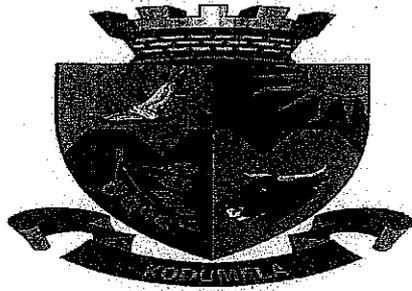


# BLOUBERG LOCAL MUNICIPALITY



## 2018/2019 ANNUAL REPORT

### 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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**ANNUAL REPORT 2018/19**  
**BLOUBERG LOCAL MUNICIPALITY**



**1. OUR VISION**

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

**2. OUR MISSION**

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

**3. OUR MOTTO**

Kodumela Moepa Thutse

**4. OUR VALUES**

Transparency, Diligence and Honesty

**GENERAL INFORMATION**

<b>NAME OF ORGANISATION</b>	<b>BLOUBERG LOCAL MUNICIPALITY</b>
<b>TYPE OF ORGANISATION</b>	<b>LOCAL GOVERNMENT/ MUNICIPALITY CATEGORY B</b>
<b>PROVINCE</b>	<b>LIMPOPO</b>
<b>DISTRICT</b>	<b>CAPRICORN</b>
<b>REGISTERED PHYSICAL ADRESS</b>	<b>MOGWADI/ DENDRON ROAD SENWABARWANA 0790</b>
<b>POSTAL ADRESS</b>	<b>BOX 1593 SENWABARWANA 0790</b>
<b>TELEPHONE</b>	<b>015 505 7100</b>
<b>FAX</b>	<b>015 505 0296</b>
<b>EMAIL</b>	<b><u>INFO@BLOUBERG.GOV.ZA</u></b>
<b>WEBSITE</b>	<b><u>WWW.BLOUBERG.GOV.ZA</u></b>
<b>BANKERS</b>	<b>ABSA BANK LIMITED</b>
<b>SATELLITE OFFICES</b>	<b>ALLDAYS SATELLITE ELDORADO SATELLITE TOLWE SATELLITE LANGLAAGTE SATELLITE INVERAAN SATELLITE HARRISWICH SATELLITE</b>
<b>AUDITORS</b>	<b>AUDITOR GENERAL OF SOUTH AFRICA</b>
<b>MAYOR</b>	<b>CLR MASEKA SOLOMON PHEEDI</b>
<b>ACCOUNTING OFFICER/ MUNICIPAL MANAGER</b>	<b>MACHABA JUNIAS</b>

## **A. FOREWORD BY THE HONORABLE MAYOR: CLR PHEEDI M.S**

I once more want to salute the people of Blouberg municipality for the confidence in the ruling party by renewing the mandate of the previous five years in the elections.

The state President had set a tone on what needed to be done in his State of the Nations Address when he stated that 2018 was the Year of Hope and the New Dawn.

The President declared war against the corruption and the state capture and bringing the investments in the country to the tune of 200 billion rand. That was followed by the investment conference that happened later in the year. The State of the Nations Address came at time when the country was facing the economic recession, high unemployment rate and the problem with the rating agencies.

The municipality planned to implement the IDP/Budget 2018/2019 along the Six Key Performance Areas.

### **1. KEY PERFORMANCE AREA 01: SPATIAL PLANNING AND RATIONAL**

The year under view saw the municipality experiencing challenges with regard to the land issues. The municipality had earmarked the 300 hectars for purchase in the Alldays area and a budget allocation of Four million rand was made for the purpose. The said purchase could not succeed due to the claim made against the property. The land issue remains the thorn in the flesh of the municipality particularly after parliament had resolved to amend section 25 of the constitution to appropriate land without compensation.

The other area was the issue of portion 02, erf 300 of Bochum 178 disposal wherein the shopping complex was to be constructed. The land was successfully disposed off through the lease agreement with potential investors.

The Tolwe sites were successfully disposed-off and what is left for the municipality is to complete the township registration process for the area. The municipality is experiencing challenges with regard to the extension 08, which is a portion of Bochum 178 LS farm because of the invasions in the area. The matter is still in the court of law for decision.

The municipality had received a boost in the Alldays extension 02 through the provision of engineering services to the area.

## **2. KEY PERFORMANCE AREA 02: BASIC SERVICES DELIVERY.**

In the year under view council had planned to put focus on the nodal points and the operationalization of the satellite offices. The council had planned to continue with the implementation of the internal streets in Avon, Kromhoek and Senwabarwana, while sports complex and the crèche were to be constructed in Senwabarwana and Towerfontein respectively. All the projects funded through the MIG were completed on time. The only projects that were not completed are the electricity projects for cluster one. There is the recurring problem of the appointment of service providers late.

The equipment for service delivery like the tractor were not purchased due to the budgetary constraints. The Towerfontein crèche which was earmarked for construction could not be implemented because of the budget constrains as the project was to be implemented using own revenue.

The other waste programs like the expansion of the waste service into the new areas like Vivo were also suspended due to budgetary constraints. The skip bins were also not purchased, The water quality remains the challenge especially around Alldays and Senwabarwana. The water in the municipality has not reached the required standard of blue and green drop.

The salt water in Senwabarwana discourages the ratepayers to pay for the service because of the quality.

The following are highlights in terms of capital projects

- 200 hh electrified at Witten completed and energised
- Electrification of 115 extensions at Eussoringa, and Makgari completed and energised
- Electrification of 143 extensions at Raweshi, Cracow, Early dawn, Lekgwara, and Oldlongsigne not completed and rolled
- Tarring of 1,2 km Senwabarwana Internal streets phase 09 & 10 completed
- Tarring of 1, 57 km Kromhoek internal street phase 3 &4 completed
- Tarring of 1,0 km internal street at Avon Completed
- Senwabarwana Sports complex phase 3 completed
- Upgrading of Cooperspark Community hall phase 2 completed

## **3. KEY PERFORMANCE AREA 03: GOOD GOVERNANCE AND PUBLIC PARTICIPATION.**

The year under view saw the spate of the disruptions in the council meetings by councilors in particular. The council saw the ugly scenes of violent disruptions by both councilors and the community members at the council meeting held at Langlaagte satellite office.

The violent actions saw the council tightening the security around the council meetings.

Council has a functional ward committee system and the ward committee conference was convened at Elephant Spring in Bela-Bela.

The council had committed to address the issues raised in the Auditor- General report.  
The municipality had still the received the QUALIFIED audit opinion.

**4. KEY PERFORMANCE AREA 04: LOCAL ECONOMIC DEVELOPMENT.**

The municipality had not fully utilized the four pillars of the economy maximally. Unemployment remains the highest in the in the municipality with the youths more affected. Council had approved the Spatial Development Framework and Blouberg Growth and Development Strategy (VISION 2040)

The collaboration with the mining houses had improved especially with Venetia mine. Council is still struggling with the SLPS of the other potential mining companies. Not much was achieved in the area of local economic development

**5. KEY PERFORMANCE AREA 05: FINANCIAL VIABILITY AND MANAGEMENT.**

The municipality had not improved on the area of revenue collection and management while further failing on the expansion of revenue base. Revenue collection remains a big challenge while billing system has not improved which discourages customers to pay their accounts. One of the grey areas remains the expenditure pattern in the institution that votes such as accommodation, S&T and overtime constitute much of the expenditure.

The municipality continue to lose money in the electricity area and council continue to justify the act by budgeting more on the bulk purchase and less on the income part.

**6., KEY PERFORMANCE AREA 06: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.**

The municipality had succeeded in the appointment of vacant senior managers positions except for the senior manager Technical of Services. The position is still vacant to date. The other area of concern is the cascading of performance management system to lower levels. Performance management system remains a challenge as the labor force remains passive.

**COUNCILOR: PHEEDI M.S**

**MAYOR OF BLOUBERG LOCAL MUNICIPALITY**

# **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

## 1.2 REGIONAL CONTEXT

Blouberg Local municipality is a predominantly rural municipality situated to the northwestern 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.

This roads network 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).

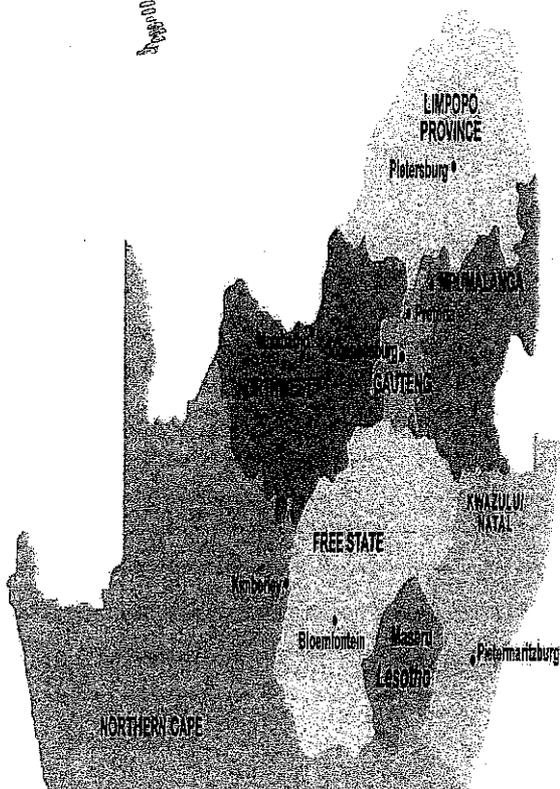
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

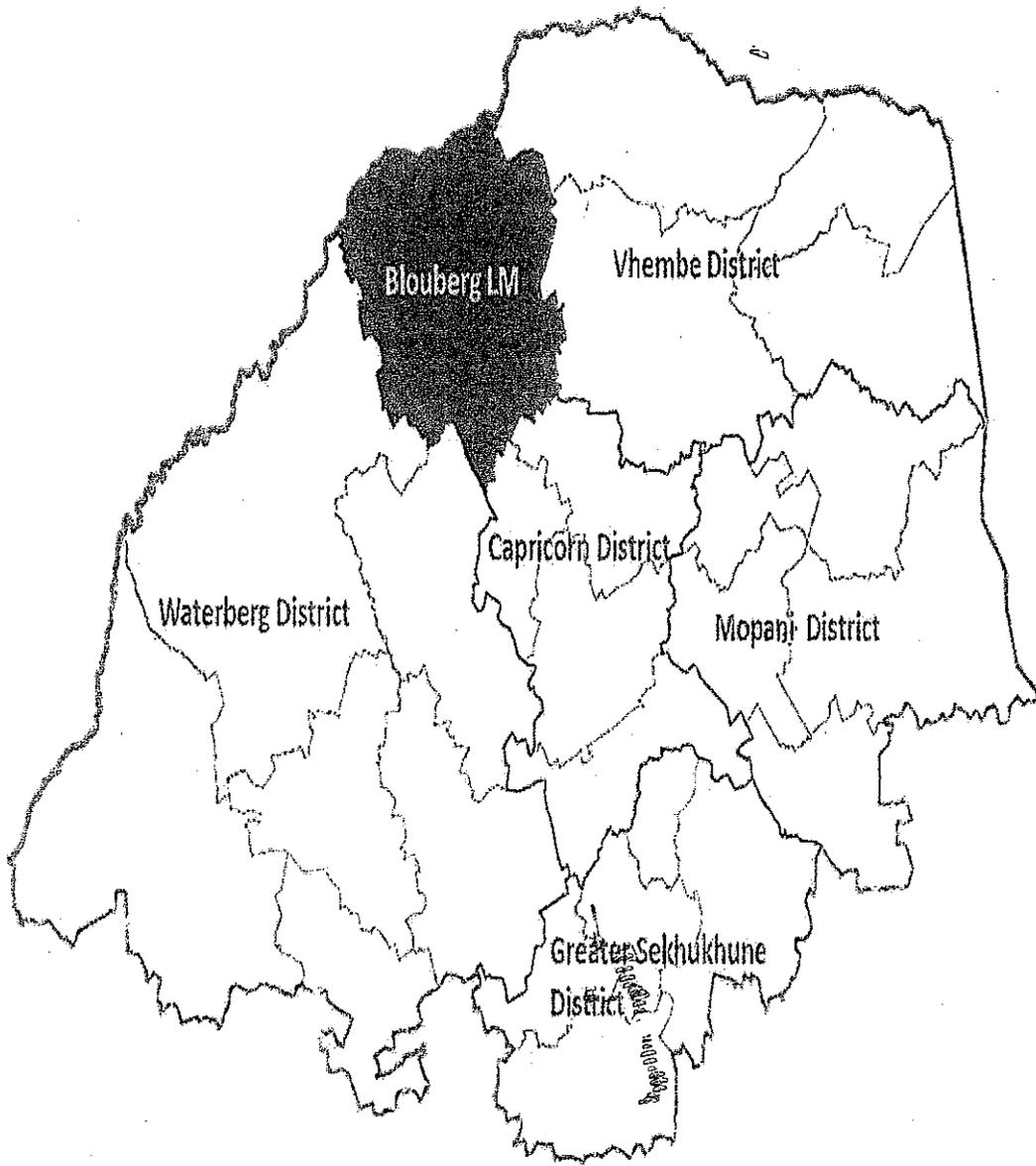
There are big rivers and tributaries that traverse the municipality with Mogalakwena being the biggest one. The Limpopo River serves as the border between the municipality and the neighboring country of Botswana. As a result, the municipality is a gateway to the neighboring countries. The rivers in the 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.

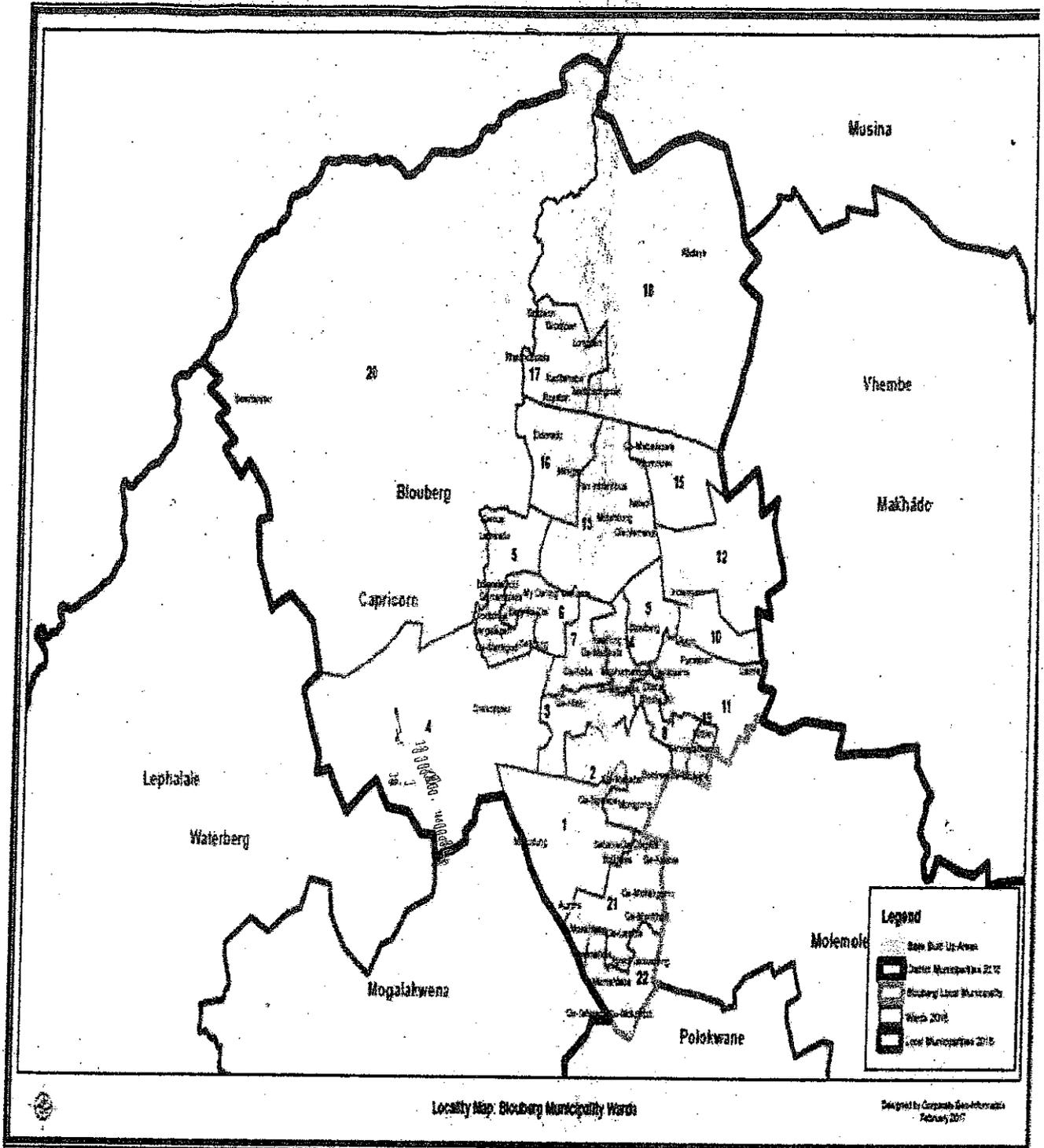
Large parts of the municipality consist of private farms used for agricultural purposes

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 the 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 the water services authority and provider for both 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

### 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.

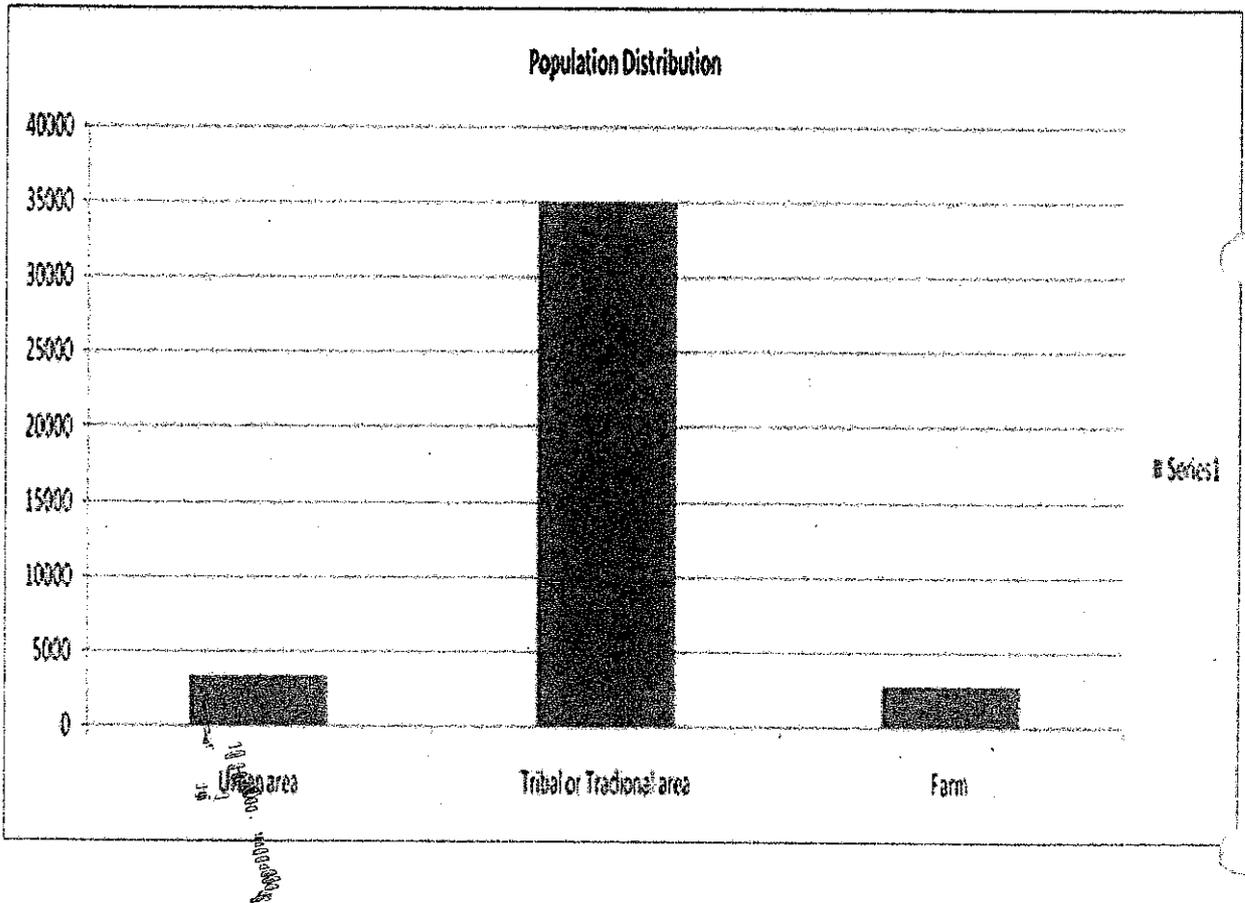
### 1.9. NATURAL RESOURCES

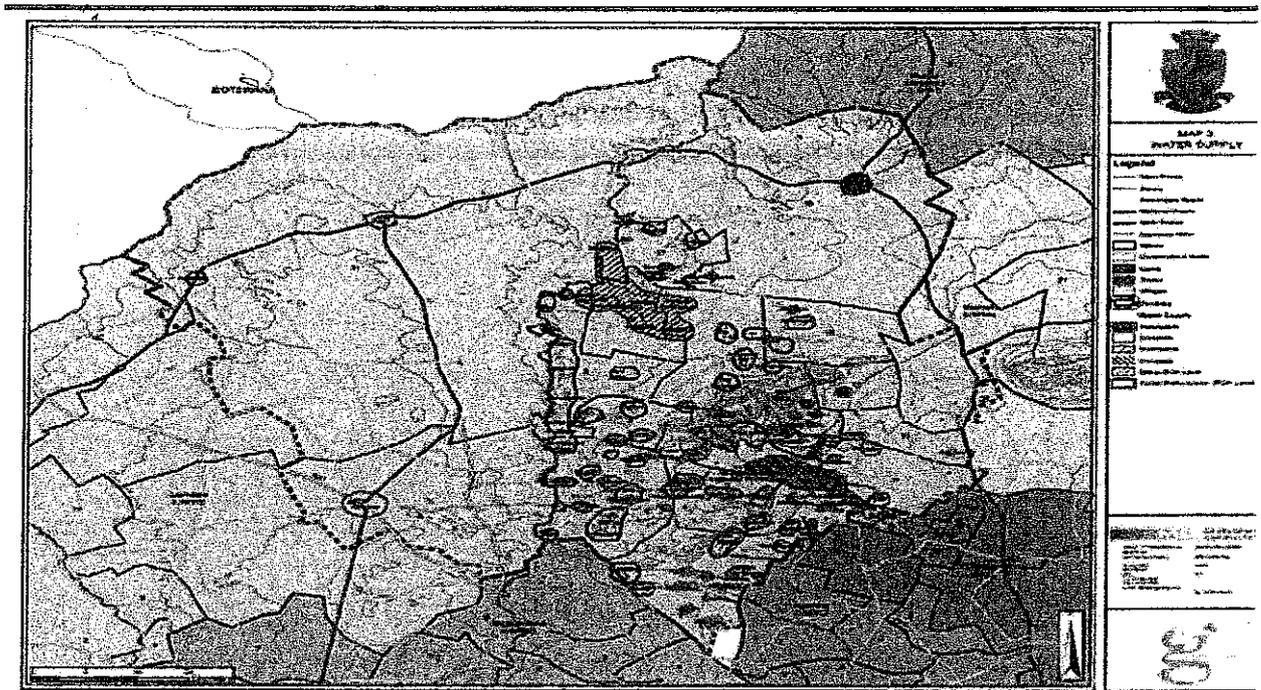
Rivers and Streams	Livestock water and farming
Mountains and Hills	Heritage and Historical sites
Game Reserves and Farms	Wild game preservation and conservation
Wetlands and Swamps	Heritage sites

