N/A	R 700000 (Actual Exp R698 016)	Training Report	Corpo rate servic es

TOD 58	Ward Committee Training	To conduct training of the newley appointed ward committee s	To improv e public particip ation	BLM	Number ward committee training conducted by June 2022	01 Training conduct ed	One ward committee training conducted by June 2022	Target achieved. One ward committee training conducted by June 2022	N/A	N/A	R 300 000 (Actual Exp R 0)	Reports	Corpo rate servic es
TOD 60	Consumabl es	To compensa te for the injuries on duty	To provide for occupat ional injuries, death and disease s	BLM	Percentage consumable s purchased by June 2022	New Indicato r	100 % consumable s purchased by June 2022	Target achieved. 100 % consumable s purchased by June 2022	N/A	N/A	R 300 000 (Actual Exp R 73 710)	PoP and Reports	Corpo rate servic es

TOD 63	Furniture	Purchase of furniture	Promot e and maintai n a healthy work environ ment	BLM	Percentage furniture purchased by June 2022	New Indicato r	100 % furniture purchased by June 2022	Target achieved. 100 % furniture purchased by June 2022	N/A	N/A	R 63 582 (Actual Exp R 63 581)	PoP	Corpo rate servic es
TOD 64	Computer equipment	Purchase of Laptops	To improv e IT capacit y	BLM	Number Laptops purchased by June 2022	New Indicato r	Four Laptops purchased by June 2022	Target achieved. Four Laptops purchased by June 2022	N/A	N/A	R 90 000.00 (Actual Exp R 85 726)	PoP	Corpo rate servic es
KPA 3	LOCAL ECONOMIC DEVELOPMENT												

LED: 07	LED Projects	Financial support to LED Projects	To create and promote LED initiatives in the business sector	BLM	Number of LED Projects Financially supported by June 2022	3 projects supported financially	3 LED Projects Financially supported by June 2022	Target achieved. 4 LED Projects Financially supported by June 2022	Additional project was assisted due to savings	N/A	R 465.000 (Actual Exp R 455 106.99)	Reports and pictures	Economic Development & Planning
LED 14	EPWP - Grant	Appointment of EPWP PRACTITIONERS	To create job opportunities through EPWP programme	BLM	Number job opportunities created through EPWP programme by June 2022	230 opportunities created	235 EPWP job opportunities created by June 2022	Target achieved. 235 EPWP job opportunities created by June 2022	N/A	N/A	R 700 000 (Actual Exp R 396 591.99)	List and reports	Community Services

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FVM 04	Revenue manageme nt	Commissi on on Electricity	Enhanc e Sound Municip al financia l viability and manage ment	BLM	Percentage payment for electricity commission by June 2022	New indicato r	100% payment for electricity commission by June 2022	Target achieved. 100% payment for electricity commission by June 2022	Reason variatio n	Correc tive measu re	R 1 100 000 (Actual Exp R 1 089 243.25)	ONTEC Reports	Budge t & Treasu ry					

FVM 06	Operating Lease	Auto bank machine leasing	Enhanc e Sound Municip al financial viability and manage ment	BLM	Number auto machine bank leased by June 2022	Auto machine bank leased	One auto machine bank leased by June 2022	Target achieved. One auto machine bank leased by June 2022	N/A	N/A	R571 092 (Actual Exp R 536 406.24)	Signed lease agreement	Budge t & Treasu ry
FVM 07	Revenue tracing system	Purchasin g of revenue trace system	Enhanc e Sound Municip al financial viability and	BLM	Number revenue trace system purchased by June 2022	New indicato r	One revenue tracing system purchased by June 2022	Target achieved. One revenue trace system purchased by June 2022	N/A	N/A	R490 000 (Actual Exp R 490 000)	Delivery note of the trace system	Budge t & Treasu ry

FVM 08	SCM Training	Conduct training of SCM practitione r	Enhanc e Sound Municip al financia l viability and manage ment	BLM	Number SCM Training attended by June 2022	SCM Training attende d	One SCM Training conducted by June 2022	Target achieved. One SCM Training conducted by June 2022	N/A	N/A	R200,0 00.00 (Actual Exp R 200 000)	Attendanc e Register	Budge t & Treasu ry
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FVM 10	Annual financial statement	Compilation of AFS	Enhance Sound Municipal financial viability and management	BLM	Number set of AFS Compiled & submitted to AGSA, LPT, C OGOHSTA & NT by June 2022	2020/21 AFS compiled & submitted to AGSA, LPT & NT	One set of AFS Compiled & submitted to AGSA, LPT, C OGOHSTA & NT by June 2022	Target achieved. One set of AFS Compiled & submitted to AGSA, LPT, C OGOHSTA & NT by June 2022	N/A	N/A	R829,150.00 (Actual Exp R 721 000)	Acknowledgement of the receipt from AGSA, LPT, COHGST A & NT	Budget & Treasury
FVM 11	Financial management capacity building/Trainings	Training of BTO officials on financial management (MFMA & GRAP standards)	Enhance Sound Municipal financial viability and	BLM	Number financial capacity Training conducted by June 2022	New indicator	Four financial capacity Training conducted by June 2022	Target achieved. Four financial capacity Training conducted by June 2022	N/A	N/A	R7520,205.00 (Actual Exp R 669 378.00)	Attendance registers	Budget & Treasury

FVM 12	Landfill Rehabilitati on	Calculatio n of Landfill rehabilitati on costs	Enhanc e Sound Municip al financia l viability and manage ment	BLM	Number Landfill Rehabilitatio n cost calculated report compiled by June 2022	Landfill rehabilit ation cost calculat ed report	One Landfill rehabilitatio n cost calculated report compiled by June 2022	Target achieved. One Landfill rehabilitatio n cost calculated report compiled by June 2022	N/A	N/A	R108 000 (Actual Exp R 106 956.52)	Landfill restoratio n cost calculated report	Budge t & Treasu ry
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FVM 13	Financial System adviser maintenance	Maintenance of the financial accounting system and payment of the licences	Enhance Sound Municipal financial liability and management	BLM	Number system maintenance reports compiled by June 2022	New indicator	Four system maintenance reports compiled by June 2022	Target achieved. Four system maintenance reports compiled by June 2022	N/A	N/A	R2 090 311 (Actual Exp R 2 084 746.79)	Quarterly Reports compiled	Budget & Treasury
FVM 14	Unbundling of Asset Register	Unbundling of Asset Register	Enhance Sound Municipal financial liability and	BLM	Number unbundling of assets report compiled by June 2022	Asset unbundling reports	One unbundling of assets report compiled by June 2022	Target achieved. One unbundling of assets report compiled by June 2022	N/A	N/A	R759 500 (Actual Exp R 757 000)	Unbundling of Asset report	Budget & Treasury

FVM 17	MSCOA Implementa tion	MSCOA projects implemen tation	Enhanc e Sound Municip al financia l viability and manage ment	BLM	Number MSCOA implementati on reports compiled June 2022	MSCOA projects impleme nted through issue- log docume nt	Four MSCOA implementati on reports compiled June 2022	Target achieved. Four MSCOA implementati on reports compiled June 2022	N/A	N/A	R1,200, 000.00 (Actual Exp R 1 089 243.00)	Quarterly MSCOA implemen tation (updated issue-log) reports	Budge t & Treasu ry
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FVM 15	Revenue management committee	Revenue management committee meetings to be held	Enhance Sound Municipal financial viability and management	BLM	Number revenue management meetings held by June 2022	Two revenue management meetings held by June 2022	Four revenue management meetings held by June 2022	Target not achieved. 3 revenue management meetings held by June 2022	Committee affected by local government elections	Established technical committee comprising of officials. Reconstitute Council monitor committee	OPEX	Attendance register of quarterly meeting	Budget & Treasury
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FVM 16	Indigent Register	Regular update of the indigent register	Enhance Sound Municipal financial viability and management	BLM	Number updated indigent register reports compiled by June 2022	Updated indigent register	Four updated indigent register reports compiled by June 2022	Target achieved. Four updated indigent register reports compiled by June 2022	NN	N/A	OPEX	Updated indigent register	Budget & Treasury
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FVM 17	Annual budget	Compilation of annual budget	Enhance Sound Municipal financial viability and management	BLM	Number annual budget compiled & submitted to council, LT & NT by June 2022	Annual budget compiled	One annual budget compiled & submitted to council, LT & NT by June 2022	Target achieved. One annual budget compiled & submitted to council, LT & NT by June 2022	N/A	N/A	OPEX	Council resolution, Acknowledgement of receipt from LP & NT	Budget & Treasury
FVM 18	Budget related policies	Review of budget related policies	Enhance Sound Municipal financial viability and	BLM	Number budget related policies reviewed by June 2022	Reviewed all budget related policies	Twelve budget related policies reviewed by June 2022	Target achieved. Twelve budget related policies reviewed by June 2022	N/A	N/A	OPEX	Budget related policies reviewed report	Budget & Treasury

FVM 19	Adjustment budget	Compilation of adjustment budget	Enhance Sound Municipal financial viability and management	BLM	Number adjustment budget compiled by June 2022	Adjustment budget compiled	One adjustment budget compiled and submitted to council, LP & NT by June 2022	Target achieved. One adjustment budget compiled and submitted to council, LP & NT by June 2022	N/A	N/A	OPEX	Council resolution , Acknowledgement of receipt from LP & NT	Budget & Treasury	
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FVMA 20	Mid-year report (Sec 72)	Compilation n of mid- year report (sec 72)	Enhanc e Sound Municip al financial I viability and manage ment	BLM	Number mid- year report(Sec 72 report) compiled by June 2022	Mid- Year report compile d	One mid- year report(Sec 72 report) compiled by June 2022	Target achieved. One mid- year report(Sec 72 report) compiled by June 2022	N/A	N/A	OPEX	Council resolution , Acknowle dgement of receipt from LP & NT	Budge t & Treasu ry
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FVM 21	Financial report	Compile financial report	Enhanc e Sound Municip al financia l viability and manage ment	BLM	Number Quarterly financial report compiled and report to council, LP & NT by June 2022	Financia l reports compile d	Four Quarterly financial report compiled and report to council, LP & NT by June 2022	Target achieved. Four Quarterly financial report compiled and report to council, LP & NT by June 2022	N/A	N/A	OPEX	Council resolution , Acknowledge ment of receipt from LP & NT	Budge t & Treasu ry
FVM 22	Municipal assets Insurance cover	Appointm ent of insurance broker	Enhanc e Sound Municip al financia l viability and	BLM	Number insurance broker appointed by June 2022	Appoint ed insuran ce broker	One insurance broker appointed by June 2022	Target achieved. One insurance broker appointed by June 2022	N/A	N/A	OPEX	Incident registratio n number	Budge t & Treasu ry

FVM 23	Municipal insurance cover	Reporting of incidents occurred	Enhanc e Sound Municip al financial liability and manage ment	BLM	Percentage incident occurred reported by June 2022	Report on incident s occurre d	100% of incident occurred reported by June 2022	Target achieved. 100% of incident occurred reported by June 2022	N/A	N/A	OPEX	Incident registratio n number	Budge t & Treasu ry

									2021-22 Actual Performance	Reason variation	Correc tive measu re			
GGD of	Auditing	Coordination of external Audit process	Improved audit opinion	BLM	Number unqualified audit opinion with 25 % fewer findings 20/21 fy	Unqualified audit opinion	One unqualified audit opinion with 25 % fewer findings 2020/21 fy by June 2022	Target achieved. One unqualified audit opinion with 25 % fewer findings 2020/21 fy by June 2022	N/A	N/A	N/A	R 4 555 400 (Actual Exp R 4 458 543)	audit opinion	MM/Mayor's Office