### 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, Colored, 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 year under view all the capital projects were completed in time except for Senwabarwana Sports Complex Phase 01 and Senwabarwana High Mast Lights Phase 02. The other projects that were completed were all the electricity projects from the former Aganang municipality and the upgrading of the Cooper spark hall and the construction of the Cooper spark bridge. The electricity projects were the extensions of Turrebrugge, Mankgodi, Mamehlabe, Ngwanallela and Rosencrantz.

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 97% 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 electrification program me, Municipal Infrastructure grant and EPWP grant.

The sources for own revenue are: Sale of electricity( Pre-paid and Conventional), Sporadic 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 2018/19 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 2015/2016, 2016/2017, 2017/18 and 2018/19 the opinion is thus

2015/2016	2016/2017	2017/18	2018/19
QUALIFIED OPINION	QUALIFIED OPINION	QUALIFIED OPINION	QUALIFIED OPINION

The issues raised in the auditor general report are addressed through the development of the Action Plan.

The full report is contained in the Chapter 5 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

**MACHABA JUNIAS**

**MUNICIPAL MANAGER**

# 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 2016 municipal elections, the Municipality has 22 Ward Councilors and 22 proportionally elected Councilors, which makes the total of 42 Councilors.

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

The Council has designated the following Councilors in terms of section 18 (4) of Act 117 of 1998 as full time.

The Mayor: Cllr Maseka Pheedi:

The Speaker: Cllr Thamaga M.N

The Chief Whip: Cllr Choshi M.M

Infrastructure Development Chairperson: Cllr Mashalane M.S

Budget and Treasury Chairperson: Cllr Cllr Makobela S.R

Corporate Services: Cllr Morapedi M.A

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

1. Cllr Ntlatla M.W: (Economic Development and Planning)
2. Cllr Rangata M.J :( Community Services)
3. Cllr Makhura M.H :( Special Focus)
4. Cllr Maila M.P (Without Portfolio)

#### 4.3. FULL COUNCIL OF BLOUBERG MUNICIPALITY

WARD COUNCILORS	PROPORTIONAL REPRESENTATIVES COUNCILORS
1. CLLR. SEEMA M.I	1. CLLR PHEEDI M.S.
2. CLLR. LEHONG M.V	2. CLLR THAMAGA M.N
3. CLLR. MAIFO M.L	3. CLLR CHOSHI M.M
4. CLLR. MOKOBODI C.S	4. CLLR SELAMOLELA S
5. CLLR. MOSHOKOA M.S	5. CLLR MATHIDZA S.E
6. CLLR. MURATHI M.S	6. CLLR MORAPEDI M.A
7. CLLR. RASERUTHE M.A	7. CLLR MADIBANA S.S
8. CLLR. MAKOBELA S.R	8. CLLR MAKHURA M.H
9. CLLR MOLEMA M.N	9. CLLR MASEKWAMENG R.M
10. CLLR. SEBETHA M.J	10. CLLR MOETJI N.T
11. CLLR. MAKGAKGA P.J	11. CLLR RANGATA M.J
12. CLLR RAMOBA M.R.	12. CLLR MAILA MP
13. CLLR SEKGOLOANE M.J	13. CLLR TLOUAMMA NC
14. CLLR MOLOKOMME M.M	14. CLLR TJUMANA MM
15. CLLR. NTLATLA M.W	15. CLLR MADZHIE A.E
16. CLLR MPHAGO M.A	16. CLLR MADIOPE TM
17. CLLR MOJODO M.D	17. CLLR PHOSHOKO NC
18. CLLR MODINGWANA M.G	18. CLLR MABOLOLA SJ
19. CLLR SETWABA D.S	19. CLLR MORUDU MF
20. CLLR MASHALANE M.S.	20. CLLR CHULA MI
21. CLLR MALEKA N.G	21. CLLR TEFO LT
22. CLLR MAGWAI T.R	22. CLLR MADIBANA MR

**POLITICAL STRUCTURE AND RESPONSIBILITIES**

POSITION	RESPONSIBILITIES
<p>MAYOR: CLLR PHEEDI MS</p>	<p>Chairperson of the Executive Committee</p> <p>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</p>
<p>SPEAKER: CLLR THAMAGA MARIA</p>	<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</p>
<p>CHIEF WHIP: CLLR CHOSHI MM</p>	<p>Political management of Council and Committee meetings Maintains discipline of councilors Advices the Speaker on the amount of time allocated</p>

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## ADMINISTRATIVE GOVERNANCE

### TOP ADMINISTRATIVE STRUCTURE

TOP ADMINISTRATIVE STRUCTURE
<p>1. MUNICIPAL MANAGER MR MPHEEHE JUNIUS MACHABA APPOINTED</p>
<p>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING MS CHARITY MAPHOLI APPOINTED</p>
<p>3. DIRECTOR, CORPORATE SERVICES MR HERBERT MASIPA- ACTING MR REFILWE RAMOTHWALA : APPOINTED</p>
<p>4. CHIEF FINANCIAL OFFICER( BUDGET AND TREASURY) MS MALESE ESTHER RIBA- ACTING MR JACK MABOTE: APPOINTED</p>
<p>5. DIRECTOR ,TECHNICAL SERVICES: MR MAFALA JACOB MALEKA- ACTING MS HERMINAH RABUMBULU ACTING</p>
<p>6. DIRECTOR, COMMUNITY SERVICES. MR JIMMY MPYA : ACTING MS MABORE MAMPA: APPOINTED</p>
<p>For the period under view, about five officials acted on the senior management positions. The above table illustrates the names and the positions for which acting was effected.</p>

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **INTRODUCTION TO CO –OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

#### **2.3 INTERGOVERNMENTAL RELATIONS**

##### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The Municipality participates in national 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.

## **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. EXCO and Council meeting are held in public at venues rotated throughout the municipal area. After every EXCO and 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. All eleven EXCO meetings and four council meetings for the period under review were followed by public outreach programme referred to as Imbizo.

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 four quarterly Municipal programmes.

Other forms of communication and public participation during the 2018/19 financial year include the usage of monthly Ward Public meetings for the 22 wards where in ward Councilors provide feedback and progress report to ward members.

## WARD COMMITTEES

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

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

The 15<sup>th</sup> ward committee conference was successfully held at Karibu Lodge during the period under review.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. Council approved the 2018/19 revised IDP/Budget. Like previous IDPs, the 2018/19 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 PRICIPATION 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 2017/18 financial year, like the 2016/17, 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 Corporative Governance matters.

### **RISK MANAGEMENT**

The Municipality regards risks management as one of the pillars required for the sustainability and Corporative 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 Internal 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 Audit Committee concluded 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 2017/18 financial year the Supply Chain Management, (policy was tabled to council for revision alongside other budget related policies. The revision took into account the BBBEEE codes and changing supply chain regime. For the record, no councilors take part in the supply chain committees. Functionality of SCM committees was also enhanced. New security services contract 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 2017/18				
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	DATE PUBLISHED
Current annual and adjustment budgets and all budget related document.	YES	
All current budget related policies	YES	
The previous Annual Report (2016/2017)		
The Annual Report ( 2018/19) 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 (2018/19)	N/A	
All long term borrowing contracts (2018/19)	N/A	
All supply chain management contracts above a prescribed value (give value) for 2018/19)	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 2017/18		
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.		
PPP agreements referred to in section 120 made in 2018/19		
All quarterly reports tabled in the council in terms of section 52 (d) During 2018/19	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 2018/19 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 458 households for the 2018/19 financial year through the Integrated National Electrification Programme (INEP).

### **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. 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 2018\19 period the number of EPWP participants was increased from 140 to 200 with the budget of R3 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**

<b>WARD</b>	<b>AVAILABLE</b>	<b>BACKLOG</b>
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

## 20. 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 and refuse bins due to budgetary constraints.

The two landfill sites available are not licensed since they don't comply with all legal requirements for a proper landfill site.

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.

The Municipality rolled out the function to eleven settlements with the recruitment of two hundred (200) general workers who were employed from the 2016\17 financial year. The programme was augmented by the integration of EPWP and Community Works Programme. Such general workers were used to clean settlements, roads, cemeteries and any other work identified by members of the community.

### **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 2018/19 financial year a total of 700 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**

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 2,700 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

#### **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 2,700 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
2013\14	786.98km	0	0	488.44
2014\15	786.98km	0	0	488.44
2015\16	786.98km	0	0	488.44
2016\17	786.98km	0	0	488.44
2017\18	786.98km	0	0	488.44
2018\19	786.98km	0	0	488.44
Source : Department of Public Works, Roads and Infrastructure				

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

#### INTRODUCTION TO TRANSPORT

#### PUBLIC TRANSPORT

There is one mode of public transport in the municipal area viz road transport. The dominant public transport mode is the minibus taxi while another form of public transport is the bus transport with Great North 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, Stellip 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.

#### TRANSPORT PLANNING

Right now transport planning is still a function of the district municipality. More information could be found from the District Annual Report 2018/19.

## **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. Recent conflicts between Letswatla and Bochum Taxi associations have been resolved through the intervention of the municipality, SAPS and the District Taxi Council. 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**

A plan has been developed and adopted by council on the 31st May 2013. The strategy assists the municipality to provide a proper transport plan for our municipality.

#### **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 2018\19 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana and Borkum. 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).

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 its revised Local Economic Development Strategy for the period under review during the council meeting of the third quarter alongside the approval of the annual report 2018\19. 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:

Completion of the implementation of Soutpan renewable energy plant at Zuurbult near Vivo

The project involves the harvesting of sunlight to generate green energy. Further, beneficiation of the project to the community will be realized through the development and implementation of the operation's social and labour plan. In the 2018/19, over 400 local participants benefitted from short-term job opportunities from the project while the employment figures scaled down due to the commissioning of the project.

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, and implementation of municipal capital works programme through labour-intensive methods was maintained. Another community job creation initiative was introduced through the Rakibang Development Forum, which yielded over 600 job opportunities in the EPWP, Health, Environment and Education sector.

Facilitation of the re-establishment and functionality of the Blouberg Business Forum

Place marketing through the development and distribution of the Blouberg Citizens' Report, which covered development and opportunities available in the Municipality over a thirteen-year period since the inception of the BLM in its current form

#### **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.

have a by-law that deals with the control of public nuisances but it is not implemented duo 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



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
	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
	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.

### 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 2018\19 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**

This component includes executive office (mayor; councilors; and municipal manager)

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

Components includes The Mayor, Councilors and Municipal Manager, Introduction to executive council Blouberg Local Municipality 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

#### **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

## **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 and the other sources of revenue, eg 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 comprised 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 2018\19 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 2015 for implementation in the 2018\19 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 while two learners, one enrolled for an MBChB (Medicine) while the other for Urban and Rural Planning as per municipal priorities benefitted from the Mayor's Bursary Fund. an additional learner was enrolled for civil engineering.

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 payouts 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:

A Auditor-General also picked up ICT challenges during the 2017/18 audit report. The ICT did not perform well mainly due to want of net. 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

18/08/2018  
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# **CHAPTER 3: 2018/19 ANNUAL PERFORMANCE REPORT**

### CHAPTER 3: 2018/19 ANNUAL PERFORMANCE REPORT

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## 1. GLOSSARY OF WORDS

- 1 SDBIP : Service Delivery and Budget Implementation Plan
- 2 KPA : Key Performance Area
- 3 DKPA : Departmental Key Performance Area
- 4 DKPI : Departmental Key Performance Indicator
- 5 BASELINE : Current Status
- 6 BSID : Basic Service and Infrastructure Delivery
- 7 MTOD : Municipal Transformation and Organisational Development
- 8 LED : Local Economic Development
- 9 FVM : Financial Viability and Management
- 10 GGPP : Good Governance and Public Participation
- 11 SPE : Spatial Planning and Environment
- 12 ANNUAL TARGET : Scope of work in relation to the KPA
- 13 SYMBOL # : Number
- 14 QUARTER : Period of three months
- 15 SYMBOL % : Percentage
- 16 SYMBOL h/h : Households
- 17 RoD : Record of Decisions
- 18 C : Correction

## 2. INTRODUCTION AND LEGISLATIVE BACKGROUND

The Blouberg Municipality 2018/19 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 state 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 2018/19 is aligned to the Municipal IDP and Budget for the 2018\19 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2018/19 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 2018/19

The Annual Performance Report serves the following Purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2018\19 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 2018\19 financial year to which this report relates.

#### 4. SUMMARY OF PERFORMANCE FOR THE 2018/19 FINANCIAL YEAR.

##### 4.1. SUMMARY OF PERFORMANCE FOR THE 2018/19 FINANCIAL YEAR

The table below indicate the summary of Annual SDBIP Performance 2018/19 per KPA. Out of 180 targets for the year, 157 targets were achieved while 23 targets were not achieved. The overall Annual Performance stands at 87 %

Department	Total Annual Targets	Total Annual Targets Achieved	Total Annual Targets not Achieved	Overall Percentage of Targets achieved
Basic Service and Infrastructure Development	19	14	5	74 %
Institutional Transformation and Organisational Development	55	49	6	89 %
Local Economic Development	10	9	1	90 %
Financial Viability and Management	29	24	5	83 %
Good Governance and Public Participation	48	44	4	92 %
Spatial Planning and Environment	19	17	2	89 %
<b>Overall Total Municipal Targets</b>	<b>180</b>	<b>157</b>	<b>23</b>	<b>87 %</b>

#### 4.2. COMPARISON OF 2018/19 AND 2017/18 SDBIP PERFORMANCE

The table below illustrate comparison of 2018/19 and 2017/18 performance

Department	Total Targets		Total Targets Achieved		Total Targets not Achieved		Overall Percentage of Targets achieved		Remarks
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	
Basic Service and Infrastructure Development	19	20	14	17	05	03	74 %	85 %	
Institutional Transformation and Organisational Development	55	45	49	41	06	04	89 %	91 %	
Local Economic Development	10	14	09	13	01	01	90 %	93 %	
Financial Viability and Management	29	32	24	27	05	05	83 %	84 %	
Good Governance and Public Participation	48	51	44	49	04	04	92 %	96 %	
Spatial Planning and Environment	19	13	17	8	02	05	89 %	62 %	
<b>Overall Total Municipal Targets</b>	<b>180</b>	<b>175</b>	<b>157</b>	<b>155</b>	<b>23</b>	<b>20</b>	<b>87%</b>	<b>88 %</b>	

**5. PERFORMANCE OF EACH EXTERNAL SERVICE PROVIDER**

The municipality is compelled in terms section 46 (1) (a) of Municipal Systems Act 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 2018/19.**

**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
Construction of Senwabarwana internal street and storm water phase 9 and 10	Nyeleti	R 13 996 250	R 13 996 250	Completed	N/A	Good	The project was completed on time.
Construction of Avon internal street and storm water phase 4	T2 Tech	R 7 850 000	R 7 850 000	Completed	N/A	Good	The project was completed on time.
Construction of Kromhoek internal street and storm water management phase 3	Morula consulting engineers	R 6 760 211,49	R 6 760 211,49	Completed	N/A	Good	The project was completed on time.
Construction of Kromhoek internal street and storm water management phase 4	Dolman	R 6 325 000	R 6 325 000	Completed	N/A	Good	The project was completed on time.
Construction of Towerfontein Creche	Dikgabo consulting	R 280 000	R 280 000	Completed	N/A	Poor	Failed to adhere to schedules
Construction of Sports complex for Senwabarwana Phase 3	Paballo consulting	R 6 820 200	R 6 820 200	Completed	N/A	Fair	Poor contractor monitoring

Construction of Cooperspark community hall phase	Khuthela	R 200 000	R 200 000	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
Electrification of extensions at Witten.	Maths Engineers	R 3 246 014,47	R 3 246 014,47	Completed	N/A	Good.	The project was completed on time.
Electrification of extensions at Raweshi, Cracow, Early dawn, Lekgwara, and Oldlongsigne	NSK electrical engineers	1 000 960	R 272 929,99	Incomplete	Poor performance of the contractor	Poor	Contractor failed to complete the work and was terminated. Consultant appointed to complete the project as Turnkey
Electrification of extensions at Eussoringa, and Matkgari	Lefokane electrical engineers	R 1 400 000	R 1 400 000	Completed	N/A	Good	None

## 5.2. COMPARISON OF PERFORMANCE OF SERVICE PROVIDERS FOR 2018/19 AND 2017/18

The performance of service providers for 2018/19 declined. One service provider was terminated due to poor performance and whilst for 2017/18 it was much better all service providers completed their work and there was no termination.

Year	Service providers rated good	Service providers rated fair	Service providers rated poor	Service provider/s terminated
2018/19	07	01	02	01
2017/18	10	0	0	0

## 6. CAPITAL GRANT SPENDING

### 6.1. CAPITAL GRANTS SPENDING FOR 2018/19

The Municipality was allocated R 43 491 000 for MIG and for INEP R 4 295 000 for the financial year 2018/19. The Municipality has managed to spend 100% for both Municipal Infrastructure grant and 83 % Integrated National Energy Programme.

### 6.2. COMPARISON OF CAPITAL GRANTS SPENDING FOR 2018/19 AND 2017/18

MIG grant was spent 100% while INEP grant was spent 83 % for 2018/19 compared to 2017/18 when both MIG and INEP were spent 100%.

Grant	2018/19 Allocation	2018/19 Spending	Percent Spending	2017/18 Allocation	2017/18 Spending	Percent Spending	Comments
MIG	R 43 491 000	100 %	100 %	47 090 000	100 %	100 %	N/A
INEP	R 4 295 000	83 %	83 %	7 000 000	100 %	100 %	INEP not spent 100 due to poor performance by contractor

**7. OPERATING REVENUE COLLECTION**

**7.1. 2018/19 OPERATING REVENUE COLLECTION**

The Municipality has managed to collect R 43 005 983 out of R 76 368 607 Operating Revenue budget for 2018/19. This represent 56 % of money collected.

**7.2. COMPARISON OF 2018/19 AND 2017/18 OPERATING REVENUE COLLECTION**

Item	2018/19		2017/18		Comments
	Operating budget	Actual Collection	Operating budget	Actual Collection	
Operating Revenue Collection	R 76 368 607	R 43 005 983	R 76 100 152.52	R 43 598 101	The collection dropped by 1 %. None payment on property rates
<b>Overall Percentage</b>	<b>56 %</b>		<b>57 %</b>		

## 8. PERFORMANCE CHALLENGES AND MEASURES FOR IMPROVEMENT

Although overall performance from 2017/18 to 2018/19 remain the same, 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.

Challenges/s	Measures for Improvement
Inadequate collection i.e. electricity collection, property rates and revenue sources	Improve billing system and collection measures Identification of additional revenue sources.
Land invasions	Support the work of revenue management committee Implement forward planning and proactive land use measures that will alleviate land invasions, for example township establishment and registration
Plant breakdown affected Incomplete projects or rollover	Timeous system of plant repair to avoid shortage plant Forward planning and monitoring of performance of contractors

9. DETAILED SDBIP REPORT 2018/19 PER KPA

9.1. BASIC SERVICES AND INFRASTRUCTURE DELIVERY

KPI NO	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
BSID 1	Construction of Senwabarwana internal street and storm water phase 9 and 10	Improvement of Roads infrastructure and storm water management	Number of kilometres constructed for Senwabarwana internal street and underground storm water pipes Phase 09 and 10 by June 2019	Senwabarwana phase 7 & 8 completed	1.2 km of internal Streets from gravel to tar surface and 1.4km underground storm water pipes	Target Achieved 1.2 km of internal Streets from gravel to tar surface and 1.4km underground storm water pipes 30 June 2019 Senwabarwana Phase 9 and 10	N/A	N/A	Budget: R13,9 M Exp : R13,9M	Advert, appointment letters, site hand over reports, Quarterly Progress reports, pictures and Completion Certificate	Director : Technical services

PROJECT ID	PROJECT TITLE	PROJECT OBJECTIVE	PROJECT LOCATION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
BSID 2	Construction of Avon internal street and storm water phase 4	Improvement of Roads infrastructure and storm water management	Avon village Ward 09	Number of kilometres constructed for internal street and storm water channel by June 2019	Avon Phase 3 completed	Construction of 1.0 km of internal Streets from gravel to tar surface and 1.0 km storm water channel	Target Achieved. Construction of 1.0 km of internal Streets from gravel to tar surface and 1.0 km storm water channel	N/A	N/A	Budget: R7,8 M Expenditure: R7,7M	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Director Technical services

CPI#	PROJECT DETAILS		2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE								
BSID 3	Construction of Kromhoek internal street and storm water management phase 3 and 4	Procurement processes, appointment of service provider, Service level agreement Project Hand Over, design Upgrading of gravel road to tar surface and	Kromhoek village Ward 15	Construction of 1.57 km of internal Streets from gravel to tar surface and 820m of storm water v-drains at Kromhoek phase 3 & 4 by June 2019	Target Achieved Construction of 1.57 km of internal Streets from gravel to tar surface and 820m of storm water v-	N/A	N/A	Budget: R12,7 M Expenditure: R 12,7M	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Director : Technical services



MPING	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
BSID 5	Construction of Sports complex for Senwabarwana Phase 3	To provide safe and sustainable recreational and social facilities	Senwabarwana Township Ward 19	Phase 2 Sports complex constructed.	100% of Construction work for 5x 100m steel seater mobile grandstand, Netball and Basketball combination courts, Volleyball and Tennis combination courts, Concrete apron around the building, Floor tiling, Construction of steel	Target Achieved. 100% of Construction work for 5x 100m steel seater mobile grandstand, Netball and Basketball combination courts, Volleyball and Tennis combination courts, Concrete apron around the building, Floor tiling, and Tennis combination	N/A	N/A	Budget R 6,8 M Expenditure : R6,8M	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Technical Services

CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
KEY PERFORMANCE INDICATOR	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CITY OF PEORIA	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL BUDGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY

grandstand complete with seats and staircase, Construction of 7 waterborne toilets with 2 urinals, 1 x 10 000L plastic tank and elevated steel stands and soccer field maintenance by 30 June 2019

on courts, Concrete apron around the building, Floor tiling, Construction of steel grandstand complete with seats and staircase, Construction of 7 waterborne toilets with 2



REPORTING PERIOD	PROJECT DETAILS	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
BSID 6	Construction of Cooperspark community hall phase 1	% installation of tiles, ceiling and burglars at Cooperspark Community hall phase 1 by June 2019	Phase 1 of Cooperspark hall constructed and completed	100% installation of tiles, ceiling and burglars at Cooperspark Community hall phase 1 by June 2019	Target Achieved 100% installation of tiles, ceiling and burglars at Cooperspark Community hall phase 1 by June 2019	N/A	N/A	Budget 200 000 Exp : R 193 250	Advert, issuing of order, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Technical Services

PROJECT DETAILS		KEY PERFORMANCE INDICATOR		2017/18 ACTUAL ACHIEVEMENT		2018/19 ANNUAL TARGET		2019/20 ACTUAL PERFORMANCE		REASON FOR VARIANCE		CORRECTIVE MEASURES		BUDGET		PORTFOLIO OF EVIDENCE		RESPONSIBILITY	
REPORTING PROJECT	PROJECT DESCRIPTION	PROJECT OBJECTIVE	LOCATION	PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY							
BSID 7	Maintenance of Tarron internal streets	Conduct general routine maintenance and cleaning, road marking, signs and installation speed humps	To improve road infrastructure and storm water control management	Senwabarwana, Taalbosch, Alldays.	Number of speed humps constructed, Number of road signs installed and km of internal street cleaned/swept and km of road markings done by June 2019	New indicator	Construction of 4 speed humps, 8 road signs, cleaning of 4.3km of internal street and 7.1km road markings by June 2019	Target Not Achieved Specification submitted to finance for outsourcing service providers to maintain internal street and it is on tender.	Delay in appointment of service provider	R 500,000 R0.00	Order, reports and pictures	Technical services department.							

KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
<p>Installation of Culverts and construction of Wing walls in various villages</p> <p>Identification of critical areas, assessment, specification, procurement, installation and construction of wing walls.</p> <p>To ensure installation of culverts and construction of wing walls in 16 various villages.</p> <p>To ensure routine maintenance of gravel roads</p>	<p>1 culvert constructed with wing walls completed</p> <p>Number of culverts with wing walls constructed in four villages by June 2019</p> <p>Mochemi, Loveley/Berg errecht and Bergendal</p>	<p>04 culverts with wing walls one in each of the four villages by June 2019</p> <p>04 quarterly plant and machinery maintenance report generated by June 2019</p>	<p>Target not Achieved</p> <p>Culverts installed and wing walls not constructed</p>	<p>Projects delays</p>	<p>To be completed in 2019/20</p>	<p><b>Budget</b> R 450.000 <b>Exp : R</b> 214 273.</p>	<p>Signed Project Progress Report</p>	<p>Technical Services</p>
<p>Maintenance of plant and equipment</p> <p>Assessm ent and routine maintena nce of plant and</p> <p>To keep plant and equipme nt in good</p>	<p>04 quarterly maintenance report generated</p> <p>Number of plant and machinery maintained and operational</p> <p>BLM</p>	<p>04 quarterly plant and machinery maintenance report generated by June 2019</p>	<p>Target not achieved.</p> <p>Of the four graders only two were operationa</p>	<p>Plant and machinery too old and the allocated budget</p>	<p>Look into possibility of purchasing new plant and</p>	<p>Budget : R 1 M Exp : R 648 113</p>	<p>Service reports and invoices and payments made.</p>	<p>Corporate Services</p>

PROJECT	PROJECT DETAILS	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	equipment	working condition			Land <u>two</u> out of <u>three</u> TLB's were <u>operationa</u> l	couldn't cover all.	machinery			
BSID 10	Grading of internal street and access road	To ensure maintenance of all surfaced and gravel internal streets and access Roads and storm water control	BLM	400km internal Street graded by June 2019	Target Achieved 504,02 km internal street graded by June 2019	More kilometres were graded as result of heavy rains during rainy season	N/A	OPEX	Reports on internal street graded, ward councillor's confirmation letter and Pictures	Technical Services

3SID	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE VS TARGET	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT OBJECTIVE	PROJECT DESCRIPTION									
3SID 11	Re-gravelling of internal street and access road	Identification of critical areas, assessment and re-gravelling of roads	Number of KM of internal street and access road re-gravelled	20km of internal street and access roads re-gravelled	20km of internal street and access roads re-gravelled by June 2019	Target Achieved 57,4 km of internal street and access roads re-gravelled by June 2019	More kilometres were re-gravelled as result of heavy rains during rainy season	N/A	OPEX	internal street re-gravelled, ward councillor's confirmation letter and Pictures	Technical Services
3SID 12	Electrification of extensions at Witten.	Development of the specification, and submit to SCM, Advertisements of tendering, Evaluation, Adjudication and	Number of households connected to electricity grid at Witten by June 2019	246 households connected to electricity grid and energized by 30 June 2018	200 households connected to electricity grid and energized by 30 June 2019	Target Achieved. 200 households at Witten connected to electricity grid and energized	N/A	N/A	Budget : R 300 000.00 Exp : R 3,2	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and	Technical Services

KPI NO	PROJECT DETAILS		2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE SCORE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE								
		appointment of service provider, Service level agreement Project Hand Over, designs and Construction of electricity.			by 30 June 2019				Completion Certificate,	

19/06/2019  
 Approved  
 [Signature]

PROJECT ID	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE (SEE)	REASON FOR PERFORMANCE VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
3SID13	Electrification of extensions at Raweshi, Cracow, Early dawn, Lekgwara and Oldlongsign	To connect and provide sustainable energy by 2020	Number of households connected to electricity grid and energized by 30 June 2019	N/A	143 households connected to electricity grid and energized by 30 June 2019	Target not Achieved Currently the contractor has abandon the site.	Poor performance of the contractor	Contractor terminated. Outstanding work is given to the consultant as a turnkey. The project will be completed by end of August 2019	Budget 1 001 000.00 Exp: R 259 894	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate,	Technical Services

PROJECT ID		PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
PROJECT	PROJECT DESCRIPTION	PROJECT OBJECTIVE	LOCATION/THE									
BSID 14	Electrification of extensions at Eussoringa and Makgari	Development of the specification, and submit to SCM, Advertisemen t of tendering, Evaluation, Adjudication and appointment of service provider, Service level agreement Project Hand Over, designs and Construction of electricity.	Eussoringa and Makgari Wards 16	Number of households connected to electricity grid and energized by 30 June 2019	65 Household connected to electricity grid and energised by June 2018	115 households connected to electricity grid and energized by 30 June 2019	Target Achieved 115 households at Eussoringa and Makgari connected to electricity grid and energized by 30 June 2019	N/A	N/A	Budget 1.4 M Exp: R 922, 940	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate,	Technical Services

PROJECT ID	PROJECT DETAILS	RELEVANT PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY			
35SID 5	Energy Efficiency demand Site managemen t programme	Development of the specification, and submit to SCM, Advertisemen t of tendering, Evaluation, Adjudication and appointment of service provider, Service level agreement Project Hand Over and designs	Retrofitting of The current technologies used in all our Municipal lighting systems by LED Technology s e.g 225W Streetlights Bulb to be replaced by 100W LED and 58W Fluorescent Globe by 29W with same luminaries	BLM	% of energy efficient equipment purchased and installed by June 2019	100% Energy efficiency equipment purchased and installed at Satellite offices, Municipal buildings	100% Energy efficiency equipment purchased and installed at Satellite offices, Municipal buildings, community halls, sports facilities Senwarwan a and Alldays street lightings by June 2019	Target not Achieved 96 % Energy efficiency equipment purchased and installed at Satellite offices, Municipal buildings, community halls, sports facilities Senwarwana and Alldays street	Not all equipment were installed as result of the revised business plan	N/A	Budget :R 5 M Exp :R 4,8M	Advert, Appointment letters, completion certificate Close out report. Pictures	Technical Services

KP No	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
BSID 16	Purchase and installation of electrical poles	Renewal of lifespan of electrical assets in municipal electricity supply areas	Number of electrical poles purchased and installed in municipal supply areas by June 2019	10 electrical poles purchased and installed	10 electrical poles purchased and installed by June 2019	Target achieved. 13 electrical poles purchased and installed by June 2019	13 poles were installed cause the number of damaged poles exceeded planned target	N/A	Budget: R190.00 0.00 Exp:190 000	Proof of purchase and report on installation	Technical services.

BSID	Response to electricity breakdowns and cut offs	Submission of request, assessment, procurement and electrical maintenance.	To ensure proper maintenance of the Electrical network and addressing reported breakdowns	BLM	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTION OF EVIDENCE	RESPONSIBILITY
BSID 17					% of electricity breakdown addressed within 14 days of request.	100% electricity breakdown responded and addressed within 14 days of request by June 2018	100% electricity breakdown responded and addressed within 14 days of request by June 2019	Target Achieved. 100% electricity breakdown responded and addressed within 14 days of request by June 2019.	N/A	N/A	Budget 1 M Exp R 743 437	Register, reports, and Proof of Purchase	Technical Services
BSID 18	Purchase of transformers	Acquisition of transformers	To connect and provide sustainable energy to all households by 2020	BLM	Number of transformers purchased and installed by June 2019	6 transformers purchased and installed by June 2018	6 transformers purchased and installed by June 2019	Target achieved. 8 transformers purchased and	Extra transformers was a result of breakdowns during	N/A	Budget: R710,000.00 Exp: R 708 928	Proof of purchase	Technical services

ID	PROJECT DETAILS			KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE OR REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE	LOCATION/THIRD								
BSID 19	Conversion of conventional meters to pre-paid meters	To improve control of electricity usage	Alldays Ward 18	Number of conventional meters replaced at Alldays	N/A	15 conventional meters replaced at Alldays by June 2019	installed by June 2019 rainy season N/A	N/A	Budget 100 000 Exp: R 100 000	Proof of purchase	Technical Services

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

9.2. KEY PERFORMANCE AREA 2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

MTOD	PROJECT	PROJECT OBJECTIVE	LOCATION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
MTOD 1	Support for Special Focus groups	Coordination of men's forum	BLM	To promote the needs and interests of special focus groupings and gender mainstreaming	Number of municipal Men's council meetings held by June 2019	4 Men' council meetings held by June 2019	4 Men' council meetings held by June 2019	Target Achieved. 4 Men' council meetings held by June 2019	N/A	Budgetary 810 000.00 Exp:R6 52 808	Reports, Attendance register	Municipal Manager's Office
MTOD 2	Women Programmes	Coordination of activities with regard to women	BLM	To promote the needs and interests of special focus groupings and gender mainstreaming	Number of days of activism event against women coordinated by June 2019	2 events on 16 days of activism against women coordinated by June 2019	Target achieved. 2 events on 16 days of activism against women coordinated by June 2019	Target achieved. 2 events on 16 days of activism against women coordinated by June 2019	N/A	R 62 000 Exp R. 33 770	Reports, Attendance register	Municipal Manager's Office

PROJECT DETAILS		PROJECT OBJECTIVE	LOCATION	KEY PERFORMANCE INDICATOR	2017/18	2018/19	2018/19	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
PROJECT ID	PROJECT DESCRIPTION				ACTUAL ACHIEVEMENT	ANNUAL TARGET	ACTUAL PERFORMANCE					
MTOD 3	Children Programmes	Ensure that children programmes are coordinated	BLM	Number of children's day celebrated by June 2019	Targets achieved. 1 children' day celebrated by June 2018	1 Children's day celebrated by June 2019	Targets achieved. 1 children' day celebrated by June 2019	N/A	N/A	R158 000 Exp R 141 893	Report on the hosting and celebration of children's day. Pictures	Municipal Manager's Office
MTOD 4	Take a girl child programme	Ensure that children programmes are coordinated	BLM	Number of Take a girl child to work campaign coordinated by June 2019	One (1) Take a girl child to work campaign coordinated by June 2018	One (1) Take a girl child to work campaign coordinated by June 2019	Target achieved. One (1) Take a girl child to work campaign coordinated by June 2019	N/A	N/A	Part of Expenditure above under KPI MTOD 3	Report, attendance register and pictures	Municipal Manager's Office

KEY PERFORMANCE INDICATOR	THROUGHPUT	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EXPENDITURE	RESPONSIBILITY				
MTOD 5	Special focus forums	Coordination of Special focus forums meetings	Ensure that special focus forum meetings are held as per schedule	BLM	Number of Special focus fora coordinated and supported by June 2019	20 Special Councils meetings coordinated and supported by June 2018	20 Special Councils meetings coordinated and supported by June 2019	20 Special Councils meetings coordinated and supported by June 2019	Target Achieved 20 Special Councils meetings coordinated and supported by June 2019	N/A	N/A	Part of Expenditure above under KPI MTOD 1	Minutes, Report Attendance Register and Resolution register.	Municipal Manager's Office
MTOD 3	Disability and Elderly Programmes	Coordination of Disability and Elderly activities	Promote disability and elderly programmes through commemorations	BLM	Number of disability and elderly commemorations on event by June 2019	One(1) disability and elderly commemoration event by June 2018	One(1) disability and elderly commemoration event by June 2019	One(1) disability and elderly commemoration event by June 2019	Target achieved One(1) disability and elderly commemoration event by June 2019	N/A	N/A	R 190 000 Exp R 137 620	Report and attendance register	Municipal Manager's Office

REPORTING UNIT	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
MTOD 7	HIVAIDS PROGRAMMES	Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting	To reduce the number of HIVAIDS infections	BLM	Number of Local HIV/AIDS Council meeting coordinated by June 2019	Four (4) Local HIV/AIDS council meetings held by June 2018	Four (4) Local HIV/AIDS council meetings held by June 2019	Target Achieved. Four (4) Local HIV/AIDS council meetings held by June 2019	N/A	N/A	Budget :R 200 000 Exp :R155 105	Minutes, Attendance Register	Municipal Manager's Office

PROJECT/PROGRAM	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
MTOD 3	AIDS Council meetings	Promote advocacy and stakeholder collaboration	BLM	16 ward Aids Council cluster meetings organized by June 2018	16 ward Aids Council cluster meetings organized by June 2019	Target achieved. 16 ward Aids Council cluster meetings organized by June 2019	N/A	Part of Expenditure above under KPI MTOD 7	Minutes, Attendance Register	Municipal Manager's Office
MTOD 3	HAST Programmes	Prevent spread of communicable diseases	BLM	Four (4) HAST awareness campaigns by June 2018	Four (4) HAST awareness campaigns by June 2019	Target achieved Four (4) HAST awareness campaigns by June 2019	N/A	Part of Expenditure above under KPI MTOD 7	Report Attendance Register	Municipal Manager's Office

KPI/ MTOD	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
	PROJECT DESCRIPTION	PROJECT OBJECTIVE										LOCATION	
MTOD 10	CBO Meetings	Coordinate of CBO Meetings	Promote advocacy and stakeholder collaboration	BLM	Number of CBO meetings coordinated by June 2019	Four (4) CBO meetings coordinated by June 2018	Four (4) CBO meetings coordinated by June 2019	Target Achieved Four (4) CBO meetings coordinated by June 2019	N/A	N/A	Part of Expenditure above under KPI MTOD 7	Minutes, Attendance Register	Municipal Manager's Office
MTOD 11	Back to School Programmes	Coordination of back to school activities	Promote and support educational programmes	BLM	Number of schools visited through Back to school programmes by June 2019	20 Schools visited through back to school programme by June 2018	15 Schools visited through back to school programme by June 2019	Target achieved. 15 Schools visited through back to school programme by June 2019	N/A	N/A	Budget R30 000.00 Exp: R25 869	Reports, Attendance register	Municipal Manager's Office

MTOD	ACTION DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	OBJECTIVE	LOCATION									
MTOD 12	Monitoring and reporting	Follow visits to school with regard to back to school	Number of follow up compiled per quarter by June 2019	Not applicable	4 quarterly follow-up reports compiled by June 2019	<u>Target not achieved.</u>	No follow up visits were conducted	Revise the KPI for 2019/20	OPEX	Reports and Attendance Registers	Municipal Managers' Office
MTOD 13	Organizational Design and Human Resource capacity	Filling of section 57 managers vacant posts	Number of vacant section 57 managers posts filled within 3 months	Four (4) reports developed on Appointment of section 57 managers	Four (4) reports developed on Appointment of section 57 managers for vacant posts in line with Regulation on appointment and conditions of employment	<u>Target achieved</u> Four (4) reports developed on Appointment of section 57 managers for vacant posts in line	N/A	N/A	OPEX	Council resolution, appointment letters	Municipal Manager

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Date: 11/08/19

PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
PROJECT ID	PROJECT DESCRIPTION									
MTOD 14	Performance Management	Signing of performance plans and agreements by all section 54A and 56 managers for 2018/19 by June 2019	5 Snr managers signed performance agreements	Six (6) senior managers including Accounting officer with signed performance plans and agreements by June 2019	with Regulation on appointment and conditions of employment of senior managers	Snr Manager Technical services not appointed	The recruitment process will be completed in 2019/20	R 179 000.00 R 0.00	Signed employment contracts	Municipal manager
	Development and signing of performance agreements and plans and submission to CoGHSTA	To ensure compliance with Municipal systems Act	BLM							