GGD 02	Professional Bodies	Membership Fees	To improve skills and maximize productivity	BLM	Percentage Payment of Membership Fees to professional bodies done by June 2022	100% membership fees paid	100% Payment of Membership Fees to professional bodies done by June 2022	Target achieved. 100% Payment of Membership Fees to professional bodies done by June 2022	N/A	N/A	R 1 541 200 (Actual Exp R 1 591 089.06)	Proof payments	Corporate services
GGD 03	Audit & Risk Committee Allowances	Coordination of Risk and Audit Committee meetings	Improved audit opinion	BLM	Number Risk and Audit Committee meetings held by June 2022	08 meetings held	04 Risk and Audit Committee meetings held by June 2022	Target achieved. 04 Risk and 04 Audit Committee meetings by June 2022	N/A	N/A	R 600 000 (Actual Exp R 600 800)	Minutes and Registers	MM/M Mayor's Office

GG 05	Newsletter	Production of Municipal newsletter	To improve communication	BLM	Number of newsletters produced by June 2022	Two newsletters produced by June 2022	Two newsletters produced by June 2022	Target achieved. Two newsletters produced by June 2022	N/A	N/A	R 70 000 (Actual Exp R 70 000)	Reports and PoP	MM/M Mayor's Office
GGD 06	Advertisements	Advertisement of Municipal activities	Enhanced communication	BLM	Number of advertisements made on print or electronic media by June 2022	New indicator	4 advertisements made on print or electronic media by June 2022	Target achieved. 4 advertisements made on print or electronic media by June 2022	N/A	N/A	R450 000.00 (Actual Exp R 449 813)	Proof advertisement	MM/M Mayor's Office

GGD 07	Publicity	Publicity of Municipal Activities	Enhanced communication	BLM	Number publications made (Diaries and calendars and promotional leaflets) by June 2022	New indicator	3 publications made (Diaries and calendars and promotional leaflets) by June 2022	Target achieved. 3 publications made (Diaries and calendars and promotional leaflets) by June 2022	N/A	N/A	R150 000.00 (Actual Exp R 135 906)	POP and delivery notes	MM/M ayor' Office
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GGD 08	Remuneration to ward Committees	Payment of stipends for Ward Committees	To improve public participation	BLM	Number Ward Committee members receiving monthly stipend by June 2022	220 Ward Committee members receiving monthly stipend by June 2022	220 Ward Committee members receiving monthly stipend by June 2022	Target achieved. 220 Ward Committee members receiving monthly stipend by June 2022	N/A	N/A	R3 550 000 (Actual Exp R 3 581 079.44)	Reports	Corporate services
GGD 09	MPAC Expenses	Coordination of MPAC programmes	To improve public participation	BLM	Number MPAC programs coordinated by June 2022	5 MPAC programs coordinated by June 2022	5 MPAC programs coordinated by June 2022	Target achieved. 5 MPAC programs coordinated by June 2022	N/A	N/A	R496,000.00 (Actual Exp R 407 964)	Reports	Corporate services

GGD 10	Bursary Fund for Non Employees	Advertise ment and selection of recipients	To improv e skills and maximi ze product ivity	BLM	Number students awarded bursary by June 2022	Mayor.s bursary scheme	Two student awarded bursary by June 2022	Target achieved. Two student awarded bursary by June 2022	N/A	N/A	R60 000.00 (Actual Exp R 0)	Reports	Corpo rate servic es
GGD 11	Employees Bursary	Support to employees	To improv e skills and maximi ze product ivity	BLM	Numbers employees awarded bursary by June 2022	2021 Bursary scheme	6 employees awarded bursary by June 2022	Target achieved. 6 employees awarded bursary by June 2022	N/A	N/A	R 150 000 (Actual Exp R 107 817)	Report	Corpo rate servic es

GGD 12	Compensation Fund	Registration with the compensation fund	To provide for occupational injuries, death and diseases	BLM	Percentage compensation fund payment made by June 2022	100% payment done	100 % compensation fund payment made by June 2022	Target achieved. 100 % compensation fund payment made by June 2022	N/A	N/A	R502 800 (Actual Exp R 501 988)	Report	Corporate services
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GGD 15	Security Management	Appointment and payment of Physical Security service provider	Secure municipal property	BLM	Number Physical security services reports compiled (21 municipal sites) by June 2022	Physical security provided to all sites	12 Physical security services reports compiled (21 municipal sites) by June 2022	Target achieved. 12 Physical security services reports compiled (21 municipal sites) by June 2022	N/A	N/A	R15,518,300.00 (Actual Exp R 14 831 450)	Reports, S LA	MM/M Mayor's Office
GGD 16	Security Cameras	Appointment of service providers for the installation of camera	Secure municipal property	BLM	Number Functional Security Cameras installed by June 2022	New indicator	Five Functional Security Cameras installed by June 2022	Target achieved. Five Functional Security Cameras installed by June 2022	N/A	N/A	R 50 000.00 (Actual Exp R 43 974)	PoP and Delivery notes, photos	MM/M Mayor's Office

GGD 18	Telecommu nication line	Installatio n of telecomm unication line	Enhanc ed commu nication	BLM	Number telephone handsets and telephone lines replaced by June 2022	New indicato r	90 telephone handsets and 90 telephone lines replaced by June 2022	Target achieved. 90 telephone handsets and 90 telephone lines replaced by June 2022	N/A	N/A	R1,500. 000 (Actual Exp R 2049 891)	Report	Corpo rate servic es
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GGD 20	IDP Stakeholder Consultations	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 2022	IDP public participation report	Nine IDP consultative meetings conducted and One IDP consultative reports compiled by June 2022	Target not achieved . 6 IDP consultative meetings conducted and One IDP consultative reports compiled by June 2022	Cluster D public participation not held due to community protest s. Sector Depart ments meetin g not held due to Organi	Adher e to sched ule of consul tations)	R450 000 (Actual Exp R 243 908)	Council resolution and report on public participati on	Econo mic Develo pment & Planni ng
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[illegible]

GGD 21	IDP Steering Committee s and Review Sessions	Organizin g Quarterly Steering Committee and Performan ce Review Sessions	To ensure forward long term plannin g in line with the national govern ment vision 2030	BLM	Number of SDBIP Reports compiled by June 2022	Four SDBIP Reports compile d	Four SDBIP Reports compiled by June 2022	Target achieved. Four SDBIP Reports compiled by June 2022	N/A	N/A	R291 584 (Actual Exp R 154 494)	Reports	MM/M ayor' Office
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GGD 22	Performance Assessments	Conducting individual performance Assessments	Enhanced Municipal performance	BLM	Number individual performance assessments conducted(Annual and mid-year) by June 2022	Two sessions conducted	Two Individual Assessments conducted(Annual and Mid-year) by June 2022	Target achieved. Two Individual Assessments conducted(Annual and Mid-year) by June 2022	N/A	N/A	OPEX	Reports and Registers	MM/M Mayor's Office
GGD 23	Ward Committees Conference	Coordination and support	To improve public participation	BLM	Number Ward committee conference held by June 2022	Cluster conferences conducted	01 Ward committee conference held by June 2022	Target achieved. 01 Ward committee conference held by June 2022	N/A	N/A	R915 000.00 (Actual Exp R 910 754)	Report	Corporate services

SPR 01	Township Establishment	Conducting the process of township establishment	To achieve an inclusive, sustainable and transformed spatial development	All days and Senwabarwana	Number of township establishment projects completed by June 2022	8 Townships established in the past 10 years	3 Township establishment completed by June 2022	Target achieved. 3 Township establishment completed by June 2022	N/A	N/A	R 300 000 (Actual Exp R 263 753.98)	Reports	Economic Development & Planning
SPR 02	Tenure Upgrading	Upgrading of Townships in Senwabarwana	To ensure land tenure security	Senwabarwana	Number of reports compiled for township upgrade completed by June 2022	2 townships registered in the past 10 years	One Report on the Township upgrade compiled by June 2022	Target not achieved.	Service provider did not adhere to project	Follow up with service provider to	R 650,000.00 (Actual Exp R 600 586)	Reports	Economic Development & Planning

SPR 03	Land Use Scheme	Development of a land use scheme	To achieve an inclusive, sustainable and transformed spatial development	BLM	Number land use scheme developed by June 2022	2006 land use scheme	One land use scheme developed by June 2022	Target achieved. One land use scheme developed by June 2022	timelines.	fastrack the project	R 500 000 (Actual Exp R 454 624.00)	Council Resolution and Report	Economic Development & Planning
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SPR 04	Precinct Plan	Development of Herriswich Precinct Plan	To achieve an inclusive, sustainable and transformed spatial development	Harriswich	Number precinct plans developed by June 2022	3 Precinct plans developed	One precinct plan developed by June 2022	Target achieved. One precinct plans developed by June 2022	N/A	N/A	R400.000.00 (Actual Exp R)	Reports and Council resolution	Economic Development & Planning
SPR 05	Supplementary Valuation roll	Compilation of a supplementary valuation roll	Increase municipal revenue base by	All wards	Number Supplementary valuation roll compiled by June 2022	2020/2021 Supplementary roll	One Supplementary valuation roll compiled by June 2022	Target achieved. One Supplementary roll compiled by June 2022	N/A	N/A	R 995,000.00 (R 940 880.00)	Supplementary roll and Council Resolution	Economic Development & Planning

SPR 07	Farm Bochum 178 LS Township Establishment	To establish a Township in Remainder of Farm Bochum 178 LS	To achieve an inclusive, sustainable and transformed spatial development	Senwabarwana	Number Township Establishment completed (Farm Bochum 178 LS) by June 2022	8 Townships established in the past 10 years	One Township Establishment completed (Farm Bochum 178 LS) by June 2022	Target achieved. One Township Establishment (Farm Bochum 178 LS) by June 2022	N/A	N/A	R300 000.00 (Actual Exp R 241 500)	Reports	Economic Development & Planning
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SPR 11	Procurement and maintenance of Survey Equipment	Survey equipment procured and maintained	To achieve an inclusive, sustainable and transformed spatial development	BLM	Number Survey Equipment procured by June 2022	Survey equipment purchased	4 Survey Equipment procured by June 2022	Target achieved. 4 Survey Equipment procured by June 2022	N/A	N/A	R 90 000.00 (Actual Exp R 16 570.35)	Reports	Economic Development & Planning
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SPR 12	Sale of sites	Disposal of municipal owned properties in Senwabarwana and Alldays	To achieve an inclusive, sustainable and transformed spatial development	Senwabarwana and Alldays	R amount revenue collected on sale of Sites by June 2022	Sale of sites	R 12 M revenue collected on sale of Sites by June 2022	Target not achieved. R725 949.00 collected	Delayed in the sale of sites	Advert for sale of residential sites was issued out during the month of July 2022.	OPEX	Report on sites sold	Economic Development & Planning

10. CERTIFICATION OF ANNUAL PERFORMANCE REPORT 2021/22

The Annual Performance report 2021/22 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 2021/22

RAMOTHWALA R.J.

MUNICIPAL MANAGER BLOUBERG LOCAL MUNICIPALITY

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 2021-22. 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	• 2020//21				• 2021/22			
	• 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	•		• 16	• 4	• 20 %	
• Waste Management	• 8	• 6	•		• 09	• 10	• 53 %	
• Housing	• 1	• 0	•		• 01	• 03	• 75 %	
• Waste Water (Storm water Drainage)	• 0	• 0	•		• 0	• 0	• 0 %	

• Roads	• 18	• 12	•	• 16	• 08	33 %
• Transport	• 7	• 0	•	• 6	• 2	25 %
• Planning	• 5	• 3	•	• 06	• 2	25 %
• Local Economic Development	• 3	• 1	•	• 02	• 1	33 %
• Planning (Strategic & Regulatory)	• 0	• 0	•	• 0	• 1	100 %
• Community & social services	• 0	• 0	•	• 0	• 1	100 %
• Environmental protection	• 5	• 0	•	• 5	• 01	16 %
• Health	• 0	• 0	•	• 0	• 0	0 %
• Security & safety	• 1	• 3	•	• 0	• 3	100 %
• Sport & recreation	• 0	• 0	•	• 0	• 1	100 %
• Corporate Policy offices & other	• 109	• 28	•	• 125	• 39	24 %
• Totals	• 167	• 59	•	• 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	•	•
• 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*
• 2019/20	• 169	• 16	•
• 2020/21	• 179	• 05	•
• 2021/22	• 182	• 03	•

- **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 ones which were a bit cumbersome as the process of filling such is not entirely institutional.