PROJECT IDENTIFICATION	PROJECT DETAILS	PROJECT OBJECTIVES	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY	
ATOD 5	Individual Performance Assessments	Coordination of performance assessments sessions	Ensure that employee performance as	BLM	Number of performance assessment for section 54A and 56 managers conducted by June 2019	Two sessions conducted during 2017/18	Two sessions of performance assessment conducted for 54A and 56 managers by June 2019	Target achieved. Two sessions of performance assessment conducted for 54A and 56 managers by June 2019	N/A	N/A	Individual performance Assessment Report and Attendance Registers	Municipal Manager's Office
ATOD 6	Back to Basics(B2B)	B2B Action Plan	Ensure focus on basic programmes and interventions	BLM	Compilation and approval of Back to basic Action plan 2018/19 by June 2019	One B2B Action plan approved during 2017/18	One B2B Action plan developed and approved by June 2019	Target achieved. One B2B Action plan developed and approved by June 2019.	N/A	N/A	Approved B2B Action Plan 2018/19	Municipal Manager's Office

MTOD	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2019/20 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
	PROJECT	PROJECT DESCRIPTION										PROJECT OBJECTIVE	LOCATION
MTOD 17	Back to Basics(B2B)	B2B Quarterly and annual report Reports	Ensure regular reporting and accountability	BLM	Number of quarterly and annual B2B Reports compiled by June 2019	Four Quarterly B2B Reports compiled during 2017/18	1 annual and 3 Quarterly B2B Reports compiled by June 2019	Target <u>Achieved.</u> 1 annual and 3 Quarterly B2B Reports compiled by June 2019	N/A	N/A	OPEX	Quarterly Reports	Municipal Manager's Office
MTOD 18	Development of SDBIP	Compilation of SDBIP 2019/20	To have a clear plan for implementation of IDP/Budget	BLM	Number 2019/20 SDBIP developed and approved by June 2019	2018/19 SDBIP Compiled Approved	One Developed and approved of 2019/20 SDBIP by June 2019	Target <u>achieved.</u> One Developed and approved of 2019/20 SDBIP by June 2019	N/A	N/A	OPEX	Approved 2019/20 SDBIP	Municipal Manager's Office

REPORTING PERIOD	PROPOSED KEY PERFORMANCE INDICATORS	KEY PERFORMANCE INDICATOR GOALS	2017/18 ACTUAL ACHIEVEMENT	2017/18 ANNUAL TARGET	SDBIP ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY			
ATOD :9	SDBIP Reports	Quarterly SDBIP Reports	To assess the quarterly performance of the institution against the set targets.	BLM	Number of Quarterly SDBIP Reports compiled by June 2019	Four Quarterly SDBIP Reports compiled	Four Quarterly SDBIP Reports compiled by June 2019	Target Achieved Four Quarterly SDBIP Reports compiled by June 2019	N/A	N/A	Quarterly SDBIP Reports	OPEX	Municipal Manager's Office
ATOD :10	Annual Performance Reports	Annual Performance Report 2017/18	To assess the annual performance of the institution against the set targets	BLM	Compile Annual Performance Report 2017/18 and submit to AGSA by June 2019	Annual Performance Report 2016/17 compiled and submitted to AGSA	Annual Performance Report 2017/18 compiled and submitted to AGSA by June 2019	Target achieved. Annual Performance Report 2017/18 compiled and submitted to AGSA by June 2019	N/A	N/A	Annual Performance Report 2017/18	OPEX	Municipal Manager's Office

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PROJECT ID		PROJECT DETAILS		KEY PERFORMANCE INDICATOR		2017/18 ACTUAL ACHIEVEMENT		2018/19 ANNUAL TARGET		2018/19 ACTUAL PERFORMANCE		REASON FOR VARIANCE		CORRECTIVE MEASURES		BUDGET OF EVIDENCE		RESPONSIBILITY		
PROJECT	DESCRIPTION	PROJECT OBJECTIVE	LOCATION	Number WSP developed and ATR compiled and submitted by the end of April each year.	Development of WSP and compilation of ATR and submitted to LGSETA by 30 <sup>th</sup> April.	Development of WSP and compilation of ATR and submitted to LGSETA by 30 <sup>th</sup> April.	Development of WSP and compilation of ATR and submitted to LGSETA by 30 <sup>th</sup> April.	Development of WSP and compilation of ATR and submitted to LGSETA by 30 <sup>th</sup> April.	Target achieved	Development of WSP and compilation of ATR and submitted to LGSETA by 30 <sup>th</sup> April.	Target achieved	N/A	N/A	N/A	Retention strategy document and Council resolution for approval	Corporate Services				
MTOD 21	Human Resource Development	To address skills gaps	BLM	Number of employees trained by June 2019	85 employees trained	65 employees trained by June 2019	65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019
MTOD 22	Training of employees	To improve the capacity of the employees and councillors.	BLM	Number of employees trained by June 2019	85 employees trained	65 employees trained by June 2019	65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019	Target Achieved 65 employees trained by June 2019

MTOD	LEARNER PROGRAMMES	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 BUDGETED PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EXPENDITURE	RESPONSIBILITY
23	Learner ship programmes	Number of External stakeholders capacitated through learner ships and internships programmes by June 2019	600 learners assisted in 2017/18	600 Learners Recruited for learner ship programme by June 2019	Target achieved. 600 Learners Recruited for learner ship programme by June 2019	N/A	N/A	OPEX	Reports Names of beneficiaries	Corporate Services

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TRIM	PROJECT DESCRIPTION	PROJECT OBJECTIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
MTOD 24	Purchase of furniture	Development of specifications and appointment of the service provider	To purchase furniture for the offices	BLM	% budget spent on purchase of furniture by June 2019	100% Budget spend on purchase of furniture by June 2019	Target achieved. 100% Budget spend on purchase of furniture by June 2019	N/A	Budget 160 000 Exp : R 152 742	Proof of purchase Section 71 report	Corporate Services
MTOD 25	Employee Wellness	Organize and present Employee Assistance campaigns for all staff members	To promote Employee Wellness and manage Injuries on duty (IOD)	BLM	Number of Medical Surveillance and wellness campaigns by June 2019	2 medical surveillance and 2 campaigns by June 2019	Target achieved. 2 medical surveillance and 2 campaigns by June 2019	N/A	Budget :R 100 000.00 Exp: R1660 0.00	Surveillance report Invitation/ Notices Attendanc e register	Corporate Services
MTOD 26	Fleet Management	Appointment and induction	To ensure availability of office furniture	BLM	Number of Fleet Committee established	Fleet Management Committee established	Target achieved. Fleet Management	N/A	OPEX	Report and Attendanc	Corporate Services

MTOD	Strategic Objective	Key Performance Indicators	2017/18 Actual Achievement	2018/19 Annual Target Performance	2019/20 Actual Performance	Reason for Variance	Corrective Measures	Resource	Portfolio of Evidence	Responsibility						
27	Sports Development and Programmes	Coordination of sports council meetings			and inducted by June 2019			and inducted by June 2019	Committee established and inducted by June 2019	Sports council meeting was not coordinated	Adhere to schedule of meetings	OPEX	Reports	Registers	Municipal Manager's Office	
		To facilitate sports Council development through Sports Council meetings, Talent identification, capacity building, facilitate workshops, host tournaments		BLM	Number of Sports council meetings coordinated and supported by June 2019	4 Sports council meetings coordinated and supported by June 2018	4 Sports council meetings coordinated and supported by June 2019	4 Sports council meetings coordinated and supported by June 2019	Target not achieved. 2 Sports council meetings coordinated and supported by June 2019	Sports council meeting was not coordinated						

CIP NO	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2018/19 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE VARIANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
MTOD 28	Youth Talent search	Coordinate talent search activities and Equipment To unearth youth talent	Number of Talent identification session held by June 2019	Not applicable	2 Talent identification sessions conducted by June 2019	Target achieved. 2 Talent identification sessions conducted by June 2019	N/A	N/A	OPEX	Reports and Attendance	Municipal Manager's Office
MTOD 29	CBO Capacity building	To capacitate CBO Coordination of capacity building session	Number capacity session held by June 2019		2 Capacity building sessions conducted by June 2019	Target achieved. 2 Capacity building sessions conducted by June 2019	N/A	N/A	OPEX	Reports and Attendance	Municipal Manager's Office

KEY	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY			
MTOD 30	Sports Development	Hosting of Boxing Tournament	To promote boxing within the Municipality	BLM	Number Boxing Tournament held by June 2019	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	Reason for Variance	Corrective Measures	Budget	Portfolio of Evidence	Responsibility
					One Boxing Tournament held by June 2019	Target achieved. One Boxing Tournament held by June 2019	N/A	N/A	R200 000.00	Reports and Attendance	Municipal Manager's Office		
MTOD 31	Sports Development	Mayor's tournament coordination	Promote excellence and high performance in sport	BLM	Number of Mayor's cup tournament held by June 2019	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	Reason for Variance	Corrective Measures	Budget	Portfolio of Evidence	Responsibility
					Number of Mayor's cup tournament held by June 2019	Target achieved. One Mayor's cup tournament hosted by June 2019	N/A	N/A	Budget: R500 000 Exp: R497 705	Reports	Municipal Manager's Office		

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REPORTING	PROJECT DETAILS			KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT	PROJECT DESCRIPTION	PROJECT DELIVERABLE									
MTOD 32	Sports coordination for employees	Organize sports activities for employees for healthy lifestyle.	Employees on healthy life style	Number of sporting activities coordinated and supported by June 2019	12 of sports days organized and Municipal programme supported by June 2018	12 of sports days organized and Municipal programme supported by June 2019	Target achieved 12 of sports days organized and Municipal programme supported by June 2019	N/A	N/A	Budget R 1,6 Exp :R 1.6	Report and Attendance Register	Corporate Services
MTOD 33	Development review of Policies	Review and development of policies	To ensure availability of updated policies	Percent HR policies reviewed and approved by Council by June 2019	100 % HR policies reviewed and approved by Council by June 2018	100 % HR policies reviewed and approved by Council by June 2019	Target not achieved. Policies reviewed awaiting approval	The process was delayed	Process has been finalised awaiting approval	OPEX	List of approved policies and Council resolution	Corporate Services

MTOD	RECORDS MANAGEMENT	DEVELOPMENT OF FILE PLAN AND REGISTRY PROCEDURE MANUAL	ENSURE PROPER RECORDS MANAGEMENT	BLM	NUMBER FILE PLAN DEVELOPED AND APPROVED BY JUNE 2019	ONE FILE PLAN DEVELOPED AND APPROVED BY JUNE 2018	ONE FILE PLAN DEVELOPED AND APPROVED BY JUNE 2019	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	BOSS/FOUO BY EVIDENCE	RESPONSIBILITY
34	Records Management	Development of file plan and registry procedure manual	Ensure proper records management	BLM	Number File plan developed and approved by June 2019	One File plan developed and approved by June 2018	One File plan developed and approved by June 2019	Achieved. One File plan developed and approved by June 2019	N/A	N/A	OPEX	File plan and Council Resolution	Corporate Services
35	Employment Equity	Affirmative action	To ensure the implementation of employment equity	BLM	Number EE reports compiled and submitted by June 2019	One EE report compiled and submitted to Dept of Labour by June 2018	One EE report compiled and submitted to Dept of Labour by June 2019	Achieved. One EE report compiled and submitted to Dept of Labour by June 2019	N/A	N/A	OPEX	EE Report	Corporate Services
36	Labour Relations	Grievance register	To record all grievances	BLM	Development of Grievance Register	Grievance Register Developed and updated	Grievance Register Developed and updated	Target achieved. Grievance Register	N/A	N/A	OPEX	mi	Corporate Services

REPORTING PERIOD	PROJECT TITLE	PROJECT OBJECTIVE	KEY PERFORMANCE INDICATOR	2018 ACTUAL ACHIEVEMENT	2019 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
MTOD 37	OHS Inspection	Health and safety working environment To ensure compliance with OHS regulation	BLM Number of OHS reports compiled by June 2019	04 OHS reports compiled by June 2018	04 OHS reports compiled by June 2019	Developed and updated Target achieved. 04 OHS reports compiled by June 2019	N/A	N/A	OPEX	Inspection and Compliance reports	Corporate Services
MTOD 38	Ethics and Disciplinary Committee	To maintain high ethical standards Ensure compliance with code of conduct	BLM Number of Ethics and Disciplinary committee meetings held per quarter by June 2019	4 Ethics and Disciplinary committee meetings held by June 2018	4 Ethics and Disciplinary committee meetings held by June 2019	Target achieved. 4 Ethics and Disciplinary committee meetings held by June 2019	N/A	N/A	OPEX	Minutes and registers	Corporate Services

PROJECT IDENTIFICATION	PROJECT DETAILS	KEY PERFORMANCE INDICATOR	2017/18 ANNUAL ACHIEVEMENT	2018/19 ANNUAL TARGETS	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
ATOD 09	HR committees Coordination of EE, OHS and Training committee meetings. To harmonize working environment and ensure compliance with labour regulations	Number of EE, OHS and Training committee meetings held per committee by June 2019 BLM	12 meetings of EE, OHS and Training committee held by June 2018	12 meetings of EE, OHS and Training committee held by June 2019	<u>Target achieved.</u> 12 meetings of EE, OHS and Training committee held by June 2019	N/A	N/A	OPEX	Report and Attendance Registers	Corporate Services
ATOD 10	Local Labour Forum Coordination of Local Labour forum meetings Ensure regular sittings of LLF	Number of LLF Meetings held by June 2019 BLM	12 LLF meetings held by June 2019	12 LLF meetings held by June 2019	<u>Target achieved.</u> 12 LLF meetings held by June 2019	N/A	N/A	OPEX	Report and Attendance Registers	Corporate Services
ATOD 11	IT Management IT Backup Systems Renewal of backup system	Number of IT backup system report produced by June 2019 BLM	12 IT backup system reports by June 2018	12 IT backup system reports by June 2019	<u>Target achieved.</u> 12 IT backup system reports by June 2019	N/A	N/A	OPEX	IT Backup System Quarterly reports	Corporate Services

MTOD	PROJECT DETAILS			PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT	PROJECT DESCRIPTION	LOCATION									
MTOD 42	Computers Acquisition	Purchase of Computers	BLM	Number of Computers, laptops and printers purchased June 2019	Computers purchased during 2017/18	6 Laptops 3 Desktops 3 Printers purchased by June 2019	Target achieved 6 Laptops 3 Desktops 3 Printers purchased by June 2019	N/A	N/A	R4100 000 Exp R321 000	Specification POP	Corporate Services department
MTOD 43	IT infrastructure Acquisition	Purchase of IT infrastructure	BLM	Number Switch cabinets, Switches and Cat 6 cabling purchased and installed by June 2019	Installation of Switch cabinets, Switches and Cat 6 cabling by June 2018	Installation of Switch cabinets, Switches and Cat 6 cabling by June 2019	Target achieved. Installation of Switch cabinets, Switches and Cat 6 cabling by June 2019	N/A	N/A	R 720 000 R 659 950	Specification POP	Corporate Services department

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KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 TARGET	REASON FOR DEFICIENCY	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF SERVICES	RESPONSIBILITY
MTOD 44	<p>Installation of Software</p> <p>Purchase and installations</p> <p>Ensure availability of renewed soft wares</p> <p>BLM</p> <p>Number of Soft wares installed by June 2019</p>	Two Soft wares installed by June 2018	Two Soft wares installed by June 2019	Target achieved. Two Soft wares installed by June 2019	N/A	R 730 000 Exp R 171 985	Specification POP	Corporate Services department
MTOD 45	<p>Network installation</p> <p>Networking</p> <p>Improvement of municipal uptime</p> <p>BLM</p> <p>Percent networking installation done by June 2019</p>	100 % Networking installation done by June 2018	100 % Networking installation done by June 2019	Target achieved 100 % Networking installation done by June 2019	N/A	R 170 000 Exp R 144 770	Specification POP	Corporate Services department
MTOD 46	<p>Compilation of licensing and registration reports</p> <p>Implementation of the licensing service action plan.</p> <p>To ensure the provision of licensing services in an efficient, effective and</p> <p>BLM</p> <p>To develop the management of the licensing and registration of</p>	11 monthly reports on the implementation of the licensing	11 monthly reports on the implementation of the licensing plan by June 2019	Target achieved 11 monthly reports on the implementation of the	N/A	OPEX	Action Plan and implementation reports.	Community Services

KEY PERFORMANCE INDICATOR	PROJECT DETAILS		2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE								
		economical manner.	plan by June 2018		licensing plan by June 2019					
MTOD 47	Traffic Management	To ensure the provision of traffic services in an efficient, effective and economical manner.	11 monthly reports appeared before portfolio committee available	11 monthly reports on the implementation of the operational plan.	Target achieved 11 monthly reports on the implementation of the operational plan.	N/A	N/A	OPEX	Action Plan and implementation reports.	Community Services
MTOD 48	Joint Operations	Promote safety and security	12 Joint operations conducted by June 2018	12 Joint operations conducted by June 2019	Target achieved 12 Joint operations conducted by June 2019	N/A	N/A	OPEX	Attendance registers Reports Pictures	Community Services

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PROJECTS	PROBLEMS	OBJECTIVES	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY	
MTOD 19	Pound management	Resuscitate pound services	Ensure provision of pound services in an efficient, effective and economic manner.	BLM	Number of Reports on pounding of stray animals compiled	Existing pound operation plan.	Four Reports on pounding of stray animals compiled	Target <u>Achieved</u> . Four Reports on pounding of stray animals compiled	N/A	R 150 000.00 Exp R 127 219	Reports on impounding of stray animals	Community Services
MTOD 20	Public Safety Plan	Review of the Community Safety Plan	Ensure the safety of communities.	BLM	Number Community Safety Plan reviewed by June 2019	Existing Community Safety Plan.	Reviewed Community Safety Plan by June 2019	Target achieved. Reviewed Community Safety Plan by June 2019	N/A	OPEX	Council approved Community Safety Plan.	Community Services
MTOD 21	Community Safety Plan	Safety education and awareness	To ensure the safety of the local communities.	BLM	Number of safety awareness campaigns by June	4 safety awareness campaigns conducted	3 safety awareness campaigns	Target <u>achieved</u> 3 safety awareness	N/A	Budget R 50 000.00	Minutes and attendance registers of	Community services.

FUNDING PROJECT	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
			conducted by June 2019	by June 2019	conducted by June 2019	campaigns conducted by June 2019			Exp R 3 589	awareness campaigns conducted	
MTOD 52	Safety	Safety project	Community Safety project established	Safety project established.	Safety project established.	<u>Target achieved</u> Safety project established.	N/A	N/A	OPEX	Registration documents and implementation records.	Community services.

REPORTING PERIOD	PROJECT DETAILS	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
ATOD 13	Facilities Maintenance  Implementation of a facilities management plan	To ensure the implementation of a facilities management plan.	BLM  % implementation of facilities management plan.	100% implementation of facility maintenance plan	100% implementation of facility maintenance plan	N/A	N/A	Budget R 400 000.00 Exp R 353 087	Final approved plan. Maintenance reports	Community services.
ATOD 14	Institutional Management meetings  Development of schedule of meetings, issue to relevant stakeholders, documentation with invitation for a	To hold management meetings for proper planning and monitoring.	BLM  Number of management meetings held by June 2019	24 Management meetings held by June 2019(1 bi-weekly)	Target achieved. 24 Management meetings held by June 2019(1 bi-weekly)	N/A	N/A	OPEX	Schedule of meetings Minutes/Report Attendance registers	Municipal Manager

KIND	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/8 ACTUAL ACHIEVEMENT	2018/9 ANNUAL TARGET	2018/9 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
MTOD 55	Local Intergovernmental Relations	meeting, distribution, reminders and meeting	Number of the local IGR Forum held by June 2019	4 Local IGR meetings per annum by June 2018	4 Local IGR meetings per annum by June 2019	Target not achieved. 3 Local IGR meetings per annum by June 2019	Meeting was coordinated clash of events	Adhere to schedule of meetings	OPEX	Resolution register Agenda Minutes/R eport, Attendanc e registers and Resolution implementation monitor	Municipal Manager 'Office

Approved: 11/06/2019

9.3. ECONOMIC DEVELOPMENT AND PLANNING

PROJECT	OBJECTIVES	KEY PERFORMANCE INDICATORS	2017/18 AGRICULTURE ACHIEVEMENT	2018/19 AGRICULTURE ACHIEVEMENT	2019/20 AGRICULTURE ACHIEVEMENT	REASON FOR NON-ACHIEVEMENT	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
LED	Financial support to LED projects	Provide financial support LED Projects for growth and sustainability	4 projects supported financially during 2017/18	02 LED projects supported financially by June 2019	Target achieved. 02 LED projects supported financially by June 2019	N/A	N/A	Budget 500,000.00 Exp:R 471 510	Project reports and Pictures	Economic Development and Planning
LED	Job Creation and coordination of job creation initiatives	Provide financial support LED by procuring required operations equipment in support of their growth and sustainability	250 EPWP job opportunities created in the 2017/18 FY	200 jobs created and sustained through EPWP project.	Target achieved. 200 jobs created and sustained through	N/A	N/A	Budget: R3.1 M Exp: R3.1	Records of EPWP Participant s(,e list ,ID's and contracts)	Community services

MP No.	PROJECT METALS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
LED 3	Establishment and capacity building of waste management cooperatives	Identification, establishment, registration and capacity building of Cooperatives	To establish waste management cooperatives	BLM	Number of waste management Cooperatives established and capacitated by June 2019	Two cooperatives established in 2017/18	Two waste collection Cooperatives established and capacitated by June 2019	EPWP project. Target Not Achieved. No cooperative was established and capacitated by June 2019	Intransigent of community members to participate coupled with capacity within the unit.	The matter will receive utmost priority in the 19/20 financial year by the Waste Officer	OPEX	Cooperative certificate and proof workshops	Community services

ED	PROJECT DETAILS	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2019 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
4	Unemployed persons database	To develop and maintain unemployment database	2017/18 Blouberg Unemployed Database in place	01 database developed and maintained by June 2019	Target achieved. 01 database developed and maintained by June 2019	N/A	N/A	OPEX	Database Quarterly Reports Council Resolution	Economic Development and Planning
5	Coordination of job creation through CWP (community work programme)	To coordinate job creation through the CWP programme.	04 Quarterly reports compiled during 2017/18	04 CWP Quarterly Reports Compiled by June 2019	Target achieved. 04 CWP Quarterly Reports Compiled by June 2019	N/A	N/A	OPEX	Quarterly Reports	Economic Development and Planning

PROJECT DETAILS			KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
KEY No	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
LED 6	SMME Development and Coordination	Capacity building for SMME	To provide support to SMME's	BLM	04 capacity building sessions for SMME's conducted by June 2019	4 SMME's trained	04 capacity building sessions for SMME's conducted by June 2019	Target achieved. 04 capacity building sessions for SMME's conducted by June 2019	N/A	N/A	OPEX	Attendance Registers Reports	Economic Development and Planning
LED 7	Flea Markets	Hosting flea markets exhibitions sessions.	To showcase the handwork and artefacts of the locals	Senwabarwana	Number of flea markets exhibitions conducted by June 2019	4 flea markets exhibitions conducted by June 2018	4 flea markets exhibitions conducted by June 2019	Target achieved. 4 flea markets exhibitions conducted by June 2019	N/A	N/A	Budget: R103 000 Exp: R81 600	Reports, pictures and Attendance registers	Economic Development and Planning

LED NO	PROJECT TITLE	GOVERNANCE	KEY PERFORMANCE INDICATOR	2017/18 BUDGET ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	PEX(S) FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
LED 8	Reports on Social and Labour Plan(SLP)	Compilation of quarterly reports on social labour plans	To ensure that mining companies give back to communities where they are operating.	BLM	Number of Reports on Social Labour Plan compiled by June 2019	04 Quarterly meetings with mining houses held	04 Social labour plan Reports compiled by June 2019	N/A	OPEX	Reports	Economic Development and Planning
LED 9	Street trading in Senwarbarwa and Alldays	Management and control of hawkers and hawker stalls in Senwarbarwa and Alldays	To assist the hawkers to operate without challenges.	BLM	Number of meetings held on management of hawkers and hawker stalls in Senwarbarwa and Alldays by June 2019	hawkers and hawker stalls in place	04 quarterly meetings held with hawkers' associations (all hawkers in Alldays and Senwarbarwa with permits) by June 2019	N/A	OPEX	Minutes, attendance registers, hawkers database	Economic Development and Planning

KPI NO	PROJECT DETAILS			KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE OR	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE	LOCATION									
LED 10	Tourism development and Coordination	Provide support to tourism activities within the Municipality. Coordination of shows	BLM	Number of tourism events conducted by June 2019	New Indicator	4 quarterly tourism events coordinated by June 2019	Senwabar wana permits) by June 2019 Target achieved. 4 quarterly tourism events coordinated by June 2019	N/A	N/A	Budget: R100 000 Exp:R 73 220	Reports and Council Resolution	Economic Development and Planning

### 9.4. BUDGET & TREASURY FINANCIAL VIABILITY AND MANAGEMENT

KEY PERFORMANCE INDICATOR	2018/19 TARGET	2018/19 ACTUAL ACHIEVEMENT	2019/20 ANNUAL TARGET	2019/20 ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
VM 1 Financial Management	To comply with the financial management regulations	To effectively and efficiently manage the financial affairs of the municipality	Number of Budget Steering Committee meetings by June 2019	4 Budget Steering meetings held by June 2018	4 Budget Steering meetings held by June 2019	Target achieved. 4 Budget Steering meetings held by June 2019	None	N/A	OPEX	Minutes, Report Attendance Register	Budget and Treasury
VM 2 Financial management and Planning	To shape planning and revenue management.	To explore all revenue sources and to maximise collection	Number steering committee appointed by June 2019	1 Budget/IDP steering committee	1 budget steering committee appointed by June 2019	Target achieved. 1 budget steering committee appointed	N/A	N/A	OPEX	Appointment letters	Budget and Treasury
VM 3 Revenue Enhancement strategy.	Billing and collection of revenue	To explore all revenue sources and to maximise collection	Amount of revenue collected from electricity sales as budgeted	R 22 909 644 Collected	R26 666 000 of Services revenue collected by June 2019	Target not Achieved, R 26 666 000 Billed but only R	Non-payme nt of busine	Budget for pre-paid meters	OPEX	Revenue Report	Budget and Treasury

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Date: *[Date]*

CPTAB	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
FVM4	Municipal income collection	Billing and collection of revenue	R Amount of revenue collected from Rural development as budgeted by June 2019	R 851 274 collected	R 800 000 amount of Rural development income collected by June 2019	Target not Achieved, R 684,824 was Collected [80%]	Non-payme nt by residen ts	Ward councillors to assist in appealing to communiti es to pay	OPEX	Revenue Report	Budget and Treasury
FVM5	Municipal income collection	To explore all revenue sources and to maximise collection rural development levy	R Amount of revenue collected from Property rates as budgeted by June 2019	R 25 289 619 collected	R26 500 000	Target not Achieved, R26 500 000 Billed, but only R 6,854,225 was	Non-payme nt by govern ment depart ments	PMT to assist, enforce credit control policy	OPEX	Revenue Report	Budget and Treasury

REPORTING CATEGORY	PROPOSED/EXISTING PROJECTS	LOCATION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF RISK	RESPONSIBILITY
VM6	Municipal Operating income collection		refuse collection To explore all revenue sources and to maximise collection	R 248 979 collected	R 500 000 Amount of revenue collected from Refuse collection as budgeted by June 2019	Not Achieved, R 461,123 billed, but R 156,408 was collected : [25%]	Non-payme nt by custom ers	Enforce credit control policy	OPEX	Revenue Report	Budget and Treasury
VM7	Municipal Operating income collection		To explore all revenue sources and to maximise collection	R 7 686 149 collected	R 16 949 606 amount collected from other revenue sources by June 2019	Target not Achieved, R 11,314,744 was collected : [73%]	Unrealistic projections	Consider prior year collections as the basis	OPEX	Revenue report	Budget and Treasury

KPI No	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO EVIDENCE	RESPONSIBILITY		
	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
FVM 8	Municipal Operating income collection	Coordinate meetings with ratepayers	To update the municipal ratepayer on the new developments	BLM	Number Meetings held with ratepayers forum/ associations by June 2019	Two Meeting held with Ratepayers association s by June 2018	Two Meeting held with Ratepayers associations by June 2019	Target achieved. Two Meeting held with Ratepayers associations by June 2019	Poor Attendance of committee members	Engage PMT to assist	OPEX	Attendance register	Budget and Treasury
FVM 9	Expenditure Management	Timeous payment of salaries, statutory deductions and allowances	To manage cash flow	BLM	Number Payment of salaries, statutory deductions, parties done on time by June 2019	12 payment of salaries, third parties and councillors on time	12 Payment of salaries, third parties and councillors allowances on time by June 2019	Target achieved. 12 Payment of salaries, third parties and councillors allowances on time by June 2019	N/A	N/A	OPEX	Salaries Report	Budget and Treasury

	PROBLEMS	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL (REVERSED)	2018/19 ANNUAL BUDGET	2017/18 ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	BUDGET	PORTFOLIO PERFORMANCE	RESPONSIBILITY	
FVM 10	SARS Submissions	Submission of statutory EMP 501 to SARS within timeframe	To comply with financial regulations	BLM	2 EMP501 submitted to SARS	2 EMP501 submitted to SARS on 30 <sup>th</sup> October 2018 and 31 <sup>st</sup> May 2018 respectively	Target achieved. 2 EMP501 submitted to SARS on 30 <sup>th</sup> October 2018 and 31 <sup>st</sup> May 2018 respectively	N/A	OPEX	EMP 501 Return	Budget and Treasury
FVM 11	Fruitless and wasteful expenditure register	Develop and Update Fruitless and wasteful expenditure register	To regularise the fruitless and wasteful expenditure	BLM	12 fruitless and wasteful expenditure register updated	12 fruitless and wasteful expenditure reports updated by June 2019	Target achieved. 12 fruitless and wasteful expenditure reports updated by June 2019	N/A	N/A	Fruitless and wasteful expenditure reports	Budget and Treasury



SPONSORING DEPARTMENT	PROJECT/INITIATIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
FVM 14	VAT Management VAT 201 submitted within legislated timeframes	To manage the VAT returns	BLM 11 VAT returns submitted on time	11 VAT returns submitted monthly by June 2019	Target achieved. 11 VAT returns submitted on monthly by June 2019	N/A	N/A	N/A	VAT 201 Submitted	Budget and treasury
FVM15	FMG management Capture spending FMG project. Compile spending report in terms of section 71 report.	To account for the grant received	BLM FMG total budget allocated	100% Total budget spent by June 2019	Target achieved. 100% Total budget spent by June 2019	N/A	N/A	R 2,534,000	FMG Report submitted to National Treasury	Budget and Treasury
FVM16	Operational Expenditure Management Capture spending on capital project Compile spending	% Operational budget spent by 30 June 2019	BLM 100% Operational expenditure spends	100% Operational expenditure spends by June 2019	Target achieved. 100% Operational expenditure	N/A	N/A	OPEX	Quarterly Financial Report	Budget and Treasury

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KPI ID	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2017/18 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
FVM17	Capital budget Expenditure Management	<p>reports in terms of section 71 report.</p> <p>Capture spending on capital project</p> <p>Compile spending reports in terms of section 71 report.</p>	<p>% capital budget spent by 30 June 2019</p> <p>BLM</p>	100% Capital expenditure spends	100 % Projected capital expenditure budget spends by June 2019	Target achieved. 100 % Projected capital expenditure budget spends by June 2019	N/A	N/A	OPEX	Quarterly Financial Report	Budget and Treasury
FVM18	Assets and Inventory Management	<p>Develop schedule for asset verification, circulate to all departments</p> <p>To assess the value of the assets and inventory</p>	<p>Number of assets verifications conducted by June 2019</p> <p>BLM</p>	2 assets verifications conducted	No of assets verified and recorded to fixed register. By June 2019	Target achieved, physical assets verified and recorded to fixed	N/A	N/A	OPEX	Asset Verification Report	Budget and Treasury



KPI NO	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	SPECIFIC OBJECTIVE									
FVM21	Investments	Interests on Investment received as budgeted	Interest on investment received as budgeted by June 2019	R 2 475 497 received as investment income	R1 700 000 Received as interest on investment by June 2019	Target achieved. R1 700 000 Received as interest on investment by June 2019	Quagmire on investment caused by VBS saga	Council authorised administration to invest	N/A	Investment register	Budget and Treasury
FVM22	Draft and Final Budget 2019/20	Table budget to Council on or before 31 March 2019	To submit draft budget to Council by 31 March 2019	2017/18 draft Budget in place	1 Draft and Final Budget submitted to Council by the 31 <sup>st</sup> March 2019	Target achieved. 1 Draft and Final Budget submitted to Council by the 31 <sup>st</sup> March 2019	N/A	N/A	N/A	Council Resolution	Budget and Treasury

PROJECT ID	PROJECT NAME	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
FVM23	Section 71 Report	To manage the cash flow of the municipality. BLM	12 2017/18 Section 71 report	12 section annual report submission by June 2019	Target achieved, 12 section annual report submission by June 2019	N/A	N/A	OPEX	Copy of acknowledgment of receipt by treasuries	Budget and Treasury
FVM24	Compile the AFS Process plan, Submit to management for inputs, submit to audit committee, Compile the Annual Financial Statement, and Review	To account for the utilisation of the municipal funds and to hand over to AG for auditing. BLM	2016/17 Financial statements submitted to the Auditor General by 31 <sup>st</sup> August 2017	Availability of AFS process Plan by June 2019	Target achieved, Availability of AFS process Plan by June 2019	N/A	N/A	OPEX	Acknowledgment of receipt of annual financial statements by Auditor General	Budget and Treasury





FPM#	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OFFENSIVE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
FVM27	Free basic Services	Awareness campaign/Identification of indigents, issuing of indigent registration forms, and registration an indigent	Number of reports on indigent management by June 2019 <i>100% compliance</i>	1 indigent register updated	2 reports issued on indigents update by June 2019	Target achieved. 2 reports issued on indigents update by June 2019	N/A	N/A	OPEX	Indigent register Reports on indigent management	Budget and Treasury
FVM28	Compilation of 2019/20 Budget	To Develop final budget 2019/20 financial and submit the final budget for approval	To submit final budget to council by June 2019	IDP/Budget Process Plan developed and approved	One Final budget submitted to council by June 2019	Target achieved. One Final budget 2019/20 submitted to council by June 2019	N/A	N/A	OPEX	Final budget and Council Resolution	Budget and Treasury

PROJECT ID	PROJECT NAME	LOCATION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OVERVIEW	RESPONSIBILITY
FVM29	Collection of information, draft customer database and finalize database	BLM	To profile all the municipal customer database.	Customer database in place	1 revised Credible customer Database developed and updated by June 2019	Target achieved. 1 revised Credible customer Database developed and updated by June 2019	N/A	N/A	OPEX	Customer data base	Budget and Treasury

9.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI/NO	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2017/18 ACTUAL PERFORMANCE	RISK/SK FOR WAHIAN	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OFF/DVICE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
GGPP 1	Management and Coordination of Municipal Audit programmes	To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes.	Number of risk based internal audit plan developed and submit to Audit Committee for approval by June 2019	One Approved Risk based audit plan	1 Approved risk based audit plan by 30 June 2019	Target achieved. 1 Approved risk based audit plan and approved.	N/A	N/A	OPEX	Risk Based Internal Audit Plan & Council resolution	Municipal Manager's office
GGPP 2	Management and Coordination of Municipal Audit programmes	To provide independent assurance and consulting	% implementation of risk based internal audit plan	100 % Risk based audit plan implemented	100% implementation of approved risk based audit plan	Target achieved 100% implementation of	N/A	N/A	OPEX	Action Based Internal Audit plan &	Municipal Manager's Office

GGPP	KEY STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2017/18 BUDGETED ANNUAL TARGETS	2017/18 APPROVED BUDGETED PERFORMANCE LEVEL	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO CONFIDENCE	RESPONSIBILITY
	Audit programmes	activities of the internal control systems, risk management and governance processes.								
	Management and Coordination of Municipal Audit programmes	Ensure regular sitting of Audit Committee	05 Audit committee meeting are held	4 audit committee meeting held by June 2019	Target achieved 4 audit committee meeting held by June 2019	N/A	N/A	Budget 505 620 000.00 for allowance and meetings	Attendance register, minutes, reports	Municipal Manager's Office
GGPP 3		Sitting of Audit Committee meetings	Number of audit committee meeting held by June 2019	BLM						

PROJECT	PROJECT DESCRIPTION	PROJECT OBJECTIVE	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIATION (IF ANY)	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OVERVIEW	RESPONSIBILITY
GGPP 4	Management and Coordination of Municipal Audit programmes	Coordination and sitting of Audit Steering Committee	To deal with all the issues in the Audit Action plan	Number of audit steering committee meeting coordinated by June 2019	24 audit steering committee meeting coordinated by June 2019	24 audit steering committee meeting coordinated by June 2018			Exp: R481 566	Attendance Register Reports/Minutes Invitation	Municipal Manager's Office

Item	Strategic Objectives	Strategic Initiatives	Key Performance Indicators	2017/18 Annual Achievement	2018/19 Annual Target	2019 Annual Performance	Revision for Forward	Corrective Measures	Budget	Portfolio Evidence	Responsibility
GGPP 5	Management and Coordination of Municipal Audit programmes	Development and submission of AGSA action plan to council for approval.	To improve municipal internal controls and systems	BLM	Number of AG action plan approved by council by June 2019	2017/18 Action plan developed	1 Action plan 2017/18 by June 2019	Target achieved. 1 Action plan 2017/18 by June 2019	N/A	N/A	Municipal Manager.
GGPP 6	Management and Coordination of Municipal Audit programmes	Implementation of AGSA Audit Action Plan	To address all queries raised by the external audit	BLM	% of Auditor General queries resolved by June 2019	100 % of Audit Action Plan issues resolved	100% Audit Action Plan issues resolved by June 2019	Target achieved 100% Audit Action Plan issues resolved by June 2019	OPEX	External Audit Action Plan	Municipal Manager's Office
GGPP 7	Management and Coordination of Municipal Audit programmes	Develop Internal Audit capture all issues raised by internal audit, attend to	To address all queries raised by the internal audit	BLM	% of internal audit queries resolved by June 2019	100 % internal audit queries resolved	100% Audit queries resolved by June 2019	Target not resolved. 74 % internal Audit queries	OPEX	Internal Audit Action	Municipal Manager's Office

PORTFOLIO	ISSUE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ANNUAL PERFORMANCE	PERSON RESPONSIBLE	BUDGET	PORTFOLIO EVIDENCE	RESPONSIBILITY
GGPP 8	Management and Coordination of Municipal Audit programmes	To ensure that Audit & Risk Committee Members are paid	Audit & Risk allowance paid per claims (100%)	100% payment of Audit & Risk Committee allowance by June 2019	resolved by June 2019	N/A	R400 000.00 Exp R 481 566	Expenditure Report	Municipal Manager's Office
GGPP 9	Risk Management Committee	Resolve Risk committee resolutions	2017/18 Risk Resolutions resolved 100%	% risk committee resolutions resolved by June 2019	Target <u>not</u> achieved 80% risk committee resolutions	20% resolutions needs budget to be	OPEX	Risk Committee resolution Register	Municipal Manager's Office

	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OVERSIGHT	RESPONSIBILITY								
GGPP 10	Risk awareness Campaigns	Development of schedule of trainings to be presented to management, Risk and Audit Committees, EXCO committee and to Council for approval	To provide independent objective assurance and consulting activities of the internal control system, risk management and governance processes	BLM	Number of risk awareness campaigns coordinated and supported by June 2019	2	Risk awareness campaigns coordinated and supported by June 2018	2	Risk awareness campaigns coordinated and supported by June 2019	Target achieved. 2 Risk awareness campaigns coordinated and supported by June 2019	resolved by June 2019	resolved	N/A	OPEX	Attendance register / Invitation	Municipal Manager's Office

PROJECT DETAILS		KEY PERFORMANCE INDICATOR		2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
KPI#	PROJECT DESCRIPTION	PROJECT OBJECTIVE	LOCATION										
GGPP 11	Risk Committee Meetings	Coordination of risk committee meetings	BLM	To adhere to the schedule of meetings.	Number of risk committee meetings coordinated by June 2019	4 risk committee meetings coordinated by June 2018	4 risk committee meetings coordinated by June 2019	<u>Target achieved</u> 4 risk committee meetings coordinated by June 2019	N/A	N/A	OPEX	Minutes of the meeting Attendance register Risk Management report	Municipal Manager's Office
GGPP 12	Municipal physical Security	Provision of Municipal physical Security	BLM	To protect the municipal properties and employees against potential threats.	Number of security management reports compiled and submitted to EXCO and council by June 2019	100% security incidents reported and investigated by June 2018.	100% security incidents reported and investigated by June 2019	<u>Target achieved.</u> 100% security incidents reported and investigated by June 2019	N/A	N/A	Budget :R 12,402,000 Exp :R 12,2 M	Security management reports	Municipal Manager's Office

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Date: 10/10/19

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ANNUAL PERFORMANCE TARGET	PERSON RESPONSIBLE FOR ACHIEVING TARGET	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY				
GGPP 13	Risk Register	Development and Regular updating of Risk Register	To ensure reduction and mitigation of risks within the municipality.	BLM	One risk register developed and updated quarterly	One 2017/18 Risk Register developed and updated	1 Risk register developed by the 30 June 2019	Target <u>achieved</u> . 1 Risk register developed by the 30 June 2019	N/A	N/A	OPEX	Risk register Report on risk assessment Attendance register	Municipal Manager's Office
GGPP 14	Anti-Fraud and Corruption awareness campaign	Coordination of Anti-Fraud and Corruption awareness campaign	To provide independent assurance and consulting activities of the internal control system, risk management and	BLM	Number of fraud and corruption awareness Campaigns Coordinated and Supported by June 2019	2 anti-fraud and corruption awareness campaign held by June 2018	2 anti-fraud and corruption awareness campaign held by June 2019	Target not achieved. 1 anti-fraud and corruption awareness campaign held	Campaign was not coordinated	Adhere to schedule of campaigns	OPEX	Attendance register	Municipal Manager's Office