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. 2021-22 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

- **4.2 POLICIES**

•	• HR Policies & Plans			
•	• Name of Policy	• Completed • %	• Reviewed • %	• Date adopted by council or comment on failure to adopt
• 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	• 0 %	• 0 %	• Using the disciplinary code collective agreement
• 6	• Essential Services	• 100 %	• 100 %	• 07/03/2022
• 7	• Employee Assistance/ wellness	• 100%	• 100%	• 2022/06
• 8	• Employment Equity	• 100%	• 100%	• 2022/06
• 9	• Exit Management	• 100%	• 100%	• 2022/06
• 10	• Grievance Procedures	• 100%	• 100%	• 2022/06
• 11	• HIV/AIDS	• 100%	• 100%	• 2022/06
• 12	• Human Resource & Development	• 100%	• 100%	• 2022/06
• 13	• Information Technology	• 100%	• 100%	• 2022/06
• 14	• Job Evaluation	• 100%	• 100%	• 2022/06
• 15	• Leave	• 100%	• 100%	• 2022/06
• 16	• Occupational Health & Safety	• 100%	• 100%	• 2022/06
• 17	• Official Housing	• 0 %	• 0 %	• N/A
• 18	• Official Journeys	• 100%	• 100%	• Using treasury guidelines
• 19	• Official Transport to attend funerals	• 100%	• 100%	• 2020/21
• 20	• Official working hours and overtime	• 100	• 100	• Using main collective agreement

• 21	• Organisational rights	• 0	• 0	• Using main collective agreement
• 22	• Payroll Deductions	• 0	• 0	• 2020/21
• 23	• Performance Management & Development	• 100	• 100%	• 2020/21
• 24	• Recruitment, selection & Appointments	• 100%	• 100%	• 2022/06
• 25	• Remuneration Scales & Allowances	• 100 %	• 100 %	• 2022/06
• 26	• Resettlement	• 0 %	• 0 %	•
• 27	• Sexual Harassment	• 100%	• 100%	• 2022/06
• 28	• Skills development	• 100%	• 100%	• 2022/06
• 29	• Smoking	• 100%	• 100%	• 2022/06
• 30	• Special skills	• 0 %	• 0 %	•
• 31	• Work Organization	• 0 %	• 0 %	•
• 32	• Uniforms & protect clothing	• 100 %	• 100 %	• 2022/06
• 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	• 8	• 1	• 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 2021-22.

4.4. PERFORMANCE REWARDS

Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW)						
•	•	Beneficiary Profile				
		• Gender	• Total number of employees in group	• Number of beneficiaries	• Expenditure on rewards 2020-21 • R'000	• Proportion of beneficiaries within group • %
•	•	• Lower skilled (levels 1-2)	• 0	• 0	• 0	• 0
		• Male	• 0	• 0	• 0	• 0
•	•	• Skilled (levels 3-5)	• 0	• 0	• 0	• 0
		• Male	• 0	• 0	• 0	• 0
•	•	• Highly skilled production (levels 6-8)	• 0	• 0	• 0	• 0
		• Male	• 0	• 0	• 0	• 0
•	•	• Female	• 0	• 0	• 0	• 0
		• Female	• 0	• 0	• 0	• 0

• Highly skilled supervision (levels 9-12)	• Male	• 0	• 0	• 0	• 0
• Senior Management (levels 13-15)	• Female	• 0	• 0	• 0	• 0
	• Male	• 0	• 0	• 0	• 0
• MM and S57	• Female	• 0	• 0	• 0	• 0
	• Male	• 0	• 0	• 0	• 0
• Total	•	•	•	•	•
Has the statutory municipal calculator been used as part of the 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>					

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

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

SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management	Gender	Employees in post as at 30 June 2022	Number of skilled employees required and actual as at 30 June 2022											
		No.	Learnerships			Skills programme & other short courses			Other forms of training			Total		
			Actual 30 June 2021	Actual 30 June 2022	Target	Actual 30 June 2021	Actual 30 June 2022	Target	Actual 30 June 2021	Actual 30 June 2022	Target	Actual 30 June 2021	Actual 30 June 2022	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
Councilors, 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
Technicians & 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	01
Chief Financial Officer	01	00	01	01	01	01
Senior Managers	04	00	04	04	04	04
Any other financial officials	12	00	00	0	12	10
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
Total	22	00	22	06	06	20

Skills Development Expenditure											
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2020/21								
			Learnerships		Skills programmes & other short courses		Other forms of training			Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget		Actual
MM and S57		No.									
	Female	02	110 000	00	00	00	00	00	00	110 000	00
	Male	02	00	00	00	00	00	00	00	00	00
Legislators, senior officials and managers	Female	22	500 000	000	000	000	00	00	00	500 000	00
	Male	22	50 000	00	10 000	00	00	00	00	50 000	00
Professionals	Female	21	00	00	10 000	00	00	00	00	350 000	00
	Male	06	00	00	30 00	00	00	00	00	350 000	00

Technicians and associate professionals	Female	06		00	00	00	00	00	00	00	350 000		00
	Male	12		00	00	00	00	00	00	00	60 000		00
Clerks	Female	18		00	00	00	00	00	00	00	5 000		00
	Male	05		00	00	00	00	00	00	00	00		00
Service and sales workers	Female	38		00	00	00	00	00	00	00	00		00
	Male	25		00	00	00	00	00	00	00	00		00
Plant and machine operators and assemblers	Female	15		00	00	00	00	00	00	00	00		00
	Male	12		00	00	00	00	00	00	00	00		00
Elementary occupation	Female	00		00	00	00	00	00	00	00	00		00
	Male	00		00	00	00	00	00	00	00	00		00
Sub Total	Female	14		00	00	00	00	00	00	00	395 000		00
	Male	20		00	00	00	00	00	00	00	550 000		00

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Not all Managers and Finance officials were trained on financial competency regulations due to insufficient budget

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

Employees appointed to posts not approved (NONE)				
	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
0	0	0	0	0

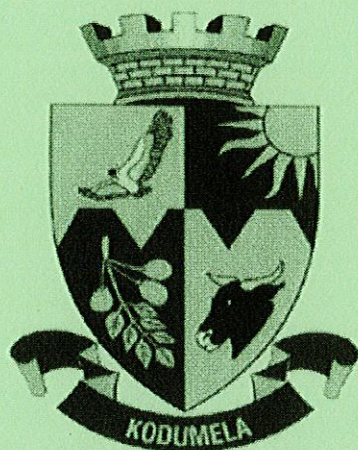
COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts during the period under review.

DISCLOSURES OF FINANCIAL INTERESTS

All Senior Managers and Councillors Completed and Submitted their Disclosure of Financial Interests and submitted same to The Office of the Municipal Manager

CHAPTER 5: 2021/22 ANNUAL FINANCIAL STATEMENTS



Blouberg Local Municipality
Annual Financial Statements
for the year ended 30 June 2022

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

General Information

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

Mayor

Thamaga MN

Speaker

Boloka MP

Chief Whip

Rangata MJ

Members of executive committee

Makobela SR

Raseruthe MA

Raphasha DS

Mosena DD

Motswaba LP

Keetse PP

Tlouamma NM

Maifo ML

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

Councillors

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

General Information

	Kobola JS Tlabela FP
Grading of local authority	Grade 3
Municipal Manager	Ramothwala RJ
Chief Finance Officer (CFO)	Mabote NJ
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

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Index

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

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Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 14
Accounting Policies	15 - 32
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Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

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MFMA	Municipal Finance Management Act
AFS	Annual Financial Statements
AGSA	Auditor General South Africa
CFO	Chief Financial Officer
CoGTA	Corporative Governance and Traditional Affairs
GRAP	Generally Recognised Accounting Practice
FMCM	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
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
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs.
NSF	National Skills Fund
SALBC	South African Local Government Bargaining Council
WSP	Water Service Provider
INEP	Integrated National Electrification Programme Grant
EPWP	Expanded Public Works Programme

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Index

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

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

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

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

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

The accounting officer acknowledges that 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 2023 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 municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

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 pages 7 to 67, which have been prepared on the going concern basis, were approved by the on 01 March 1900 and were signed on its behalf by:

Ramothwala RJ
Municipal Manager

Date: _____

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	8	5,367,219	7,407,469
Receivables from exchange transactions	9	227,718	137,476
Receivables from non-exchange transactions	10	67,302,326	93,363,410
VAT receivable	11	2,641,754	764,605
Consumer debtors	12	11,675,856	11,800,300
Cash and cash equivalents	13	84,834,551	38,247,161
		172,049,424	151,720,421
Non-Current Assets			
Investment property	3	8,950,501	8,374,000
Property, plant and equipment	4	977,360,374	943,304,992
Intangible assets	5	240,698	306,593
Investments	6	4,637,973	3,083,441
		991,189,546	955,069,026
Total Assets		1,163,238,970	1,106,789,447
Liabilities			
Current Liabilities			
Finance lease obligation	14	485,217	485,217
Payables from exchange transactions	17	48,223,717	50,695,357
Unspent conditional grants and receipts	15	24,315,315	394,098
Provisions	16	21,463,531	14,555,684
		94,487,780	66,130,356
Non-Current Liabilities			
Finance lease obligation	14	289,098	673,285
Employee benefit obligation	7	8,260,000	7,623,154
Provisions	16	582,583	919,369
		9,131,681	9,215,808
Total Liabilities		103,619,461	75,346,164
Net Assets		1,059,619,509	1,031,443,283
Accumulated surplus		1,059,619,509	1,031,443,283

* See Note 37

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	31,015,660	30,264,180
Rental of facilities and equipment	20	550,413	551,690
Licences and permits		4,516,988	3,824,031
Photocopies & Electricity illegal connections		94,386	11,306
CDM - Commissions received		374,638	341,007
Cemetery, Burial and Plans approval fees		185,650	208,172
Valuation Services		3,338	1,305
Interest charged on outstanding debtors		470,644	574,279
Sale of Inventory - Sites/Land	21	724,060	10,841
Cattle Grazing		42,039	129,916
Interest received - investment	22	2,018,716	1,535,693
Fair value adjustments	3	779,732	49,558
Total revenue from exchange transactions		40,776,264	37,501,978
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	29,497,011	27,550,104
Interest charges on overdue account	23	1,549,115	1,677,760
Transfer revenue			
Government grants & subsidies	24	276,764,783	295,178,822
Fines		444,600	464,000
Donations		4,363,478	-
Total revenue from non-exchange transactions		312,618,987	324,870,686
Total revenue	18	353,395,251	362,372,664
Expenditure			
Employee related costs	25	(119,457,329)	(114,653,323)
Remuneration of councilors	26	(17,213,957)	(16,412,062)
Depreciation and amortisation	27	(30,420,608)	(29,419,186)
Finance costs	28	(675,188)	(523,655)
Provision for Debt Impairment	29	(2,370,463)	(8,188,217)
Bulk purchases	30	(50,884,660)	(36,471,696)
Contracted services	31	(21,813,873)	(22,014,985)
Loss on disposal of assets and liabilities		(229,252)	(470,254)
Actuarial losses	7	(667,189)	(1,304,763)
General Expenses	32	(81,486,511)	(79,775,495)
Total expenditure		(325,219,030)	(309,233,636)
Surplus for the year		28,176,221	53,139,028

* See Note 37

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	977,685,255	977,685,255
Adjustments		
Correction of errors (Note 37)	619,000	619,000
Balance at 01 July 2020 as restated*	978,304,255	978,304,255
Changes in net assets		
Surplus for the year	53,139,028	53,139,028
Total changes	53,139,028	53,139,028
Opening balance as previously reported	1,031,399,263	1,031,399,263
Adjustments		
Correction of prior period errors (Note 37)	44,025	44,025
Restated* Balance at 01 July 2021 as restated*	1,031,443,288	1,031,443,288
Changes in net assets		
Surplus for the year	28,176,221	28,176,221
Total changes	28,176,221	28,176,221
Balance at 30 June 2022	1,059,619,509	1,059,619,509
Note(s)		