TRACKING PROJECT	PROJECT IDENTIFIERS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
GGPP 15	Community Participation	Ward public Report back meetings.	governance processes To improve and encourage participation of stakeholders and communities in the municipal affairs.	BLM	Number of ward public meetings held for all 22 wards by June 2019	88 ward public meetings held for all 22 wards by June 2018	88 ward public meetings held for all 22 wards by June 2019	Target <u>achieved</u> . 88 ward public meetings held for all 22 wards by June 2019	N/A	N/A	OPEX (part of the community participation vote)	Attendance Registers Schedule of meetings Quarterly Reports	Corporate Services
GGPP 16	Complaints management	Develop complaints management register	To ensure complaints received are resolved.	BLM	% of Complaints resolved by June 2019	100% complaints received resolved	100% of complaints received resolved by June 2019	Target <u>achieved</u> . 100% of complaints received	N/A	N/A	OPEX	Complaints management register, customer care reports	Corporate services

PROJECT ID	PROJECT TITLE	2017/18 ACTUAL ACHIEVEMENT	2018/19 BUDGET TARGET	2019/20 BUDGET TARGET	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OR EVIDENCE	RESPONSIBILITY				
GGPP 17	IDP/budget Review and Stakeholder Consultations	Development of IDP Process plan, Analysis phase, Draft IDP/Budget 2019/20 developed and submitted to Council for adoption by 31 March 2019 and Final IDP submitted to Council for approval by end of May 2019	To ensure proper coordination of IDP/Budget review process	BLM	Number IDP/Budget Process plan developed and approved by June 2019	2017/18 Process plan Developed and approved	2018/19 IDP/Budget Process plan by June 2019	Target achieved. 2018/19 IDP/Budget Process plan by June 2019	N/A	N/A	OPEX	Approved Process plan and Resolution	Municipal Manager's Office

PROJECT ID	PROJECT NAME	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
GGPP 18	IDP/Budget Rep Forum	Coordination of Rep Forums	To source stakeholder inputs into the IDP/Budget review processes	BLM	Number IDP/Budget Rep Forums held	02 Rep forums held during 2017/18	2 IDP/Budget Rep forums held by June 2019	Target achieved. 02 IDP rep forums held	N/A	N/A	Budget 500 000.00 Exp: R5 00 000	Municipal Manager's Office
GGPP 19	Review of IDP/Budget	Development of Draft and Final IDP/Budget 2019/20	To review the 2018/19 IDP/Budget that is aligned to the budget	BLM	To develop Credible IDP/Budget Document	2018/19 IDP/Budget approved	2019/20 IDP/Budget approved	Target achieved. Final IDP approved by council on the 30 <sup>th</sup> May 2019	N/A	N/A	Draft and Final IDP and, Council resolution	Municipal Manager's Office
GGPP 20	IDP/Budget Stakeholder engagements meetings	IDP/Budget 2019/2020 Public Participation	To consult communities and stakeholders on the draft	ALL WARDS	Number IDP/Budget Stakeholder engagements meetings held by June 2019	08 IDP/Budget Stakeholder engagements meetings	08 IDP/Budget Stakeholder engagements meetings held by June 2019	Target achieved 08 IDP/Budget Stakeholder	N/A	N/A	As per GGPP 18 above	Municipal Manager's Office

	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL ACHIEVEMENT	PERSON RESPONSIBLE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY				
GGPP 21	Ward committees sanctioned program	Provide support for effective and functional ward committees in all wards	revised IDP/Budget	ALL WARDS	Number of ward committees sanctioned meetings coordinated and supported by June 2019	held by June 2018	132 ward committee meetings coordinated and supported by June 2018	132 ward committee meetings coordinated and supported by June 2019	Target <u>achieved</u> . 132 ward committee meetings coordinated and supported by June 2019	N/A	N/A	OPEX	Bi-monthly ward committee Reports, Minutes attendance register	Corporate services
GGPP 22	Out of Pockets Expenses for Ward committees	Develop payment roll forward committees	To Comply with guidelines on allocation of our pocket expenses for	BLM	Number of ward committee members paid stipend	220 ward committees members paid stipend	220 ward committee members coordinated and supported by June 2018	220 ward committee members coordinated and supported by June 2019	Target <u>achieved</u> . 220 ward committee members paid stipend	N/A	N/A	Budget :R3.9 Exp : R 3.9	Proof of payment/ payment roll for Ward	Corporate Services

REF NO	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
GGPP 23	Mayoral Public Participation program	To engage in programmes that foster participation, interaction and partnership	Four Mayoral public participation held.	4 Mayoral Public participation programmes	04 Mayoral public participation programmes by June 2019	Target achieved. 04 Mayoral public participation programmes by June 2019	N/A	N/A	OPEX	Committees Notice of public participation, Reports and Attendance register	Corporate Services
GGPP 24	MPAC Programme	To build accountable and transparent governance structures responsive to the need of	Number of oversight meetings coordinated by June 2019	4 Oversight meetings coordinated and held by June 2018	4 Oversight meetings coordinated and held by June 2019	Target achieved. 4 Oversight meetings coordinated and held by June 2019	N/A	N/A	Budget 500 00 0.00 Exp: R 485 750	Attendance registers, minutes & Reports, Resolution register	Corporate Services

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Date: 10/06/2019

REPORTING PERIOD	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	ANNUAL TARGET	2018/19 TARGET	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
CGPP 25	with invitation for a meeting, distribution, reminders and meeting	the community								
Mayors Bursary Fund	Develop Mayor's Bursary Policy, Issue out advertisement and bursary application forms, Short listing of the applicants and issuing of bursary confirmation letters to successful applicants and	To provide financial assistance to needy community members	4 meetings coordinate on Mayor's Bursary	Four Quarterly meetings held on mayoral bursary by June 2019	Target achieved. Four Quarterly meetings held on mayoral bursary by June 2019	N/A	N/A	Budget R 286 200.00 Exp: R 180 980	Proof of payment to institutions  Reports on progress by bursars	Corporate Services

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PROJECT/PROGRAM	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2017/18 ACTUAL PERFORMING	REASON FOR VARIANCE	CORRECTIVE MEASURES	BURGET	PORTFOLIO EVIDENCE	RESPONSIBILITY	
GGPP 26	Mayoral Bursary	Monitor progress on existing beneficiaries and report	To monitor and evaluate progress of existing beneficiaries of mayor's bursary fund	BLM	Number of quarterly reports of bursary beneficiaries to council by June 2019	3 bursary beneficiaries	4 Reports per developed and submitted to Council by June 2019	Target achieved. 4 Reports per developed and submitted to Council by June 2019	N/A	N/A	Corporate services
GGPP 27	Fraud and Corruption cases investigations	Develop reports to council on fraud and corruption cases investigated	To minimize corrupt activities	BLM	Number of reports compiled on fraud and corruption cases investigated by June 2019	Four (4) Reports developed on fraud and corruption cases investigated	Four (4) Reports developed on fraud and corruption cases investigated by June 2019	Target achieved Four (4) Reports developed on fraud and corruption	N/A	N/A	Municipal manager

PROJECT DETAILS	PERFORMANCE OBJECTIVES	2017/18 ACTUAL ACHIEVEMENT	2018/19 BUDGET TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EXPENDITURE	RESPONSIBILITY
3GPP 28	Arts & Culture Programmes			by June 2018		cases investigated by June 2019			
	Develop schedule to relevant stakeholders as per calendar			05 heritage events coordinated	Coordination and financial support heritage events by traditional authorities that host the events by June 2019	Target achieved. 05 Coordination and financial support heritage events by traditional authorities that host the events by June 2019		Report	Municipal Manager's Office
	To give Support on Heritage celebrations of all traditional houses	All traditional leaders within the municipality	Number of heritage and cluster cultural competition coordinated and supported by June 2019			N/A	Budget 100 000 Exp R 98 013		

KEY	PROJECT / INITIATIVE DESCRIPTION	PROJECT OBJECTIVE	LOCATION	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVED	2018/19 ANNUAL TARGET	2019/20 ACTUAL ACHIEVED	PERSON RESPONSIBLE FOR MANAGING	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
GGPP 20	Mayor/Magoshi engagements	Ensure regular engagements with Magoshi	BLM	Number of Mayor/Magoshi meetings coordinated and supported by June 2019	Four meetings of Mayor Magoshi held during 2017/18	4 Mayor/Magoshi meetings coordinated and supported by June 2019	Target achieved. 4 Mayor/Magoshi meetings coordinated and supported by June 2019	N/A	N/A	OPEX	Attendance Registers Reports/Mi nutes Notice of the meetings	Municipal Manager's office
GGPP 30	Council Support	To provide strategic and administrative support to the through coordination of strategic	BLM	Number of Council meetings coordinated and supported by June 2019	6 ordinary and 6 special council meetings held by June 2018.	Five (5) Ordinary Council meetings coordinated and	Target achieved. Five (5) Ordinary Council meetings coordinated	N/A	N/A	OPEX	Attendance Registers Reports/Mi nutes	Corporate Services

KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
of documentation with invitation for a meeting, distribution, reminders and meeting	meetings and forum.	supported by June 2019	and supported by June 2019				Notice of the meetings	
In-house Training workshop of councillors	BLM	Two (2) in house training workshop for all councillors conducted by June 2018	Target achieved Two (2) in house training workshop for all councillors conducted by June 2019	N/A	N/A	OPEX	Report on in house training of councillors, attendance register.	Corporate services
Train newly elected councillors on council policies and other related matters	To capacitate the councillors.	Number of in-house training workshop for newly elected councillors by June 2019						

KEY ID	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO PREVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
GGPP 32	Portfolio Committee meetings	To allow the portfolio committee members to deal with departmental issues.	Number of portfolio committee meetings coordinated and supported by June 2019	11 portfolio committee meetings coordinated and supported by June 2018	11 portfolio committee meetings coordinated and supported by June 2019	Target achieved. 11 portfolio committee meetings coordinated and supported by June 2019	N/A	N/A	OPEX	Attendance Registers Reports/Minutes Notice of the meetings	Corporate Services
GGPP 33	Executive Committee meetings	To enable Executive committee to identify issues for council decisions.	Number of Executive Committee meetings Coordinated and Supported by June 2019	11 Meetings of EXCO held during 2017/18	11 executive Committee meetings coordinated and supported by June 2019	Target achieved. 11 executive Committee meetings coordinated and	N/A	N/A	OPEX	Attendance Registers Reports/Minutes	Corporate Services

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KEY PERFORMANCE INDICATORS	2017-18 ACTUAL ACHIEVEMENT	2017-18 ANNUAL TARGET	2018-19 ANNUAL TARGET	2018-19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OVERSIGHT	RESPONSIBILITY				
GGPP 34	documentation with invitation for a meeting, distribution, reminders and meeting	Coordination of Petitions and Public Participation Committee meetings	Ensure regular sitting of Petitions and Public Participation Committee	BLM	Number of Petitions and Public Participation Committee meetings coordinated and supported by June 2019	4 Petitions and Public Participation Committee meetings coordinated and supported by June 2018	4 Petitions and Public Participation Committee meetings coordinated and supported by June 2019	supported by June 2019	N/A	N/A	OPEX	Attendance Registers Reports/Minutes Notice of the meetings	Corporate services
	Petitions and Public Participation Committee meetings	Coordination of Petitions and Public Participation Committee meetings	Ensure regular sitting of Petitions and Public Participation Committee	BLM	Number of Petitions and Public Participation Committee meetings coordinated and supported by June 2019	4 Petitions and Public Participation Committee meetings coordinated and supported by June 2018	4 Petitions and Public Participation Committee meetings coordinated and supported by June 2019	supported by June 2019	N/A	N/A	OPEX	Attendance Registers Reports/Minutes Notice of the meetings	Corporate services

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ISSUE IDENTIFICATION	KEY PERFORMANCE INDICATOR	2016 ACTUAL ACHIEVEMENT	2016 ANNUAL TARGET	2016 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	JUDGE	PORTFOLIO EVIDENCE	RESPONSIBILITY	
GGPP 35	Ethics Committee meetings	Ensure regular sitting of Ethics Committee	4 Ethics and Disciplinary Committee meetings coordinated and supported by June 2019	4 Ethics and Disciplinary Committee meeting	4 Ethics and Disciplinary Committee meetings coordinated and supported by June 2019	Target achieved 4 Ethics and Disciplinary Committee meetings coordinated and supported by June 2019	N/A	OPEX	Attendance Registers	Corporate services
GGPP 36	Multiparty whippy meetings	Ensure regular sitting of multiparty whippy	Number of Multi - Party Whippy caucus meetings coordinated and supported by June 2019	Not Applicable	4 Multi - Party Whippy meetings coordinated and supported by June 2019	Target achieved. 4 Multi - Party Whippy meetings coordinated and	N/A	OPEX	Reports/Minutes	Corporate services

PROJECT DETAILS	KEY PERFORMANCE INDICATOR	2017/18 ANNUAL AGREEMENT	2018/19 ANNUAL TARGET	2019/20 ANNUAL PERFORMING	REASON FOR VARIATION	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
GGPP 37 Ward Committee Conference	BLM To engage on the issues raised by ward committees and to give feedback on the previous conference.	1 Annual ward committee conference coordinated and held by June 2018	1 Annual ward committee conference coordinated and held by June 2019	Target achieved. 1 Annual ward committee conference coordinated and held by June 2019	N/A	N/A	Budget R 1,3 Exp R1,3	Agenda, report and conference declaration ,attendance register	Corporate services
GGPP 38 Communication management	BLM To provide communication support services, public liaison, all	1 Communication strategy reviewed and	1 Communication strategy reviewed and	Target achieved Communication strategy reviewed	N/A	N/A	OPEX	Communication strategy council resolution	Municipal Manager's Office

KEY	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
		departments for inputs, finalization of the newsletter and submit to council for approval		approved by June 2018	approved by June 2019	and approved					
GGPP 39	Media statements of articles	marketing management	Number of media statements/articles issued by June 2019	16 media statements/alerts issued to various media houses by June 2018	16 media statements/alerts issued to various media houses by June 2019	Target achieved 16 media statements/alerts issued to various media houses by June 2019	N/A	N/A	OPEX	Media articles	Municipal Manager's Office

PROJECT ID	PROJECT NAME	PROJECT OBJECTIVES	KEY PERFORMANCE INDICATORS	2018/19 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2018/19 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO EVIDENCE	RESPONSIBILITY
GGPP 40	Municipal Diaries and Calendars	Develop of specification, Submit to SCM for procurement processes	Number of corporate diaries (550) and calendars (1000) provided by June 2019	Achieved. 1550 corporate diaries (550) and calendars (1000) provided	550 corporate diaries (550) and calendars (1000) provided by June 2019	Target achieved. 550 corporate diaries (550) and calendars (1000) provided by June 2019	N/A	N/A	OPEX	Delivery note	Municipal Manager's Office
GGPP 41	Website management and maintenance	Uploading of documents on the Municipal website	% of all submitted legislated and regulated municipal information posted on the website by June 2019	100% posting of all website compliance content by June 2018	100% posting of all website compliance content by June 2019	Target achieved 100% posting of all website compliance content by June 2019	N/A	N/A	OPEX	Reports on website contents submitted and posted	Municipal Manager's Office

KEY PROJECT	PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
GGPP 42	Municipal Newsletter	Development of draft newsletter and circulate it to all departments for inputs, finalization of the newsletter and submit to service provider for printing	Number of community newsletters editions printed by June 2019	2 Editions of newsletter developed and printed by June 2018	2 Editions of newsletter developed and printed by June 2019	Target achieved. 2 Editions of newsletter developed and printed by June 2019	N/A	N/A	Budget :R60,000 Exp:42750	Delivery note Copy of newsletter	Municipal Manager's Office
GGPP 43	Advertisements	Securing advertisement slots on radio and print media	Percent municipal events publicized	100% advertisement of posts, tenders and adverts done	100% advertisement of posts, tenders and adverts done	Target achieved 100% advertisement of posts, tenders and	N/A	N/A	Budget :R520,000 Exp: R512436	Proof of advert	Municipal Manager's Office

	PROJECTIONS	KEY PERFORMANCE INDICATORS	2017/18 ACTUAL ACHIEVEMENT	2017/18 ANNUAL TARGET	2017/18 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY				
GGPP 44	Development of Annual report 2017/18	Distribute report template to all departments to update, consolidate all the reports and submit to council for approval, AG and all relevant sector departments	To generate report on the annual performance of the institution.	BLM	Number of Annual Report prepared and submitted to Council for approval as per legislation(MF MA ,sec 121 & 129)	2016/17 Annual Report developed and approved	1 annual report 2017/18 developed and submitted to all relevant stakeholders	adverts done	Target achieved. 1 annual report 2017/18 developed and submitted to all relevant stakeholders	N/A	N/A	OPEX	Annual report, council resolution and acknowledgment letters	Municipal Manager's Office
GGPP 45	Audit & Risk Committee allowance	Paying allowances to audit & risk committee members	To ensure that Audit & Risk Committee	BLM	% of payment of Audit & Risk Committee allowances	100% Allowance paid to Risk and Audit committee	100% payment of Audit & Risk Committee allowance	Target achieved 100% payment of Audit &	Target achieved 100% payment of Audit &	N/A	N/A	Budget : R 505 620	Expenditure Report	Budget and Treasury

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PROJECT ID		PROJECT DETAILS		KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
XPING	PROJECT	PROJECT DISCUSSION	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
			Members are paid				Risk Committee allowance			Exp: R 481 566		
GGPP 46	Finance Policies	Review of finance policies and strategies	Budget related policies submitted to council for adoption in May 2020	BLM	12 budget related policies and 1 strategy reviewed and approved.	13 budget related policies reviewed for 2019/20 financial year by June 2019	Target achieved 13 budget related policies reviewed for 2019/20 financial year by June 2019	N/A	N/A	OPEX	Budget adopted policies and council resolution	Budget and Treasury
GGPP 47	Finance Monthly reconciliations	Compile monthly reconciliation reports and submit to EXCO	Ensure performance of financial reconciliations	BLM	All reconciliation be completed and monitored (108).	108 reconciliations developed and filed by June 2019	Target achieved 108 reconciliations developed	N/A	N/A	OPEX	Monthly reconciliation reports	Budget and Treasury

		PROJCTIONS	KEY PERFORMANCE INDICATOR	2017/18 ACTUAL ACHIEVEMENT	2018/19 ANNUAL TARGET	2019/20 ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
GGPP 48	Section Report 2018/19	72	BLM	<p>Ensure compliance with legislations</p> <p>Number Analysis of half-year financial performance of the municipality conducted by January 2019</p>	<p>One Half year financial performance assessment report compiled and submitted to Mayor; Treasury by 25 January annually</p> <p>One Analysis of half-year financial performance of the municipality conducted by January 2019</p>	<p>and filed by June 2019</p> <p>Target achieved. One Analysis of half-year financial performance of the municipality conducted by January 2019</p>	N/A	N/A	OPEX	Half year financial report and acknowledgment letter	Budget and Treasury

9.6. SPATIAL PLANNING AND ENVIRONMENT

KEY PROJECT	PROJECT OBJECTIVES	PROJECT DESCRIPTION	PROJECT AREA(S)	KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET PERFORMANCE INDICATOR	2018/19 ANNUAL TARGET PERFORMANCE VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY
SPE1	Naming of Streets and public amenities in Senwabarwana and Alldays	Naming of streets and public amenities in Senwabarwana and Alldays	Senwabarwana and Alldays Wards	Number of street and public amenities in Senwabarwana and Alldays approved by Council as at 30 June 2019	Target not achieved	Senwabarwana a: Names and public amenities Number of approved street Alldays: Names and public amenities Number of approved street	None submitted on names from the residents of Alldays and Bochum No support from Councilors	Constantly remind the residents	OPEX	List of Proposed names, Report on public engagements	Economic Development and Planning

SPE	PROJECT DETAILS		KEY PERFORMANCE INDICATORS		2017/18 ACHIEVEMENT		2018/19 ANNUAL TARGET PERFORMANCE INDICATOR		2019/20 FISCAL YEARLY ACHIEVEMENT		REASON FOR VARIANCE		CORRECTIVE MEASURE		BUDGET		EXPECTED PORTFOLIO OF EVIDENCE		RESPONSIBILITY	
	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION	INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET PERFORMANCE INDICATOR	2019/20 FISCAL YEARLY ACHIEVEMENT	2018/19 ANNUAL TARGET PERFORMANCE INDICATOR	2019/20 FISCAL YEARLY ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY						
SPE2	Township establishments	Report on new townships developed	To formalize rural and urban settlements (Senwabarwana, Alldays and Bochum 145 LS	BLM	Number of reports on milestones achieved as per project by 30 June 2019	Not applicable	3 reports on milestones achieved per township establishment project by June 2019	Target achieved. 3 reports on milestones achieved per township establishment project by June 2019	N/A	N/A	Budget 680 000 Exp :R 393 913	Reports on milestones achieved	Economic Development and Planning							
SPE3	Municipal Property disposal in Senwabarwana	Disposal of prime land for development	To create investment opportunities for economic growth	Senwabarwana	Number of parcels of land disposed in June 2019	Not applicable	1 parcel of land disposed of (erf 300 in Extension 3 Senwabarwana) by June 2019	Target achieved 1 parcel of land disposed of (erf 300 in Extension 3 Senwabarwana)	N/A	N/A	OPEX	Advertisement reports	Economic development and Planning							

SPENDING	PROJECT	APPROVED DETAILS	PROJECT OBJECTIVES	REGISTRATION	KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET/PERFORMANCE INDICATOR	2019/20 TARGET ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY
SPE4	Municipal property disposal in Alldays	Disposal of erven in Extension 2 township for development	To create investment opportunities for economic growth	Alldays	Number of erven disposed of by June 2019	Not achieved	200 erven disposed of as at June 2019	Target not Achieved. 200 erven disposed of as at June 2019	Slow progress in sale of sites	Sell remaining sites in 2019/20	OPEX	Township register Council resolution	Economic development and planning
SPE5	Human Settlement	Identification of beneficiaries and submission of the list to CoGHSTA	To provide Sustainable human settlements within Blouberg Municipality	BLM	Number of beneficiaries identified and provided with low cost housing as at June 2019	400 Beneficiaries provided with houses by June 2018	400 Beneficiaries provided with houses by June 2019	Target achieved. 400 beneficiaries provided with houses by June 2019	N/A	N/A	OPEX	Beneficiaries' lists	Economic Development and Planning

Approved: [Signature]  
Date: 12/20/18

PROJECT ID	PROJECT TITLE	KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET (PERFORMANCE INDICATOR)	2018/19 TARGET ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY			
5PE6	Coordination of RDP housing programme	Coordination and monitoring of implementation of low cost housing for 400 beneficiaries	To ensure successful implementation of housing programme	BLM	Number of reports on the coordination and implementation of low cost housing for 400 beneficiaries by June 2019	04 quarterly reports on implementation of housing project by June 2018	04 quarterly reports on implementation of housing project by June 2019	Target <u>Achieved.</u> 04 quarterly reports on implementation of housing project by June 2019	N/A	N/A	OPEX	Reports	Economic Development and Planning
5PE7	Land use Management	processing and finalization of all land development Application change of land use rights in line with the land use	Effective land development control and management	BLM	Number of reports on land development applications received and assessed on a quarterly	04 quarterly on land development applications reports by June 2018	04 quarterly on land development applications reports by June 2019	Target <u>Achieved.</u> 04 quarterly on land development applications reports by June 2019	N/A	N/A	OPEX	Land use register, reports	Economic Development and Planning

[Signature]

PROJECT DETAILS			KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 TARGET PERFORMANCE INDICATOR	2018/19 ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY		
TYPE	PROJECT DESCRIPTION	PROJECT OBJECTIVE											
		management scheme and SPLUMA by-laws											
SPE8	Implementation of building regulations	Assessment of building plans in Blouberg municipality	BLM	Effective land development control and management	Number of reports on building plans received and assessed quarterly by June 2019	Building regulation in place	04 quarterly reports on building plans compiled by June 2019	Target Achieved. 04 quarterly reports on building plans compiled by June 2019	N/A	N/A	OPEX	Building plan register, reports	Economic Development and Planning
SPE9	Land use Management	Assessment of all land development Applications in Blouberg	BLM	Effective land development control and management	Number of reports on land development applications assessed on a quarterly basis	Authorised official. Joint District Planning Tribunal. Blouberg Land Use	4 reports on the land development applications	Target Achieved. 4 reports on the land developme	N/A	N/A	OPEX	Reports	Economic Development and Planning

PROJECT DATA	KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL BUDGET PERFORMANCE INDICATOR	2018/19 ANNUAL BUDGET ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET EXPECTED PORTFOLIO EVIDENCE	RESPONSIBILITY
Local Municipality	<p>              Water         </p>	<p>           Scheme.            The            Blouberg            Spatial            Planning            and Land            Use            Management            By-law.         </p>		<p>           nt            applications         </p>				

KPI/NO	PROJECT DETAILS		PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET/PERFORMANCE INDICATOR	2018/19 ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT DESCRIPTION	PROJECT OBJECTIVE									
SPE 10	Review of Spatial Development framework	Appointment and monitoring of service provider	Number SPLUMA compliant SDF developed and approved by June 2019	Not Achieved. Service provider appointed for the SDF project and completed milestone 1 and 2	1 Spatial Development Framework developed and approved by June 2019	Target Achieved. 1 Spatial Development Framework developed and approved by June 2019	N/A	N/A	Budget :R446 500 Exp: 367 338	SDF gazette	Economic Development and Planning
SPE 11	Supplementary valuation Roll	Appointment and monitoring of service provider	Number supplementary valuation roll developed and approved as at June 2019	1 Supplementary Valuation roll developed and approved by June 2018	1 Supplementary Valuation roll developed and approved by June 2019	Target Achieved. 1 Supplementary Valuation roll developed	N/A	N/A	Budget :R400 000 Exp: R 347 826	Council resolution	Economic Development and Planning



REPORTING PERIOD	PROJECT DESCRIPTION	PROJECT OBJECTIVES	KEY PERFORMANCE INDICATOR	2017/18 ACHIEVEMENT	2018/19 ANNUAL TARGET/PERFORMANCE INDICATOR	2018/19 ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY
SPE 14	Management of a transfer station	To ensure a proper management of the Taabosch Transfer station	Number of quarterly Taabosch landfill site management reports compiled by June 2019	Taabosch transfer station constructed	Compilation of quarterly Taabosch landfill site management reports by June 2019	Target reports by June 2019 <u>Achieved</u> Compilation of quarterly Taabosch landfill site management reports by June 2019	N/A	N/A	OPEX	Available landfill site operational plan and monthly reports	Community Services
SPE 15	Implementation of an Integrated Waste Management Plan	To ensure a safe and clean environment by implementing the IWMP	Number of reports with regard to implementation of an IWMP by June 2019	11 monthly reports on the implementation of the IWMP compiled	11 monthly reports on the implementation of the IWMP compiled by June 2019	Target reports by June 2019 <u>achieved</u> 11 monthly reports on the implementation of the	N/A	N/A	OPEX	Available transfer station operational plan and monthly reports	Community Services



PROJECT DETAILS		KEY PERFORMANCE INDICATOR	ACHIEVEMENT	ANNUAL TARGET/ PERFORMANCE INDICATOR	2019/20 ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	EXPECTED PORTFOLIO OF EVIDENCE	RESPONSIBILITY
SPENDING PROGRAM	PROJECT DESCRIPTION									
SPE 18	Environmental Management	the Environmental Management Plan (EMP)	To mitigate climate change	BLM Number of trees planted by June 2019	Two Tree planting events held.	50 trees planted by June 2019	Target achieved 50 trees planted by June 2019	N/A	N/A	Community services.
SPE 19	Maintenance of recreational Parks and Cemeteries	Cemetery Management	To ensure user friendly graves identification	Senwabarwana and Alldays Number of graves numbered.	Graves were numbered at Senwabarwana and Alldays cemeteries.	All Senwabarwana graves numbered by June 2019	Target achieved All Senwabarwana graves numbered by June 2019	N/A	N/A	Community services.

**CHAPTER 4: ORGANIZATIONAL  
DEVELOPMENT AND  
PERFORMANCE (HUMAN  
RESOURCES)**

## INTRODUCTION

The municipal Organizational structure was aligned to IDP and budget. The council also adopted the Organizational structure as part of IDP/Budget 2018/19. 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	2017/18		2018/19		No of vacancies	% of vacancies
	No of employees	% of employees	No of employees	% of employees		
Water	0	0	0	0	0	0
Waste Water (sanitation)	0	0	0	0	0	0
Electricity	9	3	9	9	6	
Waste Management	5	3	4	4	7	
Housing	1	0	1	1	0	
Waste Water (Storm water Drainage)			0	0	0	
Roads	21	7	21	21	13	
Transport	6	1	6	6	1	
Planning	4	3	4	4	2	

Approved: Budget 18



DISTRICT	Number of approved positions	Variances (total time that variances exist against full time equivalents)	Variances (as a proportion of total posts in each category)
Municipal Manager	1	0	0
CFO	1	0	
Other S57 Managers (excluding Finance Posts)	4	1 YEAR	0
Other S57 Managers (Finance posts)	0	0	0
Municipal Police	0	0	0
Fire Fighters	0	0	0
Management:			
Middle Management	30	1 years	
Highly skilled supervision: Levels 9-12 (excluding Finance posts)	12	1 year	
Highly skilled supervision: Levels 9-12 (Finance posts)	2		
<b>TOTAL</b>	<b>50</b>		

TABLE 1 Succession Plan/Policy	
Details	No. of Incumbents in the Institution
2011/12	163
2012/13	166
2013/14	165
2014/15	181
2016/2017	179
2017/18	191
2018/19	191

**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. 2018/19 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	Completion	Approved	Date adopted by council or council 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	04/06/2008
7	Employee Assistance/ wellness	100	100	30/06/2015
8	Employment Equity	100%	100%	31/01/2016
9	Exit Management	100%	100%	30/06/2015
10	Grievance Procedures	100%	100%	30/06/015
11	HIV/AIDS	100%	100%	30/06/2015
12	Human Resource & Development	100%	100%	30/06/2015
13	Information Technology	100%	100%	30/06/2015
14	Job Evaluation	100%	100%	31/03/2015
15	Leave	100%	100%	31/05/2007
16	Occupational Health & Safety	100%	100%	30/06/2015
17	Official Housing	0	0	N/A
18	Official Journeys	100%	100%	Using treasury guidelines
19	Official Transport to attend funerals	100	100	30/06/2015

20	Official working hours and overtime	100	100	Using main collective agreement
21	Organisational rights	100	100	Using main collective agreement
22	Payroll Deductions	100	100	31/03/2015
23	Performance Management & Development	100	100%	30/06/2015
24	Recruitment, selection & Appointments	100%	100%	30/06/2015
25	Remuneration Scales & Allowances	100	100	04/06/2014
26	Resettlement	0	0	n/a
27	Sexual Harassment	100%	100%	30/06/2015
28	Skills development	100%	100%	30/06/2015
29	Smoking	100%	0	04/10/2004
30	Special skills	0	0	n/a
31	Work Organization	0	0	
32	Uniforms & protect clothing	100	100	31/07/2015
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 costs of injuries/suspensions					
Type of injury	Number of employees affected	Number of employees using sick leave	Proportion of employees using sick leave	Average number of days per employee	Total estimated cost
	Days	Days	%	Days	R1000
Required basic medical attention only	0	0			
Temporary total disablement	0	0			
Permanent disablement	0	0			
Fatal					
<b>Total</b>					

By: [Signature] Date: [Date]

Number of employees in post at the beginning of the year	Number of employees in post at the beginning of the year		Number of employees in post at the beginning of the year		Number of employees in post at the beginning of the year	
	Days	No.	Days	No.	Days	No.
Unskilled	117	01	17	49	77428.29	
Semi-skilled	130	8	32	43	124308.92	
Skilled	192	12	42	30	308163.82	
Management	74	3	17	38	170247.76	
MM & S57	0	0	0	0	0	
<b>Total</b>	<b>513</b>	<b>24</b>	<b>160</b>	<b>191</b>		

\*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



Dispositions of Financial Misconduct	Dispositions of Financial Misconduct	Dispositions of Financial Misconduct
0	0	0

**COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:**

There were no cases related to financial misconduct during 2018/19.

Approved: 19/08/2019



	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?

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).

**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		Municipal Training and Development Plan										Total	
MM & S57	Gender	2017		2018		2019		2020		2021		Actual/Outline 2019	Target
		Actual	Outline	Actual	Outline	Actual	Outline	Actual	Outline				
	Female	0	0	00	01	00	00	0	0	0	0	01	02
	Male	0	0	00	02	00	00	0	0	0	0	02	02
	Female	0	00	08	22	23	23	0	0	0	08	22	23

Councillors, senior officials & managers	Male	40	0	00	00	00	12	23	24	0	0	0	0	0	0	12	23	24
Technicians & associate professionals	Female	27	0	0	12	0	12	0	0	0	0	0	0	0	0	00	00	0
	Male	67	0	0	18	0	18	0	0	0	0	0	0	0	0	00	00	0
Professionals	Female	12	0	0	04	01	04	01	01	0	0	0	0	0	0	04	01	06
	Male	22	0	0	08	02	08	02	02	0	0	0	0	0	08	02	02	22
Sub Total	Female	68	00	00	24	24	24	24	24	0	0	0	0	0	12	24	24	31
	Male	131	00	00	38	27	38	27	27	0	0	0	0	0	20	27	27	48
Total		199	00	00	62	51	62	51	51	0	0	0	0	0	32	51	51	79

Financial Development Process	21	00	21	00	00	15
Financial Development Process	21	00	21	00	00	15
Financial Development Process	01	00	01	01	01	01
Financial Development Process	01	00	01	0	00	01
Financial Development Process	03	00	03	03	03	02
Financial Development Process	00	00	00	0	00	00
Financial Development Process	03	00	03	0	00	02
Financial Development Process	01	00	01	0	00	01
Financial Development Process	00	00	00	0	00	00
Financial Development Process	30	00	30	04	04	22
Financial officials	21	00	21	00	00	15
Accounting officer	01	00	01	01	01	01
Chief Financial Officer	01	00	01	0	00	01
Senior Managers	03	00	03	03	03	02
Any other financial officials	00	00	00	0	00	00
Supply Chain Management officials	03	00	03	0	00	02
Heads of SCM units	01	00	01	0	00	01
SCM senior managers	00	00	00	0	00	00
Total	30	00	30	04	04	22

Skills Development Expenditure		Original Budget and Actual Expenditure on Skills development 2017/18									
Management Level	Gender	Employees (excluding of contractual staff)	Partnerships		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	Female	02	0.00	0.00	12 000	5 721.25	00	00	12 000.00	5 721.25	
	Male	03	00	00	12 000	5 721.25	00	00	12 000.00	5 721.25	
Legislators, senior officials and managers	Female	27	50 000	47 450.	60 000	59 400	00	00	110 000	106 850	
	Male	40	50 000	47 450	70 000	65 400	00	00	120 000	112 850	
Professionals	Female	12	00	00	19 000	00 000	00	00	10 000	00	
	Male	22	00	00	30 000	11 948	00	00	30 000	11 948	

Technicians and associate professionals	Female	12	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	Male	16	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Clerks	Female	12	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	Male	08	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Service and sales workers	Female	14	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	Male	19	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Plant and machine operators and assemblers	Female	04	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	Male	24	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Elementary occupation	Female	11	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	Male	16	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Sub Total	Female	94	50 000	47 450	82 000	65 121.25	00	00	00	00	00	00	00	00	00	00	00	00	112 571.25
	Male	148	50 000	47 450	132 000	83069.25	00	00	00	00	00	00	00	00	00	00	00	00	130 519.25

**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		Total
Female	Male	
Lower skilled (level 1-2)	1	
Skilled (level 3-5)		
Highly skilled production (levels 6-8)		
Highly skilled supervision (level 9-12)		
(levels 13-15)	1	
MM & S67		





# CHAPTER 5: AUDIT REPORT 2018/19

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# Report of the auditor-general to the Limpopo provincial council and the council of Blouberg Local Municipality

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Blouberg Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets and cash flow for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Blouberg Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act no 56 of 2003)(MFMA) and Division of Revenue Act, 2017 (Act No.3 of 2017)(DORA).

### Basis for qualified opinion

#### Cash flow statement

3. The municipality did not prepare the cash flow statement in terms of GRAP 2, *Cash flow statements*. I identified an unexplained difference of R3 400 000 between the cashflow statement and cash generated from operations disclosed in note 34 to the financial statements. Consequently, the cash flow statement as at the end of the year was misstated by R3 400 000.

### Context for the opinion

4. 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 this auditor's report.
5. I am independent of the local municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the 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 codes.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of matter**

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

### **Restatement of corresponding figures**

8. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the local municipality for the year ended, 30 June 2019.

### **Uncertainty relating to the future outcome of exceptional litigation**

9. With reference to note 36 to the financial statements, the municipality is the defendant in claims. The municipality is opposing the claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### **Material losses – electricity**

10. As disclosed in note 47 to the financial statements, material electricity losses to the amount of R3 054 194 (2017-2018: R 2 547 359) was incurred which represents 10,05% (2017-2018: 9,71%) of total electricity purchased.

### **Other matters**

11. I draw attention to the [matter/s] below. My opinion is not modified in respect of these matters:

#### **Unaudited supplementary information**

12. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon

#### **Unaudited disclosure notes**

13. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

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

### **Responsibilities of the accounting officer for the financial statements**

15. The accounting officer, which constitutes the accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African standards of GRAP and the requirements of the MFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the Blouberg Local 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 local 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**

17. 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.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Report on the audit of the annual performance report**

#### **Introduction and scope**

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
20. My procedures address the reported performance information, which must be based on the approved performance planning documents of the local municipality. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the local municipality for the year ended 30 June 2019:

<b>Objectives</b>	<b>Pages in the annual performance report</b>
Basic services delivery and infrastructure management	13 – 27

22. 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.

23. The material finding in respect of the usefulness of the selected development priority is as follows:

**Objective 01 – Basic service delivery and infrastructure development**

**Indicator 1: % of energy efficient equipment purchased and installed by June 2019**

Performance indicator not well defined and/or targets were not specific.

24. The source of information for achieving the planned indicator was not clearly defined.

**Other matters**

25. I draw attention to the matters below.

**Achievement of planned targets**

26. Refer to the annual performance report on pages 12 to 27 for information on the achievement of planned targets for the year [and explanations provided for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 04 of this report.

**Adjustment of material misstatements**

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Basic Services delivery and infrastructure management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

**Report on the audit of compliance with legislation**

**Introduction and scope**

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

29. The material findings on compliance with specific matters in key legislations are as follows:

**Annual financial statements, performance and annual reports**

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

#### Expenditure management

31. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
32. Effective steps were not taken to prevent irregular expenditure amounting to R12 586 203 as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the non-compliance with procurement regulations.

#### Human resource management

33. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

#### Procurement and contract management

34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
35. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
36. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Other information
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37. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate as required by the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act)]. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
38. 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 thereon.
39. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
40. I did not receive the other information prior to the date of this 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 an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

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

### Leadership

42. The accounting officer's oversight role shows some improvement, however more efforts are still needed to exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

### Financial Management

43. The financial statements were not adequately reviewed for accuracy and completeness as the financial statements submitted for audit contained numerous uncorrected and corrected material misstatements not detected by the municipality's own system of internal control.

44. The municipality did not develop an effective system which verified the accuracy, completeness and reliability of the reported performance contained in the annual performance report.

Auditor-General

30 November 2019



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the local 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 [consolidated and separate] 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 local municipality's internal control
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
  - conclude on the appropriateness of the board of directors, which constitutes 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 related to events or conditions that may cast significant doubt on the Blouberg local municipality ability 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 the 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 local municipality to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
  - [obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion]<sup>1</sup>

### **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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Handwritten text, possibly a signature or initials, oriented vertically.