* See Note 37

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from rate payers and other		91,316,216	37,866,715
Grants		300,686,000	288,515,001
Interest income		2,018,716	1,535,693
		<u>394,020,932</u>	<u>327,917,409</u>
Payments			
Employee costs		(136,671,286)	(131,125,655)
Suppliers		(147,872,482)	(138,700,175)
Finance costs		(675,186)	(523,655)
		<u>(285,218,954)</u>	<u>(270,349,485)</u>
Net cash flows from operating activities	33	<u>108,801,978</u>	<u>57,567,924</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(60,380,953)	(57,351,263)
Proceeds from sale of property, plant and equipment	4	105,084	-
Increase in investments		(1,554,532)	1,765
Net cash flows from investing activities		<u>(61,830,401)</u>	<u>(57,349,498)</u>
Cash flows from financing activities			
Finance lease movements		(384,187)	(393,823)
Net increase/(decrease) in cash and cash equivalents		<u>46,587,390</u>	<u>(175,397)</u>
Cash and cash equivalents at the beginning of the year		38,247,161	38,422,558
Cash and cash equivalents at the end of the year	13	<u>84,834,551</u>	<u>38,247,161</u>

* See Note 37

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

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	42,874,945	(3,550,000)	39,324,945	31,015,660	(8,309,285)	Refer to note 48 (1)
Rental of facilities and equipment	231,080	-	231,080	550,413	319,333	
Licences and permits	4,617,176	-	4,617,176	4,516,988	(100,188)	
Commissions received	1,166,000	-	1,166,000	374,638	(791,362)	Refer to note 48 (2)
Interest received on outstanding debtors	1,682,300	450,000	2,132,300	2,019,759	(112,541)	
Other income	2,500,894	-	2,500,894	325,413	(2,175,481)	Refer to note 48 (3)
Sale of inventory - sites	12,200,000	-	12,200,000	724,060	(11,475,940)	Refer to note 48 (4)
Interest received - investment	1,910,120	-	1,910,120	2,018,716	108,596	Refer to note 48 (5)
Total revenue from exchange transactions	67,182,515	(3,100,000)	64,082,515	41,545,647	(22,536,868)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	31,243,927	(1,900,000)	29,343,927	29,497,011	153,084	
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Transfer revenue

Government grants & subsidies	264,045,000	36,900,000	300,945,000	276,764,783	(24,180,217)	Refer to note 48 (6)
Fines	3,809,390	(2,000,000)	1,809,390	444,600	(1,364,790)	Refer to note 48 (7)
Donations income	-	-	-	4,363,478	4,363,478	Refer to note 48 (8)

Total revenue from non-exchange transactions	299,098,317	33,000,000	332,098,317	311,069,872	(21,028,445)	
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Total revenue	366,280,832	29,900,000	396,180,832	352,615,519	(43,565,313)	
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Expenditure

Personnel	(133,004,351)	(27,585)	(133,031,936)	(119,457,329)	13,574,607	Refer to note 48 (9)
Remuneration of councillors	(18,841,061)	-	(18,841,061)	(17,213,957)	1,627,104	Refer to note 48 (10)
Depreciation and amortisation	(40,140,615)	-	(40,140,615)	(30,420,608)	9,720,007	Refer to note 48 (11)
Finance costs	-	-	-	(675,188)	(675,188)	
Debt impairment	(9,271,744)	-	(9,271,744)	(2,370,463)	6,901,281	Refer to note 48 (12)
Bulk purchases	(42,506,000)	-	(42,506,000)	(50,884,660)	(8,378,660)	Refer to note 48 (13)

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

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						
Contracted Services	(53,234,768)	(6,937,000)	(60,171,768)	(21,813,873)	38,357,895	Refer to note 48 (14)
General Expenses	(44,523,232)	3,404,000	(41,119,232)	(81,486,511)	(40,367,279)	Refer to note 48 (14)
Total expenditure	(341,521,771)	(3,560,585)	(345,082,356)	(324,322,589)	20,759,767	
Operating surplus	24,759,061	26,339,415	51,098,476	28,292,930	(22,805,546)	
Loss on disposal of assets and liabilities	-	-	-	(229,252)	(229,252)	
Fair value adjustments	-	-	-	779,732	779,732	
Actuarial gains/losses	-	-	-	(667,189)	(667,189)	
	-	-	-	(116,709)	(116,709)	
Surplus before taxation	24,759,061	26,339,415	51,098,476	28,176,221	(22,922,255)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	24,759,061	26,339,415	51,098,476	28,176,221	(22,922,255)	

Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2022

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	4,521,648	-	4,521,648	5,367,219	845,571	Refer to note 48 (15)
Receivables from exchange transactions	2,852,175	-	2,852,175	227,718	(2,624,457)	Refer to note 48 (16)
VAT receivable	1,300,000	-	1,300,000	2,641,754	1,341,754	
Consumer debtors	122,606,081	-	122,606,081	78,978,182	(43,627,899)	Refer to note 48 (17)
Cash and cash equivalents	72,822,814	13,532,059	86,354,873	84,834,551	(1,520,322)	
	204,102,718	13,532,059	217,634,777	172,049,424	(45,585,353)	

Non-Current Assets

Investment property	8,544,772	-	8,544,772	8,950,501	405,729	
Property, plant and equipment	981,686,931	2,584,153	984,271,084	977,360,374	(6,910,710)	
Intangible assets	412,488	(40,000)	372,488	240,698	(131,790)	
Investments	8,108,657	-	8,108,657	4,637,973	(3,470,684)	
	998,752,848	2,544,153	1,001,297,001	991,189,546	(10,107,455)	

Total Assets	1,202,855,566	16,076,212	1,218,931,778	1,163,238,970	(55,692,808)	
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Liabilities

Current Liabilities

Finance lease obligation	321,972	-	321,972	485,217	163,245	
Payables from exchange transactions	445,383	-	445,383	48,223,717	47,778,334	Refer to note 48 (18)
Unspent conditional grants and receipts	9,000,000	-	9,000,000	24,315,315	15,315,315	Refer to note 48 (19)
Provisions	17,767,377	-	17,767,377	21,463,531	3,696,154	Refer to note 48 (20)
	27,534,732	-	27,534,732	94,487,780	66,953,048	

Non-Current Liabilities

Finance lease obligation	2,173,222	-	2,173,222	289,098	(1,884,124)	
Employee benefit obligation	-	-	-	8,260,000	8,260,000	
Provisions	-	-	-	582,583	582,583	
	2,173,222	-	2,173,222	9,131,681	6,958,459	

Total Liabilities	29,707,954	-	29,707,954	103,619,461	73,911,507	
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Net Assets	1,173,147,612	16,076,212	1,189,223,824	1,059,619,509	(129,604,315)	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	1,173,147,612	16,076,212	1,189,223,824	1,059,619,509	(129,604,315)	
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Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2022

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						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Grants	264,045,000	12,900,000	276,945,000	300,686,000	23,741,000	Refer to note 48 (21)
Interest income	1,910,120	-	1,910,120	2,018,716	108,596	
Other receipts	94,873,795	(7,000,400)	87,873,395	91,316,216	3,442,821	
	360,828,915	5,899,600	366,728,515	394,020,932	27,292,417	
Payments						
Suppliers and employees	(290,251,587)	(3,355,145)	(293,606,732)	(285,218,957)	8,387,775	Refer to note 48 (22)
Net cash flows from operating activities	70,577,328	2,544,455	73,121,783	108,801,975	35,680,192	
Cash flows from investing activities						
Purchase of property, plant and equipment	(68,143,915)	(2,544,153)	(70,688,068)	(60,380,952)	10,307,116	Refer to note 48 (23)
Proceeds from sale of property, plant and equipment	-	-	-	105,084	105,084	
Short term investments	-	-	-	(1,554,532)	(1,554,532)	
Net cash flows from investing activities	(68,143,915)	(2,544,153)	(70,688,068)	(61,830,400)	8,857,668	
Cash flows from financing activities						
Finance lease payments	-	-	-	(384,185)	(384,185)	
Net increase/(decrease) in cash and cash equivalents	2,433,413	302	2,433,715	46,587,390	44,153,675	
Cash and cash equivalents at the beginning of the year	14,523,887	-	14,523,887	38,247,161	23,723,274	
Cash and cash equivalents at the end of the year	16,957,300	302	16,957,602	84,834,551	67,876,949	

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

Material 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.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of these financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable.

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

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 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 16 - Provisions.

Useful lives 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.

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.

1.5 Comparative figures

Budget information in accordance with GRAP 1 and 24 has been provided in the statement of comparison of the budget and actual and forms part of the financial statements.

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. The municipality's material variance is considered when there is a 6% deviation from the budget and actual.

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.

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Annual Financial Statements for the year ended 30 June 2022

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.

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

Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.7 Property, plant and equipment (continued)

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
Infrastructure		5 - 65
Roads and paving		5 - 55
Concrete		5 - 85
Electricity		5 - 55
Computer Equipment		5 - 19
Plant and Machinery		5 - 20
Buildings		5 - 55
Recreational facilities		5 - 55
Security		5 - 55
Halls		5 - 55
Libraries		5 - 55
Parks and gardens		5 - 55
Other assets		5 - 55
Other property, plant and equipment		5 - 55
Specialist vehicles		5 - 55
Office equipment		5 - 13
Furniture and fittings		5 - 19
Motor vehicles		5 - 25
Bins and Containers		10 - 20
Specialised past and equipment		5 - 10
Other items of plant and equipment		5 - 15
Leased assets		3 - 5
Emergency equipment		5 - 10
Paintings and artifacts		5 - 50
Land		Indefinite

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as change in the accounting estimate..

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

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

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

1.8 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.

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Accounting Policies

1.8 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

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

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 softwares	Straight line	5 to 8 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of an 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 Investments

The municipality recognise investments at fair value. Interest on investments are recognised on statement of financial performance.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.10 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 and cash equivalent;
- 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.

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.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.10 Financial instruments (continued)

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;
- combined instruments that are designated at fair value;
- 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.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.10 Financial instruments (continued)

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

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.

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.

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 purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Blouberg Local Municipality

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Accounting Policies

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.

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 purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

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 .

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.

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.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.12 Inventories (continued)

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 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.

1.14 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.

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1.14 Provisions and contingencies (continued)

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus.

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

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 a 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 35.

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.

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1.14 Provisions and contingencies (continued)

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

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

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

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

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

1.15 Capital Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

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Accounting Policies

1.16 Revenue from exchange transactions (continued)

Sale of goods

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

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

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

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, in surplus or deficit, using the effective interest rate method.

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.

1.17 Revenue from non-exchange transactions

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

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.

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Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

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 a 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.

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.

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Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

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.

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.

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.

1.18 Investment income

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

1.19 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.

1.20 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).

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Accounting Policies

1.20 Accounting by principals and agents (continued)

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 an 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.

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.

1.21 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.

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.

1.22 Fruitless and wasteful expenditure

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

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1.22 Fruitless and wasteful expenditure (continued)

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.

1.23 Irregular expenditure

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 -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) 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):

Irregular expenditure that was incurred and identified during the current financial year 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.

1.24 Budget information

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

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

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

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

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.

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1.25 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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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

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

1.26 Events after reporting date

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

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

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

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

1.27 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.

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

- | | | |
|--|---------------|--|
| • GRAP 18 (as amended 2016): Segment Reporting | 01 April 2019 | Unlikely there will be a material impact |
| • GRAP 20: Related parties | | |
| • GRAP 104 (amended): Financial Instruments | 01 April 2025 | Impact is currently being assessed |
| • IGRAP 20: Accounting for Adjustments to Revenue | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 1 (amended): Presentation of Financial Statements | 01 April 2020 | Unlikely there will be a material impact |

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods:

- | Standard/ Interpretation: | Effective date:
Years beginning on or
after | Expected impact: |
|-----------------------------------|---|------------------------------------|
| • GRAP 25: Employee Benefits | 01 April 2025 | Impact is currently being assessed |
| • GRAP 104: Financial Instruments | 01 April 2025 | Impact is currently being assessed |

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3. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	8,950,501	-	8,950,501	8,374,000	-	8,374,000

Reconciliation of investment property - 2022

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	8,374,000	(203,231)	779,732	8,950,501

Reconciliation of investment property - 2021

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	9,163,772	(839,330)	49,558	8,374,000

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.

Details of valuation

The effective date of the revaluations was Wednesday, 30 June 2021. 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.

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4. Property, plant and equipment

	2022		2021	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation
Land	7,756,290	-	7,756,290	7,756,290
Buildings	40,571,293	(25,405,951)	15,165,342	40,571,293
Infrastructure	1,070,933,848	(433,899,506)	637,034,342	1,047,080,555
Community Assets	192,905,056	(66,244,501)	126,660,555	191,242,628
Other Assets	48,057,919	(19,056,390)	29,001,529	40,921,052
WIP - Community Assets	73,543,448	-	73,543,448	34,012,551
WIP - Infrastructure	88,198,868	-	88,198,868	96,091,728
Total	1,521,966,722	(544,606,348)	977,360,374	1,457,676,097
				(514,371,105)
				943,304,992

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	7,756,290	-	-	-	-	7,756,290
Buildings	16,788,194	-	-	-	(1,622,852)	15,165,342
Infrastructure	633,026,306	483,087	-	23,370,206	(19,845,257)	637,034,342
Community	131,035,486	-	-	1,662,428	(6,037,359)	126,660,555
Other Assets	24,594,437	7,590,673	(334,336)	-	(2,849,246)	29,001,529
WIP - Community assets	34,012,551	41,193,325	-	(1,662,428)	-	73,543,448
WIP - Infrastructure	96,091,728	15,477,346	-	(23,370,206)	-	88,198,868
Total	943,304,992	64,744,431	(334,336)	-	(30,354,714)	977,360,374

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	8,026,290	-	-	(270,000)	-	7,756,290
Buildings	17,547,895	851,815	-	-	(1,611,516)	16,788,194
Infrastructure	645,421,477	499,578	(107,003)	6,623,916	(19,411,662)	633,026,306
Community	135,315,705	-	-	1,704,758	(5,984,979)	131,035,486
Other Assets	21,961,300	5,341,529	(363,258)	-	(2,345,134)	24,594,437
WIP Community Assets	23,373,917	12,073,392	-	(1,434,758)	-	34,012,551
WIP Infrastructure	62,882,119	39,833,525	-	(6,623,916)	-	96,091,728
	914,528,703	58,599,839	(470,261)	-	(29,353,291)	943,304,992

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	3,256,735	5,447,674
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Delayed projects

There were no delayed projects in current financial year.

Pledged as security

No assets are 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.

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5. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	750,685	(509,987)	240,698	750,685	(444,092)	306,593

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software, other	306,593	(65,895)	240,698

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software, other	372,489	(65,896)	306,593

6. Investments

Name of company	Held by	Carrying amount 2022	Carrying amount 2021
ABSA Bank -20-7075-0019	Blouberg Local Municipality	3,082,280	3,083,441
ABSA Bank -93-6800-0389	Blouberg Local Municipality	1,555,693	-
		4,637,973	3,083,441

The Municipality has a long term investment in an ABSA fixed deposit as Eskom Guarantee to an amount of R3 079 000 in capital. The balances were R3 082 280 (2021: R3 083 441) as at 30 June 2022. 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 R108 687.84 (2021: R112 989) interest was earned from the investment.

New investment: Eskom Guarantee

The Municipality has a new investment in an ABSA fixed deposit as Eskom Guarantee to an amount of R 1 521 000 in capital. The municipality does not have access to the account, only receives interest on investment. During the year an amount of R34 694 interest was earned from the investment and capitalized.

7. Employee benefit obligations

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

Carrying value		
Present value of fund obligation	7,623,154	6,150,587
Current service costs	566,998	511,503
Interests costs	574,158	480,870
Benefits paid	(1,171,499)	(824,569)
Actuarial (gains)/losses	667,189	1,304,763
Balance as at 30 June	8,260,000	7,623,154
Current assets	-	-
Non-current liabilities	(8,260,000)	(7,623,154)
	(8,260,000)	(7,623,154)

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7. Employee benefit obligations (continued)

Key assumptions used

Rate of interest

Discount rate	11.20 %	8.17 %
Consumer price inflation	7.44 %	4.64 %
Salary Inflation	8.44 %	5.64 %
Net effective discount rate	2.55 %	2.39 %

Provision for long - service awards

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: 35 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 2022 182 (2021: 171) employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability as at 30 June 2022 is estimated at R8 260 000 (2021: R7 623 154). The current cost for the year ending 30 June 2022 is estimated at R566 998 (2021: R511 503).

The actual expense cost for the year ending 30 June 2022, and the net change in the accrued obligation over the financial year ending 30 June 2022 are determined as follows:

Net change in the accrued obligation

Current service cost	566,998	511,503
Current interest cost	574,158	480,870
Actuarial (gain)/loss	667,189	1,304,763
Net expense recognised in income statement	1,808,345	2,297,136
Actual benefit payments	(1,171,499)	(824,569)
Net change in the accrued liability over the financial year ending	636,846	1,472,567

8. Inventories

Inventory sites	4,021,847	3,958,695
Consumable stores	1,345,372	3,448,774
	5,367,219	7,407,469

9. Receivables from exchange transactions

Prepaid electricity Accrued	226,997	136,755
Other Receivables	721	721
Equitable share	-	-
	227,718	137,476

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9. Receivables from exchange transactions (continued)		
Reconciliation of provision for impairment of receivables from exchange transactions		
Opening balance	-	-
Provision for impairment	-	-
	-	-
10. Receivables from non-exchange transactions		
Traffic Fines	444,600	462,500
Other receivable- Senior Managers	211,143	19,337
Other receivables from non-exchange transactions	1,688,171	2,228,602
Rates	64,958,412	90,652,971
	67,302,326	93,363,410
Receivables from non-exchange transactions gross balances:		
Traffic fines	6,444,527	6,082,477
Other receivables - Senior Managers	211,143	19,337
Other receivables from non-exchange transactions	1,688,171	2,228,602
Rates	81,973,497	108,884,489
	90,317,338	117,214,905
Less: Allowance for impairment		
Traffic fines	(5,999,927)	(5,619,977)
Rates	(17,015,085)	(18,231,518)
	(23,015,012)	(23,851,495)
Net receivables from non-exchange transactions	67,302,326	93,196,245
Included in the Traffic fines receivables there is a provision for impairment of R5 999 927 (2021: R5 619 977). Included also is a debt write off of R- (2021: R-).		
Included in the property rates receivable there is a provision for impairment of R17 015 085 (2021: R18 231 518). Included also is a debt write off of R- (2021: R-).		
Receivables from non-exchange transactions		
The ageing of these receivables is as follows:		
Rates		
Current	1,125,137	797,425
31-60 days	260,128	236,509
61-90 days	352,100	233,574
91-120 days	348,726	232,035
121-365 days	25,672,171	24,003,770
>365 days	54,214,628	79,939,201
Traffic fines		
Current	54,300	18,800
31-60 days	100,900	98,300
61-90 days	48,500	72,600
91-120 days	46,400	24,200
121-365 days	112,100	481,300
>365 days	6,082,477	5,387,277

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Figures in Rand	2022	2021
10. Receivables from non-exchange transactions (continued)		
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(23,851,495)	(21,027,003)
Provision for impairment	836,483	(2,824,492)
	(23,015,012)	(23,851,495)
11. VAT receivable		
VAT	2,641,754	764,605
12. Consumer debtors		
Gross balances		
Electricity	18,524,220	17,542,691
Refuse	4,459,563	2,976,018
VAT on Services	3,438,424	3,073,640
Sundries	2,453,771	2,201,127
	28,875,978	25,793,476
Less: Allowance for impairment		
Electricity	(13,281,317)	(10,543,557)
Refuse	(2,525,554)	(1,623,127)
Sundries	(1,393,251)	(1,826,492)
	(17,200,122)	(13,993,176)
Net balance		
Electricity	5,242,903	6,999,134
Refuse	1,934,009	1,352,891
VAT on Services	3,438,424	3,073,640
Sundries	1,060,520	374,635
	11,675,856	11,800,300
Electricity		
Current (0 -30 days)	901,268	1,582,137
31 - 60 days	469,019	426,414
61 - 90 days	534,442	395,918
91 - 120 days	749,894	868,253
121 - 365 days	3,613,685	3,947,745
> 365 days	12,255,912	10,322,224
	18,524,220	17,542,691
Refuse		
Current (0 -30 days)	319,677	243,850
31 - 60 days	140,175	112,746
61 - 90 days	148,350	111,784
91 - 120 days	160,034	111,291
121 - 365 days	1,332,771	839,723
> 365 days	2,358,556	1,556,624
	4,459,563	2,976,018

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12. Consumer debtors (continued)		
Sundries		
Current (0 -30 days)	56,462	49,175
31 - 60 days	16,972	24,127
61 - 90 days	24,764	24,060
91 - 120 days	24,560	23,998
121 - 365 days	178,359	176,111
> 365 days	2,152,654	1,903,656
	2,453,771	2,201,127
Reconciliation of allowance for impairment		
Balance at beginning of the year	(13,993,176)	(10,565,929)
Contributions to allowance	(3,206,946)	(3,427,247)
	(17,200,122)	(13,993,176)

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	660	5,005
Short-term Investment	5,985,432	5,119,402
Bank balances	78,848,459	33,122,754
	84,834,551	38,247,161

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
ABSA BANK - Current Account - 11 5016 9476	78,848,458	33,122,754	32,986,061	78,848,458	33,122,754	32,986,061
ABSA BANK - Current Account - 40 5735 0474	-	-	157,765	-	-	157,765
ABSA BANK - Short-term investment Account - 93 540 119 04	5,985,432	5,119,402	5,271,311	5,985,432	5,119,402	5,271,311
Total	84,833,890	38,242,156	38,415,137	84,833,890	38,242,156	38,415,137

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 R 359 679. The first investment of R30 000 000 was invested from 17 December 2021 to 17 February 2022 which earned the municipality a interest of R 230 844. The re-invest the R30 000 000 which earned interest of R 128 836 for a period of 17 February 2022 to 22 March 2022.

ABSA ACCOUNT – 20-8015-8403

During the current year the municipality invested in Absa fixed deposit account number 20-8015-8403 which earned interest totalling R 264 756. The first investment of R30 000 000 was invested from 17 December 2021 to 17 February 2022 which earned the municipality interest of R 222 180. The municipality re-invest the R30 000 000 which earned interest of R 42 575 for a period of 17 February 2022 to 03 March 2022.

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Figures in Rand	2022	2021
14. Finance lease obligation		
Minimum lease payments due		
- within one year	485,217	485,217
- in second to fifth year inclusive	363,913	849,130
	849,130	1,334,347
less: future finance charges	(74,815)	(175,845)
Present value of minimum lease payments	774,315	1,158,502
Present value of minimum lease payments due		
- within one year	425,470	384,187
- in second to fifth year inclusive	348,845	774,315
	774,315	1,158,502
Non-current liabilities	289,098	673,285
Current liabilities	485,217	485,217
	774,315	1,158,502

It is municipality policy to lease certain equipment under finance leases.

The average lease term was 5 years and the average effective borrowing rate was 10% (2021: 10%).

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	774,315	1,158,502
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For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk refer to note .

The fair value of finance lease liabilities approximates their carrying amounts.

15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	24,158,175	161,955
Capricorn District Municipality Grant (CDM)	135,395	135,395
Integrated National Electrification Programme Grant (INEP)	-	96,748
Disaster Relief Grant (DRG)	21,745	-
	24,315,315	394,098

Movement during the year

Balance at the beginning of the year	394,098	7,057,920
Additions during the year	23,921,217	(6,663,822)
	24,315,315	394,098

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15. Unspent conditional grants and receipts (continued)

Non-current liabilities	-	-
Current liabilities	24,315,315	394,098
	24,315,315	394,098

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.

16. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	14,555,684	6,907,847	-	21,463,531
Provision for performance bonus	919,369	-	(336,786)	582,583
	15,475,053	6,907,847	(336,786)	22,046,114

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Provision for restoration cost for landfill site	12,825,271	1,730,413	14,555,684
Provision for performance bonus	614,326	305,043	919,369
Total Provisions	13,439,597	2,035,456	15,475,053
Non-current liabilities		582,583	919,369
Current liabilities		21,463,531	14,555,684
		22,046,114	15,475,053

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

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 7%, which is the prime rate as at June 2022. Both landfill sites are expected to be in operation for a period of 5 years from July 2019.

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Figures in Rand	2022	2021
17. Payables from exchange transactions		
Trade payables	6,371,058	10,635,854
Payments received in advance	1,943,757	1,696,633
Retentions	15,121,303	15,749,797
13th cheque provision	2,573,951	2,227,535
Accrued leave pay	11,278,507	10,146,181
Prepaid electricity accrual	185,722	207,629
Sale of stands deposits	929,720	683,555
Other Creditors	1,681,535	991,366
Landfill site	1,758,009	5,184,268
Unallocated deposits	6,380,155	3,172,539
	48,223,717	50,695,357

Sale of sites

Included in payables from exchange transactions is the amount of R246 165 (2021: R360 132) 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.

18. Revenue

Service charges	31,015,660	30,264,180
Rental of facilities and equipment	550,413	551,690
Licences and permits	4,516,988	3,824,031
Photocopies & Electricity Fines - Illegal connections	94,386	11,306
CDM - Commissions received	374,638	341,007
Cemetry, Burial and Plans approval fees	185,650	208,172
Valuation services	3,338	1,305
Interest charged on Outstanding Debtors	470,644	574,279
Sale of Inventory - Sites/Land	724,060	10,841
Cattle Grazing	42,039	129,916
Interest received - Investments & Current accounts	2,018,716	1,535,693
Property rates	29,497,011	27,550,104
Property rates - penalties imposed	1,549,115	1,677,760
Government grants & subsidies	276,764,783	295,178,822
Fines	444,600	464,000
Other transfer revenue 1	4,363,478	-
	352,615,519	362,323,106

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18. Revenue (continued)

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

Service charges	31,015,660	30,264,180
Rental of facilities and equipment	550,413	551,690
Licences and permits	4,516,988	3,824,031
Photocopies & Electricity Illegal connections	94,386	11,306
CDM - Commissions received	374,638	341,007
Cemetery, Burial & Plans approval fees	185,650	208,172
Valuation Services	3,338	1,305
Interest on Outstanding Debtors	470,644	574,279
Sale of Inventory - Sites/Land	724,060	10,841
Cattle Grazing	42,039	129,916
Interest received - investment	2,018,716	1,535,693
	39,996,532	37,452,420

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

Taxation revenue

Property rates	29,497,011	27,550,104
Property rates - penalties imposed	1,549,115	1,677,760

Transfer revenue

Government grants & subsidies	276,764,783	295,178,822
Fines	444,600	464,000
Other transfer revenue 1	4,363,478	-
	312,618,987	324,870,686

19. Service charges

Sale of electricity	29,116,330	28,825,555
Refuse removal	1,899,330	1,438,625
	31,015,660	30,264,180

20. Rental of facilities and equipment

Facilities and equipment

Rental of facilities	550,413	551,690
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21. Sale of inventory - Sites/Stand

Sale of inventory - Sites/Stand	724,060	10,841
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22. Interest received - investment

Interest revenue

Investments	2,018,716	1,535,693
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23. Property rates

Rates received

Residential	2,245,236	2,132,220
Commercial	2,650,537	2,537,450
State-owned	23,186,261	21,556,970
Small Holdings & Farms	1,414,977	1,323,464
	<u>29,497,011</u>	<u>27,550,104</u>
Interest charges on overdue account	1,549,115	1,677,760
	<u>31,046,126</u>	<u>29,227,864</u>

Valuations

Residential	559,120,820	559,120,820
Commercial	425,023,000	425,023,000
State-owned	385,260,000	385,260,000
Municipalities	100,167,482	100,167,482
Other	8,380,500	8,380,500
Small Holdings and farms	3,484,082,565	3,484,082,565
	<u>4,962,034,367</u>	<u>4,962,034,367</u>

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. There was an additional 2 years extension that was granted on the valuations of land and buildings up to 2023 financial period.

24. Government grants and subsidies

Operating grants

Equitable share	203,614,703	235,077,753
Financial Management Grant (FMG)	2,400,000	2,500,000
Expanded Public Works Programme (EPWP)	1,266,000	1,547,000
Disaster Relief Grant	12,878,255	-
National Skills Fund Grant (NSF)	-	157,764
	<u>220,158,958</u>	<u>239,282,517</u>

Capital grants

Municipal Infrastructure Grant (MIG)	56,605,825	43,363,045
Integrated National Electrification Programme Grant (INEP)	-	12,533,260
	<u>56,605,825</u>	<u>55,896,305</u>
	<u>276,764,783</u>	<u>295,178,822</u>

Equitable Share

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

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24. Government grants and subsidies (continued)

Financial Management Grant (FMG)

Current-year receipts	2,400,000	2,500,000
Conditions met - transferred to revenue	(2,400,000)	(2,500,000)
	-	-

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	161,955	-
Current-year receipts	80,764,000	43,525,000
Conditions met - transferred to revenue	(56,605,825)	(43,363,045)
Repayment of grant	(161,955)	-
	24,158,175	161,955

Conditions still to be met - remain liabilities (see note 15).

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.

The municipality received additional allocation amounting to R24 million for municipality infrastructure grant due to good performance.

Expanded Public Works Programme (EPWP)

Current-year receipts	1,266,000	1,547,000
Conditions met - transferred to revenue	(1,266,000)	(1,547,000)
	-	-

Conditions still to be met - remain liabilities (see note 15).

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.

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 15).

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

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24. Government grants and subsidies (continued)

Integrated National Electrification Programme (INEP)

Balance unspent at beginning of year	96,748	6,630,008
Current-year receipts	-	6,000,000
Conditions met - transferred to revenue	-	(12,533,260)
Repayment of grant	(96,748)	-
	-	96,748

Conditions still to be met - remain liabilities (see note 15).

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)

Current-year receipts	12,900,000	-
Conditions met - transferred to revenue	(12,878,255)	-
	21,745	-

Conditions still to be met - remain liabilities (see note 15).

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

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

25. Employee related costs

Basic Salary	67,979,362	65,331,211
Bonus	5,351,554	5,611,383
Medical aid - company contributions	4,566,699	4,417,211
Unemployed Insurance Fund (UIF)	582,938	603,119
Skills Development Levy (SDL)	927,128	984,517
Leave payout	1,172,290	679,705
Pension Fund contributions	15,242,090	14,108,813
Travel, motor car, accommodation, subsistence and other allowances	16,011,808	15,583,703
Overtime payments	3,273,367	2,592,188
Long-service awards	566,998	511,503
13th Cheques	114,477	114,477
Acting allowances	172,574	580,444
Car allowance	328,558	529,601
Housing benefits and allowances	213,157	208,221
Daily Allowances	112,532	130,253
Bargaining Council	157,331	147,711
Standby allowance	474,228	427,330
Telephone & CellPhone allowances	2,210,238	2,091,933
	119,457,329	114,653,323

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

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25. Employee related costs (continued)

Remuneration of municipal manager

Annual Remuneration	378,352	760,422
Acting allowance	70,144	-
Car Allowance	-	301,564
13th Cheque	63,368	63,368
Contributions to UIF, Medical and Pension Funds	729,956	139,455
Other Allowances	8,861	75,264
Leave Pay	115,584	-
Subsistence and Travelling Allowance	16,314	-
	1,382,579	1,340,073

Remuneration of chief finance officer

Annual Remuneration	613,309	613,309
Car Allowance	228,037	228,037
13th Cheque	51,109	51,109
Contributions to UIF, Medical and Pension Funds	137,286	137,508
Other allowances	-	65,538
Subsistence and Travelling Allowance	53,545	-
	1,083,286	1,095,501

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 2022 (included in employee related cost)	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	613,309	297,543	613,309	583,770	2,107,931
Acting allowance	-	14,654	-	-	14,654
Leave Pay out	-	93,187	-	-	93,187
13th Cheque	51,109	51,089	51,109	-	153,307
Car allowance	228,878	75,672	228,037	205,466	738,053
Contributions to UIF, Medical and Pension Funds	137,177	45,817	137,286	139,264	459,544
Other allowances	65,537	21,846	65,537	62,950	215,870
Back pay	-	-	-	129,347	129,347
Subsistence and Travelling Allowance	44,553	8,221	84,683	36,821	174,278
	1,140,563	608,029	1,179,961	1,157,618	4,086,171

Remuneration of Senior Management 2021	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	669,295	613,069	613,069	180,310	2,075,743
13th Cheque	17,036	51,089	51,109	-	119,234
Travel, motor car, accomodation, substance and other allowances	214,896	227,017	228,037	59,158	729,108
Contributions to UIF, Medical and Pension Funds	128,496	137,455	137,508	40,331	443,790
Other allowances	65,537	65,537	65,537	19,259	215,870
	1,095,260	1,094,167	1,095,260	299,058	3,583,745

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26. Remuneration of councillors

Mayor	893,157	895,750
Chief Whip	658,745	678,900
Executive Committee Members	3,209,733	2,537,589
Speaker	726,754	710,219
Councillors	11,725,568	11,589,604
	17,213,957	16,412,062

In-kind benefits

The Mayor, Chief Whip, Speaker and three 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.

27. Depreciation and amortisation

Property, plant and equipment	30,354,713	29,353,290
Intangible assets	65,895	65,896
	30,420,608	29,419,186

28. Finance costs

Finance leases	101,030	42,785
Long Service Awards	574,158	480,870
	675,188	523,655

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

29. Provision for debt impairment

Debt impairment	2,370,463	8,188,217
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30. Bulk purchases

Electricity - Eskom	50,884,660	36,471,696
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31. Contracted services

Presented previously

Fleet Services	247,979	254,571
Operating Leases	2,615,362	2,515,249
Other Contractors	18,950,532	19,245,165
	21,813,873	22,014,985

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Figures in Rand	2022	2021
32. General expenses		
Advertising	497,443	818,157
Audit fees	4,458,544	3,362,927
Bank charges	541,582	604,952
Provision for restoration costs of landfill site	3,481,587	1,972,577
EPWP costs	3,396,592	4,202,649
Consulting and professional fees	25,677,648	26,585,930
Municipal Demacation costs	490,000	-
Workmens Compensation Costs	501,988	482,936
MPAC expenses	84,471	7,052
Insurance	1,352,689	1,201,060
Conferences, Accomodation and seminars	1,519,758	897,340
IT expenses	943,585	1,912,272
Fuel Costs	2,281,785	2,384,785
Postage Costs	1,526	-
Printing and stationery	368,687	133,996
Promotions	89,837	49,675
Master Plans for LDP	1,025,051	217,895
Repairs and maintenance	3,186,677	5,447,674
Poverty Alleviation	455,107	457,365
Subscriptions and membership fees	2,627,292	2,007,554
Telephone and fax	2,049,892	1,720,743
Training Costs	36,365	-
Subsistence and travel	9,292,420	8,183,940
Group Insurance	86,721	109,286
Special Focus	140,771	500
Audit committee fees	409,004	334,031
Bursaries	107,817	204,865
Public participation	166,873	181,786
Licence fees - vehicles	171,008	3,674
Refreshments	219,130	49,336
Remuneration of ward committee members	3,959,903	4,129,726
Free basic services electricity	1,222,857	1,032,780
Support of ward committee	910,754	889,080
Other expenses	9,731,147	10,188,952
	81,486,511	79,775,495
33. Cash generated from operations		
Surplus	28,176,221	53,139,028
Adjustments for:		
Depreciation and amortisation	30,420,608	29,419,186
Loss on sale of assets and liabilities	229,252	470,255
Fair value adjustments	(779,732)	(49,558)
Debt impairment	2,370,463	8,188,217
Movements in employee benefits obligation	636,846	1,472,567
Movements in provisions	6,571,061	2,035,456
Donated assets	(4,363,478)	-
Changes in working capital:		
Inventories	2,243,490	270,989
Receivables from exchange transactions	(90,242)	235,239
Consumer debtors	(2,246,019)	(10,697,476)
Receivables from non-exchange transactions	26,061,084	(18,317,345)
Payables from exchange transactions	(2,471,644)	(2,972,517)
VAT	(1,877,149)	1,037,705
Unspent conditional grants and receipts	23,921,217	(6,663,822)
	108,801,978	57,567,924

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34. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	37,744,510	42,600,030
Total capital commitments		
Already contracted for but not provided for	37,744,510	42,600,030
Authorised operational expenditure		
Already contracted for but not provided for		
• Security services	10,213,696	27,223,301
• Consulting services	854,025	2,417,968
• Town Planning Professional Services	493,401	1,443,162
• Operation and Maintenance of Senwabarwana Landfill site	-	2,768,000
• Township Registration	541,684	1,248,759
• Township Establishment	79,350	-
• Mobile Communication Services	-	1,415,499
• Land Use Scheme	130,704	-
• Sanitary Bins	-	533,014
• Supply and Delivery of Traffic Uniform	483,300	-
• Provision of Short Term Insurance Service for 24 Months	1,522,400	-
• Leasing of 10 photocopying machines	1,060,781	-
	15,379,341	37,049,703
Total operational commitments		
Already contracted for but not provided for	15,379,341	37,049,703
Total commitments		
Total commitments		
Authorised capital expenditure	37,744,510	42,600,030
Authorised operational expenditure	15,379,341	37,049,703
	53,123,851	79,649,733

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.

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35. 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 totaling -. 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.

Should the action be successful the municipality does have insurance cover to cover litigation costs and claims.

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

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.	300,000	300,000
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.	3,800,000	3,800,000
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.	51,101	51,101
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
	12,825,901	12,825,901

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36. 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

229,826

257,772

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

Short-term employee benefits

2,572,820

2,291,638

Key management information

Remuneration of management

Municipal Manager and Chief Financial Officer

2022

Name	Basic salary	Bonuses and performance related payments	Car Allowance	Post-employment benefits	Other benefits received	Total
Machaba MJ	378,352	63,368	-	729,956	210,903	1,382,579
Mabote NJ	613,309	51,109	228,037	137,286	119,082	1,148,823
	991,661	114,477	228,037	867,242	329,985	2,531,402

2021

Name	Basic salary	Bonuses and performance related payments	Car Allowance	Post-employment benefits	Other benefits received	Total
Machaba MJ	760,422	63,368	301,564	139,455	75,264	1,340,073
Mabote NJ	613,309	51,109	228,037	137,509	65,537	1,095,501
	1,373,731	114,477	529,601	276,964	140,801	2,435,574

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36. Related parties (continued)

Councillors/Executive Committee Members

2022

	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Thamaga MN	580,612	255,367	112,463	948,442
Boloka MP	313,057	150,664	68,830	532,551
Rangata MJ	395,231	185,333	170,010	750,574
Makobela SR	475,158	209,006	152,172	836,336
Motswaba LP	294,377	142,170	89,707	526,254
Raseruthe MA	364,664	183,633	117,957	666,254
Maifo ML	272,974	160,121	184,021	617,116
Keetse PP	170,490	85,911	2,938	259,339
Tlouamma NM	240,777	128,498	95,216	464,491
Mosena DD	170,490	85,911	66,885	323,286
Raphasha DS	246,771	122,018	140,649	509,438
Lehong MV	202,688	110,071	97,611	410,370
Moetjie NT	202,688	110,071	159,426	472,185
Pheedi MS	373,442	155,217	-	528,659
Tshoshi MM	180,781	65,833	67,466	314,080
Makgakga JP	180,781	66,836	61,959	309,576
Makhura MH	233,255	111,778	105,975	451,008
Morapedi AM	180,781	66,836	53,906	301,523
Maila MP	100,854	43,382	56,463	200,699
Ntlatla MW	100,854	43,170	63,050	207,074
Mathidza SE	76,280	35,891	-	112,171
Masekwameng MR	76,280	35,891	38,777	150,948
Mojodo MD	76,280	35,890	42,263	154,433
Seema MI	76,280	36,106	40,948	153,334
Mokobodi CS	76,280	36,106	37,916	150,302
Moshokoa MS	76,280	36,106	37,160	149,546
Murathi MS	76,280	36,106	40,735	153,121
Molema MN	76,280	36,106	41,611	153,997
Sebetha MJ	76,280	36,106	41,606	153,992
Mathekga MJ	208,681	105,699	51,876	366,256
Ramoba MR	76,280	35,891	48,414	160,585
Sekgoloane MJ	97,893	42,291	60,885	201,069
Molokomme MM	202,688	110,071	96,538	409,297
Mphago MA	202,688	110,719	80,099	393,506
Modingwana MG	76,280	36,106	41,333	153,719
Maleka NG	76,280	35,891	37,390	149,561
Magwai RT	202,688	110,719	94,763	408,170
Madzhie AE	76,280	35,890	-	112,170
Selamolela S	76,280	35,890	47,913	160,083
Madibana SS	76,280	36,106	-	112,386
Phoshoko NC	76,280	36,106	35,751	148,137
Mabolola SJ	76,280	36,106	31,994	144,380
Chula MI	76,280	36,106	26,486	138,872
Morudu Mf	76,280	36,106	33,644	146,030
Madibana MR	76,280	36,106	29,548	141,934
Madiope MT	76,280	36,106	40,949	153,335
Tjumaana MM	76,280	35,890	45,379	157,549
Molalakgotla DM	59,390	27,980	-	87,370
Lehonye TJ	132,401	68,608	973	201,982
Mapunya PW	132,401	68,608	973	201,982

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36. Related parties (continued)				
Manaka NA	132,401	68,608	9,141	210,150
Makhura KH	132,401	68,608	41,840	242,849
Tlhako NB	132,401	68,608	973	201,982
Mashamaite MG	132,401	68,608	37,470	238,479
Motsoko L	132,401	68,608	25,828	226,837
Mahlape NJ	132,401	68,608	49,454	250,463
Mmoko ML	132,401	68,608	1,277	202,286
Tlepyane S	132,401	68,608	36,266	237,275
Mokami ME	132,401	68,608	34,264	235,273
Thema NR	132,401	68,608	41,757	242,766
Seokotsa MM	132,401	68,608	41,732	242,741
Mokobodi MM	132,401	68,608	37,032	238,041
Sehata AQ	132,401	68,608	8,755	209,764
Tlabela FP	129,510	76,279	37,903	243,692
Maphoto MD	132,401	68,608	7,860	208,869
Mailula MS	132,401	68,608	973	201,982
Ntjana MI	132,401	68,608	15,155	216,164
Dau MP	132,401	68,608	3,833	204,842
Maribeng MK	132,401	68,608	973	201,982
Kobola JS	132,401	68,608	32,457	233,466
Baloyi HP	132,401	68,608	22,318	223,327
Maripa MS	132,401	68,608	973	201,982
Masebe KP	132,401	68,608	14,376	215,385
Teffo LT	16,891	9,027	-	25,918
	11,256,938	5,513,811	3,495,238	20,265,987

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36. Related parties (continued)

2021

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Pheedi MS	624,090	279,985	1,742	905,817
Tshoshi MM	468,068	221,048	188,626	877,742
Thamaga MN	499,272	232,837	73,844	805,953
Mathidza SE	197,501	118,876	33,899	350,276
Makobela SR	468,068	221,048	164,004	853,120
Mashalane MS	468,068	221,048	126,253	815,369
Morapedi AM	468,068	221,048	145,277	834,393
Makhura MH	261,126	142,884	131,040	535,050
Rangata MJ	261,126	142,884	181,271	585,281
Maila MP	261,126	142,884	163,569	567,579
Ntlatla MW	261,126	142,884	147,963	551,973
Masekwameng MR	197,501	123,549	78,118	399,168
Raseruthe MA	197,501	123,549	112,281	433,331
Lehong MV	197,501	123,549	113,434	434,484
Tlouamma NM	197,501	123,549	77,178	398,228
Moetjie NT	197,501	123,549	165,788	486,838
Mojodo MD	197,501	123,549	156,012	477,062
Seema MI	197,501	123,549	113,343	434,393
Maifo ML	197,501	123,549	184,902	505,952
Mokododi CS	197,501	123,549	66,507	387,557
Moshokoa MS	197,501	123,549	107,280	428,330
Murathi MS	197,501	123,549	112,585	433,635
Molema MN	197,501	123,549	111,678	432,728
Sebetha MJ	197,501	123,549	116,125	437,175
Makgakga JP	197,501	123,549	102,477	423,527
Ramoba MR	197,501	123,549	121,482	442,532
Sekgoloane MJ	253,460	123,549	166,219	543,228
Molokomme MM	197,501	123,549	112,607	433,657
Mphago MA	197,501	123,549	94,637	415,687
Modingwana MG	197,501	123,549	125,195	446,245
Setwaba DS	197,501	123,549	133,621	454,671
Maleka NG	197,501	123,549	54,172	375,222
Magwai RT	197,501	123,549	108,965	430,015
Madzhie AE	197,501	123,549	67,338	388,388
Selamolela S	197,501	123,549	134,492	455,542
Madibana SS	197,501	123,549	70,958	392,008
Phoshoko NC	197,501	123,549	73,875	394,925
Mabolola SJ	197,501	123,549	73,244	394,294
Chula MI	197,501	123,549	72,585	393,635
Morudu MF	197,501	123,549	69,461	390,511
Madibana MR	197,501	123,549	72,173	393,223
Madiope MT	197,501	123,549	75,945	396,995
Tefo LT	197,501	123,549	97,305	418,355
Tjumana MM	197,501	123,549	95,527	416,577
	10,811,131	6,164,543	4,794,997	21,770,671

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36. Related parties (continued)

Management class: Senior management

2022

Name	Technical Services	Local Economic Development	Corporate Services	Community Services	Total
Annual remuneration	613,309	297,543	613,309	583,770	2,107,931
Acting Allowance	-	14,654	-	-	14,654
Leave pay out	-	93,187	-	-	93,187
13th Cheque	51,109	51,089	51,109	-	153,307
Travel, Motor Car, Accommodation	228,878	75,672	228,037	205,466	738,053
Contribution to UIF and Medical Aid	137,177	45,817	137,286	139,264	459,544
Other allowances	65,537	21,846	65,537	62,950	215,870
Subsistence and Travelling Allowance	44,553	8,221	84,683	36,821	174,278
	1,140,563	608,029	1,179,961	1,028,271	3,956,824

2021

Name	Technical Services	Local Economic Development	Corporate Services	Community Services	Total
Annual remuneration	669,295	613,069	613,069	180,310	2,075,743
13th Cheque	17,036	51,089	51,109	-	119,234
Travel, Motor Car, Accommodation	214,896	227,017	228,037	59,158	729,108
Contribution to UIF and Medical Aid	128,496	137,455	137,508	40,331	443,790
Other allowances	65,537	65,537	65,537	19,259	215,870
	1,095,260	1,094,167	1,095,260	299,058	3,583,745

37. Prior period errors

Rates for business and commercial properties of R3,618,479 with an impairment loss of R3,451,314 and a balance of R167,165 were incorrectly classified as consumer debtors. Rates for business and commercial properties have been re-classified correctly to receivables from non exchange transactions.

Investment property of R619,000 and fair value adjustment of R32,000 which relates to land that is owned by municipality for investment purposes was recognised retrospectively after noted that it was not recorded in the financial records.

Property plant and Equipment (Transformers) with a cost of R499,578 has been incorrectly classified as Buildings in the previous financial period have been reclassified to Infrastructure under electrical assets for both previous year and current year and depreciation was also adjustment as per the correct useful life, the effect of depreciation was R12,025.

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

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Figures in Rand	2022	2021
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37. Prior period errors (continued)

Statement of financial position

2020	As previously reported	Correction of error	Re-classification	Restated
Investment Property	7,723,000	619,000	-	8,342,000
Accumulated surplus	(977,685,255)	(619,000)	-	(978,304,255)
	(969,962,255)	-	-	(969,962,255)

2021	As previously reported	Correction of error	Re-classification	Restated
Consumer debtors	167,165	-	(167,165)	-
Receivables from non exchange transactions	90,485,806	-	167,165	90,652,971
	943,317,017	(12,025)	-	943,304,992
Accumulated surplus	(1,030,804,307)	(651,000)	-	(1,031,455,307)
	3,165,681	(663,025)	-	2,502,656

Statement of financial performance

2021	As previously reported	Correction of error	Restated
Depreciation	29,407,162	12,025	29,419,187
Fair Value adjustment	(17,558)	(32,000)	(49,558)
	29,389,604	(19,975)	29,369,629

Disclosure

Note 10. Receivables from non-exchange transactions

Rates	-	90,652,971
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Blouberg Local Municipality

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38. 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.

There was no change in the exposure to risks and how they arise since the previous financial year, with the exception for the impact of the COVID-19 pandemic which also contributed towards the credit risk due to the effect that it had on consumers' ability to pay for their municipality accounts. The objectives, policies and processes for managing the risk and the methods used to measure the risk since the previous financial year remained the same.

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.

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 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	48,223,717	-	-	-
At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	50,432,213	-	-	-

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 evaluates 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.

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38. Risk management (continued)

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.

39. 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.

40. 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 2022.

41. Impact of COVID-19

The World Health Organisation declared the outbreak of COVID-19 a global pandemic during March 2020. As COVID-19 started to spread around the world governments implemented various measures to contain the spread of the virus. In many countries this resulted in the temporary closure of businesses and restrictions on the movement of people and goods. The pandemic has had a significant impact on the global economy in terms of growth and unemployment. The Municipality's country of trading, South Africa has been hit hard by lockdown regulations.

It is off-course impossible to predict when normality will return, and the country will be able to re-commence normal economic activity. The Municipality has been affected with regards to lost collection revenue for the services the Municipality provide to the public in the area. This was a result of economic hardships such as increase in unemployment which resulted in reduced income to spend and also limited economic activities.

The Municipality acted swiftly and decisively to mitigate the impact of COVID-19 on its operations, including steps to reduce operational expenditure and conserve cash, access available government support schemes, and to minimise the disruption of account collections. In addition, strict COVID-19 protocols have been implemented across all areas of operation to ensure the safety of employees and customers. Notwithstanding these measures, the pandemic has had a severe impact on the Municipality's performance for the current period, most notably on revenue generation. These impacts are covered in more detail throughout the annual financial statements. The impact of the pandemic on the Municipality's significant judgements and estimates applied in the preparation of its financial statements is discussed in the notes.

While the uncertainty around COVID-19 is expected to continue for many months ahead, the Municipality's strong balance sheet and ability to manage margins and costs effectively positions it to succeed in these challenging times.

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42. Unauthorised expenditure		
Opening balance as previously reported	3,348,006	3,348,006
Opening balance as restated	3,348,006	3,348,006
Add: Expenditure identified - current	7,086,649	-
Less: Approved/condoned/authorised by council	(3,348,006)	-
Closing balance	7,086,649	3,348,006

Unauthorized Expenditure: R7,086,649

The municipality has an unauthorised expenditure of R7,086,649 due to increase on Eskom Tarrif.

Unauthorized Expenditure: R3, 348,006.18

The Municipality has an opening balance of R3, 348,006.18 due to Provision for Impairment on debtors.

The said expenditure amount was taken to Council (SC06/2020-21) held on the 29th June 2021 of which referred the matter to MPAC for further investigation. On 19 October 2021 the council approved the unauthorised expenditure for write off.

43. Fruitless and wasteful expenditure

Opening balance as previously reported	2,492	3,514
Opening balance as restated	2,492	3,514
Less: Amounts recoverable - current	-	(1,022)
Less: Amount written off - prior period	(2,492)	-
Closing balance	-	2,492

Fruitless and Wasteful Expenditure: R2,492.00

The current year expenditure is because of interest charged due to late submission of Schedules to pension funds (CRF and NMWF) the reason being the suspended payroll officer was not on duty.

The opening balance Fruitless expenditure amount of R2 492 has been written of on 27 July 2022 (Mpac recommendation - after investigation).

44. Irregular expenditure

Opening balance as previously reported	33,782,515	3,496,151
Opening balance as restated	33,782,515	3,496,151
Add: Irregular Expenditure - current	8,337,640	30,286,364
Less: Amount written off - current	(13,814,057)	-
Less: Amount written off - prior period	(28,306,098)	-
Closing balance	-	33,782,515

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44. Irregular expenditure (continued)

Amounts written-off

Opening Balance: 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.

Current 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.

45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1,509,988	1,516,690
Amount paid - current year	(1,509,988)	(1,516,690)
	-	-

Audit fees

Current year subscription / fee	4,458,544	3,867,366
Amount paid - current year	(4,458,544)	(3,867,366)
	-	-

The difference relate to an accrual raised for an invoice which was paid and not reversed in the prior year.

PAYE and UIF

Current year subscription / fee	22,870,246	23,582,791
Amount paid - current year	(22,870,246)	(23,582,791)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	20,039,696	22,224,844
Amount paid - current year	(20,039,696)	(22,224,844)
	-	-

VAT

VAT receivable	2,641,754	764,605
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VAT output payables and VAT input receivables are shown in note .

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

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2022:

30 June 2022	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Thamaga M	9,618	220,208	229,826
30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Thamaga M	40,690	217,082	257,772
Councillor Selamolela	985	7,475	8,460
Councillor Tshoshi M	1,318	6,328	7,646
	42,993	230,885	273,878

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

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46. Deviation from supply chain management regulations

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Water services and gym equipment Plant Machinery were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Deviations were noted by council on the 30 October 2021 and 27 July 2022.

Supplier name and details	Reason	Amount
Batsibi Technologies - Payday Services Data Recovery	Emergency	196,650
Workshop Electronics (Pty) Ltd - Annual calibration of vehicle testing	Sole Provider for the service	17,223
Redi 4 Ma3 Trading - Renewal of Vehicle Licenses	Impossible to obtain other quotations	195,196
Mohodi Community Radio Station - Advertising for Women month message	Only local Radio Station available for the service	38,000
Mohodi Community Radio Station - Procurement of airing of Vaccination drive message	Only local Radio Station available for the service	32,000
Workshop Electronics (Pty) Ltd - Service and Maintenance of Vehicle Testing Equipments	Sole Provider for the service	16,539
Truvelo Manufactures - Calibration of Prolessor Machine	Sole Provider for the service	15,790
Workshop Electronics (Pty) Ltd - Service and Maintenance of Vehicle Testing Equipments	Sole Provider for the service	26,437
Lexis Nexis - Purchasing of criminal records and management acts	Sole Provider for the service	6,042
Subtotal		543,877
		543,877

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47. Distribution Losses

Electricity	5,459,035	5,751,258
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The municipality purchased units 22 489 423 (2021: 23 519 031 units) from Eskom and sold 20 076 700,86 units (2021: 19 810 295 units) resulting in a difference of 2 412 722.14 units (2021: 3 708 740 units) between the purchases and sales. This amounts to a distribution loss of 10.73% (2021: 15.77%).

48. 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, most of our customers were retrenched from their work.

Note 2 - The decrease is as a result of non payments by businesses and residential customers, most of our customers were retrenched from their work.

Note 3 - The decrease was due to loss of income by residents.

Note 4 - The decrease is due to delay on tribunal sittings.

Note 5 - The increase was due to interest rate and availability of cash in the bank.

Note 6 - The decrease is due to the unspent grant on MIG and resulting to roll over.

Note 7 - The decrease is due to number of fines withdrawn or reduced by the prosecutor.

Note 8 - The donation income was a result of assets that were donated to the municipality by Road Traffic Management Corporation (RTMC) and were recognised at their fair value.

Note 9 - The decrease was due to none increases on senior managers and unfilled vacant post during the financial year.

Note 10 - The councillors did not receive the increase as budgeted for during the financial period 2022/21.

Note 11 - The reduction in depreciation was due less project that were capitalised than what the municipality anticipated.

Note 12 - The decrease in the impairment was due to exclusion of government entities from the impairment consideration on their debt.

Note 13 - The increase in spending on bulk purchases was as a result on unanticipated increases in Eskom tariffs more than what we had budgeted.

Note 14 - The contracted services and general expenses were budgeted together if the the spending and the budgeting combined together the spending of the two line items it is in line within the budget.

Note 15 - Less land sites were sold during the financial period and there was a transfer of land sites from investment property to land inventory.

Note 16 - The significant amount of other receivables from exchange transactions were written of in the previous financial period after the budget has been submitted.

Note 17 - The result of reduced debtors is due to increase in significant amounts of consumer debtors being impairment as a result of increase in non payment of services being provided.

Note 18 - The budget for trade payables from exchange transactions is included in the normal expenses budget therefore the amount incurred is within the budgeted amount of expenses.

Note 19 - The result of more unspent grant was due to unanticipated changes to the regulations of supply chain issued by national treasury with regards to the Preferential Procurement Regulations of 2017.

Note 20 - The increase in provision was due to the increase in the valuation of the landfill site as per the experts report.

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48. Explanation of Variances on Actual Costs Versus Budgeted Costs (continued)

Note 21 - The increase in grants received as per cashflow is due to additional funding that was received during the year.

Note 22 - The decrease was due to none increases on senior managers and unfilled vacant post during the financial year.

Note 23 - The decrease was due to the increase in unspent grant due to unanticipated changes to the regulations of supply chain issued by national treasury with regards to the Preferential Procurement Regulations of 2017.

49. 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.

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 (WSA) is R (374,638) (2021: R 341,007).

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (DRT) is R 4 516 988 (2021: R4 389 161).

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 174 490 (2021: R1 379 709).

ANNEXURE A

CHAPTER 6: 2021/22 AUDIT REPORT

ANNEXURE B

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

Report on the audit of the financial statements

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 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Blouberg Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance 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 9 of 2021 (DoRA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairments

8. As disclosed in note 10 and 12 to the annual financial statements, material impairments of R23 015 012 and R17 200 122 were incurred as a result of providing for doubtful debts.

Significant uncertainties

9. With reference to note 35 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

10. As disclosed in note 47 to the financial statements, material electricity losses to the amount of R3 284 008 (2021:R5 751 258) was incurred which represents 10,73% (2021: 15,77%) of total electricity purchased.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the with Standards of GRAP the requirements of the MFMA and the 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priorities	Pages in the annual performance report
KPA1-Basic services and infrastructure development	xx-xx

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

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Procurement and contract management

24. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation 8(5). This non-compliance was identified in the procurement processes for the supply and delivery of traffic uniforms.

Expenditure management

25. Reasonable steps were not taken to prevent irregular expenditure amounting to R195 195 as identified during the audit of the annual financial statements, as required by section 62 (1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management requirements.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of the auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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 and amended report as appropriate. However, if it is corrected this will not be necessary

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

31. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored by management.

Auditor-General

Polokwane

30 November 2022



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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

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