10/1/18  
10/1/18  
10/1/18

B

# CHAPTER 6: ANNUAL FINANCIAL STATEMENTS 2018/19





# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## General Information

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**Legal form of entity**

Local Municipality  
Category B

**Nature of business and principal activities**

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

**Executive committee**

Mayor  
Speaker  
Chief Whip

Pheedi MS  
Thamaga MN  
Tshoshi MM

**Members of executive committee**

Makobela SR  
Mashalane MS  
Morapedi AM  
Makhura MH  
Rangata MJ  
Maila MP  
Ntlatla MW  
Mathidza SE  
Masekwameng MR  
Raseruthe MA  
Lehong MV  
Tlouamma NM  
Moetjie NT  
Mojodo MD  
Seema MI  
Maifo ML  
Mokobodi CS  
Moshokoa MS  
Murathi MS  
Molema MN  
Sebetha MJ  
Makgakga JP  
Ramoba MR  
Sekgoloane MJ  
Molokomme MM  
Mphago MA  
Modingwana MG  
Setwaba DS  
Maleka NG  
Magwai RT  
Madzhe AE  
Selamolela S  
Madibana SS  
Phoshoko NC  
Maboiola SJ  
Chula MI  
Morudu Mf  
Madibana MR  
Madipe MT

**Councillors**



# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Index

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

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GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers (Previously IMFO)
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
VAT	Value Added Tax
CDM	Capricorn District Municipality
WIP	Work-in Progress

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2020 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 annual financial statements set out on pages 5 to 59, which have been prepared on the going concern basis, were approved by the Accounting Officer on August 30, 2019 and was signed by:

\_\_\_\_\_  
**Machaba MJ**  
**Municipal Manager**

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

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Statement of Financial Position as at June 30, 2019

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	6	4,862,583	7,389,355
Receivables from exchange transactions	7	3,395,574	1,284,112
Receivables from non-exchange transactions	8	90,207,434	66,401,094
VAT receivable	9	3,212,843	13,688,859
Consumer debtors	10	11,350,252	8,739,800
Cash and cash equivalents	11	7,563,568	15,583,402
		<b>120,592,254</b>	<b>113,086,622</b>
<b>Non-Current Assets</b>			
Investment property	2	9,760,000	-
Property, plant and equipment	3	909,332,649	908,506,009
Intangible assets	4	543,034	232,467
Investments	5	3,090,652	3,089,538
		<b>922,726,335</b>	<b>911,828,014</b>
<b>Total Assets</b>		<b>1,043,318,589</b>	<b>1,024,914,636</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	14	2,675,395	4,748,161
Finance lease obligation	12	517,382	468,546
Payables from exchange transactions	16	40,142,717	37,871,863
Unspent conditional grants and receipts	13	1,139,232	699,785
Provisions	15	19,031,318	17,780,945
		<b>63,506,044</b>	<b>61,569,300</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	12	303,713	820,102
Provisions	15	6,166,690	5,428,212
		<b>6,470,403</b>	<b>6,248,314</b>
<b>Total Liabilities</b>		<b>69,976,447</b>	<b>67,817,614</b>
<b>Net Assets</b>		<b>973,342,142</b>	<b>957,097,022</b>
Accumulated surplus		973,342,142	957,097,022

\* See Note 38

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	18	22,984,085	23,336,476
Rental of facilities and equipment	19	684,825	851,274
Licences and permits		3,699,166	3,999,118
Photocopies & Electricity illegal connections	20	43,808	38,150
Tender Documents	20	-	36,916
CDM - Commissions received	20	1,346,000	1,561,158
Cemetery, Burial and Plans approval fees	20	140,643	212,753
Valuation Services	20	2,535	-
Interest received on outstanding debtors	20	1,286,914	128,539
Sale of Inventory - Sites/Land	21	3,250,360	286,962
Cattle Grazing	20	52,942	124,685
Interest received - investment	22	1,307,931	1,797,960
Actuarial gains	15	-	491,362
<b>Total revenue from exchange transactions</b>		<b>34,799,209</b>	<b>32,865,353</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	23	24,056,427	22,472,235
<b>Transfer revenue</b>			
Government grants & subsidies	24	234,299,022	256,301,916
Fines		1,784,480	3,282,760
<b>Total revenue from non-exchange transactions</b>		<b>260,139,929</b>	<b>282,056,911</b>
<b>Total revenue</b>	17	<b>294,939,138</b>	<b>314,922,264</b>
<b>Expenditure</b>			
Employee related costs	25	(104,521,224)	(100,240,828)
Remuneration of councilors	26	(16,186,992)	(15,739,124)
Depreciation and amortisation	27	(35,257,582)	(33,591,018)
Finance costs	28	(1,080,965)	(1,413,022)
Provision for Debt Impairment	29	2,313,302	(2,308,637)
Bulk purchases	30	(31,566,419)	(30,319,038)
Contracted services	31	(14,345,769)	(11,753,062)
Loss on disposal of assets and liabilities		(119,130)	(754,846)
Actuarial losses		(265,962)	-
General Expenses	32	(77,663,277)	(99,011,433)
<b>Total expenditure</b>		<b>(278,694,018)</b>	<b>(295,131,008)</b>
<b>Surplus for the year</b>		<b>16,245,120</b>	<b>19,791,256</b>

\* See Note 38

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at July 1, 2017</b>	<b>923,586,465</b>	<b>923,586,465</b>
Changes in net assets		
Surplus for the year	21,963,002	21,963,002
<b>Total changes</b>	<b>21,963,002</b>	<b>21,963,002</b>
Opening balance as previously reported	945,603,456	945,603,456
Adjustments		
Correction of prior period errors (Note 38)	11,547,554	11,547,554
<b>Restated* Balance at July 1, 2018 as restated*</b>	<b>957,097,022</b>	<b>957,097,022</b>
Changes in net assets		
Surplus for the year	16,245,120	16,245,120
<b>Total changes</b>	<b>16,245,120</b>	<b>16,245,120</b>
<b>Balance at June 30, 2019</b>	<b>973,342,142</b>	<b>973,342,142</b>

Note(s)

\* See Note 38

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Disclosure

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxation		20,243,866	10,858,755
Cash receipts from rate payers and other		38,222,788	23,202,185
Grants		234,738,469	255,114,703
Interest income		1,307,931	2,475,497
		<b>294,513,054</b>	<b>291,651,140</b>
<b>Payments</b>			
Employee costs		(120,708,216)	(119,886,270)
Suppliers		(131,884,032)	(139,845,393)
Finance costs		(419,776)	(506,000)
		<b>(253,012,024)</b>	<b>(260,237,663)</b>
<b>Net cash flows from operating activities</b>	<b>34</b>	<b>41,501,030</b>	<b>31,413,477</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(46,522,604)	(60,170,079)
Purchase of other intangible assets	4	(457,941)	(156,500)
<b>Net cash flows from investing activities</b>		<b>(46,980,545)</b>	<b>(60,326,579)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(2,072,766)	3,109,390
Finance lease payments		(467,553)	274,307
<b>Net cash flows from financing activities</b>		<b>(2,540,319)</b>	<b>3,383,697</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8,019,834)</b>	<b>(25,529,405)</b>
Cash and cash equivalents at the beginning of the year		15,583,402	41,112,807
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>7,563,568</b>	<b>15,583,402</b>

\* See Note 38

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## 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						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	29,666,000	(2,500,000)	27,166,000	22,984,085	(4,181,915)	Refer to Note 48 (1)
Rental of facilities and equipment	315,000	-	315,000	684,825	369,825	Refer to Note 48 (2)
Licences and permits	4,000,000	-	4,000,000	3,699,166	(300,834)	
Interest received on outstanding debtors	630,700	-	630,700	1,286,914	656,214	Refer to Note 48 (3)
Other income	7,538,971	1,500,000	9,038,971	3,734,376	(5,304,595)	Refer to Note 48 (4)
Interest received - investment	1,700,000	-	1,700,000	1,307,931	(392,069)	Refer to Note 48 (5)
<b>Total revenue from exchange transactions</b>	<b>43,850,671</b>	<b>(1,000,000)</b>	<b>42,850,671</b>	<b>33,697,297</b>	<b>(9,153,374)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	27,000,000	(500,000)	26,500,000	24,056,427	(2,443,573)	Refer to Note 48 (6)
<b>Transfer revenue</b>						
Government grants & subsidies	240,190,176	-	240,190,176	234,299,022	(5,891,154)	
Fines	3,440,343	-	3,440,343	1,784,480	(1,655,863)	Refer to Note 48 (7)
<b>Total revenue from non-exchange transactions</b>	<b>270,630,519</b>	<b>(500,000)</b>	<b>270,130,519</b>	<b>260,139,929</b>	<b>(9,990,590)</b>	
<b>Total revenue</b>	<b>314,481,190</b>	<b>(1,500,000)</b>	<b>312,981,190</b>	<b>293,837,226</b>	<b>(19,143,964)</b>	
<b>Expenditure</b>						
Personnel	(108,264,701)	1,765,000	(106,499,701)	(104,521,224)	1,978,477	
Remuneration of councillors	(16,756,624)	-	(16,756,624)	(16,186,992)	569,632	
Depreciation and amortisation	(39,314,841)	1,000,000	(38,314,841)	(35,257,582)	3,057,259	
Finance costs	-	-	-	(1,080,965)	(1,080,965)	Refer to Note 48 (8)
Debt impairment	(7,558,875)	500,000	(7,058,875)	2,313,302	9,372,177	
Repairs and maintenance	(4,370,000)	1,520,000	(2,850,000)	(2,119,504)	730,496	Refer to Note 48 (9)
Bulk purchases	(30,000,000)	-	(30,000,000)	(31,566,419)	(1,566,419)	
Contracted Services	(12,705,000)	(41,097,815)	(53,802,815)	(14,345,769)	39,457,046	
General Expenses	(81,591,545)	34,411,316	(47,180,229)	(75,543,773)	(28,363,544)	
<b>Total expenditure</b>	<b>(300,561,586)</b>	<b>(1,901,499)</b>	<b>(302,463,085)</b>	<b>(278,308,926)</b>	<b>24,154,159</b>	
<b>Operating surplus</b>	<b>13,919,604</b>	<b>(3,401,499)</b>	<b>10,518,105</b>	<b>15,528,300</b>	<b>5,010,195</b>	
Loss on disposal of assets and liabilities	-	-	-	(119,130)	(119,130)	
Actuarial gains/losses	-	-	-	(265,962)	(265,962)	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## 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						
	-	-	-	(385,092)	(385,092)	
<b>Surplus before taxation</b>	<b>13,919,604</b>	<b>(3,401,499)</b>	<b>10,518,105</b>	<b>15,143,208</b>	<b>4,625,103</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>13,919,604</b>	<b>(3,401,499)</b>	<b>10,518,105</b>	<b>15,143,208</b>	<b>4,625,103</b>	

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Blouberg Local Municipality

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## 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	1,714,880	2,000,000	3,714,880	4,862,583	1,147,703	
Receivables from exchange transactions	4,691,947	-	4,691,947	3,395,574	(1,296,373)	
Receivables from non-exchange transactions	16,846,806	-	16,846,806	90,207,434	73,360,628	
VAT receivable	-	-	-	3,197,875	3,197,875	
Consumer debtors	24,348,656	-	24,348,656	11,350,252	(12,998,404)	
Cash and cash equivalents	61,697,399	-	61,697,399	7,563,568	(54,133,831)	
	<b>109,299,688</b>	<b>2,000,000</b>	<b>111,299,688</b>	<b>120,577,286</b>	<b>9,277,598</b>	

##### Non-Current Assets

Investment property	-	205,000	205,000	9,760,000	9,555,000	
Property, plant and equipment	1,002,108,167	-	1,002,108,167	909,332,649	(92,775,518)	
Intangible assets	-	-	-	543,034	543,034	
Investments	3,097,326	-	3,097,326	3,090,652	(6,674)	
	<b>1,005,205,493</b>	<b>205,000</b>	<b>1,005,410,493</b>	<b>922,726,335</b>	<b>(82,684,158)</b>	

<b>Total Assets</b>	<b>1,114,505,181</b>	<b>2,205,000</b>	<b>1,116,710,181</b>	<b>1,043,303,621</b>	<b>(73,406,560)</b>	
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#### Liabilities

##### Current Liabilities

Other financial liabilities	-	-	-	2,675,395	2,675,395	
Finance lease obligation	-	-	-	517,382	517,382	
Payables from exchange transactions	25,000,000	-	25,000,000	40,142,717	15,142,717	
Unspent conditional grants and receipts	1,400,000	-	1,400,000	1,139,232	(260,768)	
Provisions	-	-	-	19,031,318	19,031,318	
	<b>26,400,000</b>	<b>-</b>	<b>26,400,000</b>	<b>63,506,044</b>	<b>37,106,044</b>	

##### Non-Current Liabilities

Finance lease obligation	-	-	-	303,713	303,713	
Provisions	2,830,056	-	2,830,056	6,166,690	3,336,634	
	<b>2,830,056</b>	<b>-</b>	<b>2,830,056</b>	<b>6,470,403</b>	<b>3,640,347</b>	

<b>Total Liabilities</b>	<b>29,230,056</b>	<b>-</b>	<b>29,230,056</b>	<b>69,976,447</b>	<b>40,746,391</b>	
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<b>Net Assets</b>	<b>1,085,275,125</b>	<b>2,205,000</b>	<b>1,087,480,125</b>	<b>973,327,174</b>	<b>(114,152,951)</b>	
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#### Net Assets

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

##### Reserves

Accumulated surplus	1,085,275,125	2,205,000	1,087,480,125	974,056,050	(113,424,075)	
Undefined Difference	-	-	-	(728,876)	(728,876)	
<b>Total Net Assets</b>	<b>1,085,275,125</b>	<b>2,205,000</b>	<b>1,087,480,125</b>	<b>974,056,050</b>	<b>(113,424,075)</b>	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

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

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

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.

These accounting policies are consistent with the previous period.

#### 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 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.

#### Available-for-sale financial assets

The municipality follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If all of the declines in fair value below cost were considered significant or prolonged, the municipality would suffer an additional deficit of - in its 2019 annual financial statements, being a reclassification adjustment of the fair value adjustments previously recognised in other comprehensive income and accumulated in equity on the impaired available-for-sale financial assets to surplus or deficit.

#### 1.4 Investment property

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

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

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.4 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.

### 1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost except land which is carried at Revaluation in line with the valuation roll. The Revaluation is performed every 5 years

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.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

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Item	Depreciation method	Average useful life
Infrastructure		5 - 60
Roads and paving		5 - 50
Concrete		5 - 80
Electricity		5 - 50
Computer Equipment		5 - 16
Plant and Machinery		5 - 17
Buildings		5 - 50
Recreational facilities		5 - 50
Security		5 - 50
Halls		5 - 50
Libraries		5 - 50
Parks and gardens		5 - 50
Other assets		5 - 50
Other property, plant and equipment		5 - 50

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# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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

Specialist vehicles	5 - 15
Office equipment	5 - 10
Furniture and fittings	5 - 16
Motor vehicles	5 - 22
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
Heritage assets	5 - 50
Paintings and artifacts	5 - 50

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.

### 1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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.

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## Accounting Policies

### 1.6 Intangible assets (continued)

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	3 to 5 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).

### 1.7 Investments

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

### 1.8 Financial instruments

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.8 Financial Instruments (continued)

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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.

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 unissued 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.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.8 Financial instruments (continued)

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.

#### 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.

### 1.9 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.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.9 Inventories (continued)

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

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

### 1.10 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.

### 1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.11 Provisions and contingencies (continued)

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 36.

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

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

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

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

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

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

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

# Blouberg Local Municipality

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## Accounting Policies

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### 1.12 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.

### 1.13 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.

#### 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.

# Blouberg Local Municipality

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## Accounting Policies

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### 1.13 Revenue from exchange transactions (continued)

#### 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.

### 1.14 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.

Control of an asset arise 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, an 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.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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

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.

#### 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.

#### 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.

### 1.15 Investment income

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

### 1.16 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.

### 1.17 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 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.

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.18 Fruitless and wasteful expenditure

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

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.

### 1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA 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 PFMA requires the following (effective from 1 April 2008):

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

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

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

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

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.20 Budget information

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

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

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

The approved budget covers the fiscal period from 2018-07-01 to 2019-06-30.

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.20 Budget information (continued)

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.

### 1.21 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.

### 1.22 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.

### 1.23 VAT

VAT is accounted for on accrual basis in the financial records

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 2. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	9,760,000	-	9,760,000	-	-	-

#### Reconciliation of investment property - 2019

	Opening balance	Transfers	Total
Investment property	-	9,760,000	9,760,000

#### Reconciliation of investment property - 2018

	Opening balance	Other changes, movements	Total
Investment property	205,000	(205,000)	-

During the current year it was identified that an amount of R205 000 was incorrectly classified as Investment property from the prior years, this cost was restated and written off and adjusted for the prior period possible.

#### Details of property

19/06/2019  
 14:03:00  
 14:03:00

## Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

### Notes to the Annual Financial Statements

Figures in Rand

#### 3. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,026,290	-	8,026,290	17,786,290	-	17,786,290
Buildings	39,575,957	(20,581,443)	18,994,514	39,575,957	(18,998,405)	20,577,552
Infrastructure	1,011,446,761	(375,289,303)	636,157,458	1,007,397,383	(352,408,383)	654,989,000
Community Assets	195,483,141	(46,885,720)	148,597,421	195,483,141	(39,327,902)	156,155,239
Other Assets	33,484,668	(9,617,536)	23,867,132	36,740,346	(10,034,167)	26,706,179
WIP - Community Assets	26,016,348	-	26,016,348	19,951,505	-	19,951,505
WIP - Infrastructure	47,673,586	-	47,673,586	12,340,244	-	12,340,244
<b>Total</b>	<b>1,361,706,651</b>	<b>(452,374,002)</b>	<b>909,332,649</b>	<b>1,329,274,866</b>	<b>(420,768,857)</b>	<b>908,506,009</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Total
Land	17,786,290	-	-	-	(9,760,000)	-	8,026,290
Buildings	20,577,552	-	-	-	-	(1,583,038)	18,994,514
Infrastructure	654,989,000	708,928	-	3,340,451	-	(22,880,921)	636,157,458
Community	156,155,239	-	-	-	-	(7,557,818)	148,597,421
Other Assets	26,706,179	1,075,040	(119,130)	-	-	(3,795,057)	23,867,032
WIP - Community assets	19,951,505	6,064,843	-	-	-	-	26,016,348
WIP - Infrastructure	12,340,244	38,673,793	-	-	(3,340,451)	-	47,673,586
<b>Total</b>	<b>908,506,009</b>	<b>46,522,604</b>	<b>(119,130)</b>	<b>3,340,451</b>	<b>(13,100,451)</b>	<b>(35,818,834)</b>	<b>909,332,649</b>

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Annual Financial Statements for the year ended June 30, 2019

### Notes to the Annual Financial Statements

Figures in Rand

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

##### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers received	Other changes, adjustments & movements	Depreciation	Impairment loss	Total
Land	11,036,290	-	-	-	6,750,000	-	-	17,786,290
Buildings	22,115,668	44,244	-	-	-	(1,582,360)	-	20,577,552
Infrastructure	651,463,992	24,849,089	-	1,278,850	-	(22,356,065)	(246,866)	654,989,000
Community	151,783,359	11,300,833	-	-	-	(6,928,953)	-	156,155,239
Other Assets	17,146,613	6,749,716	(754,846)	-	6,264,917	(2,700,221)	-	26,706,179
WIP Community Assets	13,173,563	6,777,942	-	-	-	-	-	19,951,505
WIP Infrastructure	3,170,839	10,448,255	-	(1,278,850)	-	-	-	12,340,244
	<b>869,890,324</b>	<b>60,170,079</b>	<b>(754,846)</b>	<b>-</b>	<b>13,014,917</b>	<b>(33,567,599)</b>	<b>(246,866)</b>	<b>908,606,009</b>

During the current year an assessment of useful lives was performed for all Other assets categories which resulted in the adjustment of opening accumulated depreciation with an amount of R6 264 917 and adjusting the accumulated surplus of the previous years. the adjustment is also disclosed in the prior period error.

During the physical verification of assets the municipality identified a piece of land with ERF 178 LS at Bochum with a size equalling 1 181,0398 hectares that was not included in the fixed asset register. An external independent professional valuer Modiba Kholofelo (Professional Associated Valuer 6429, SACPVP (BVP)) of MOD HOPE Properties was appointed to determine the market value of the land which will be regarded as a deemed cost for accounting purposes. The valuer is registered with the South African Council for the Property Valuers Profession. The preferred valuation methodology applied on vacant land was the analysis of comparable market related sales in and around Blouberg and determined a rate per hectare of between R3 388 to R5 714. A consideration was made of the geographical area and the municipal services within Blouberg and all comparable properties within 20 kms radius from the subject property. Current uncertainties regarding the economic outlook and Eurozone was also considered. A rate of R5 714 per hectare was determined with a size of 1 181,0398 to arrive at a market value (deemed cost) of R6 750 000 (rounded to nearest thousands). The amount adjusted the opening balance of Land and Buildings and disclosed as a prior period error.

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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## Notes to the Annual Financial Statements

Figures in Rand

2019 2018

### 4. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	750,685	(207,651)	543,034	292,744	(60,277)	232,467

#### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software, other	232,467	457,941	(147,374)	543,034

#### Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software, other	102,752	156,500	(26,785)	232,467

### 5. Investments

Name of company	Held by	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
ABSA Bank	Blouberg Municipality	100.00 %	100.00 %	3,090,652	3,089,538

During the current year the municipality invested in NEDBANK fixed deposit account number 037-8811- 376-14 which earned interest totalling R454,329 included in Finance income from Investments. The first investment of R20 000 000 was invested from 10 January to 11 March 2019 which earned the municipality a total interest of R258 082 which was withdrawn. a The second investment was for R20 000 000 which earned interest of R 136 246 246 for a period of 27 March to 1 June 2019.

The Municipality investment relate to fixed deposit held at ABSA as ESKOM Guarantee to an amount of R3 090 652 (2018: R3 089 538) as at 30 June 2019. The municipality does not have access to the account, only receives interest on the investment. During the year an amount of R229 120 (2018: R207 827) interest was earned from the investment.

### 6. Inventories

Inventory sites	1,581,200	5,178,000
Consumable stores	3,281,383	2,211,355
	<b>4,862,583</b>	<b>7,389,355</b>

### 7. Receivables from exchange transactions

Prepaid electricity Accrued	270,392	512,757
CDM Commission	1,163,175	770,634
Other Receivables	312,007	721
CDM Grant Receivables	1,650,000	-
	<b>3,395,574</b>	<b>1,284,112</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>8. Receivables from non-exchange transactions</b>		
Traffic Fines	1,784,479	1,890,365
Other receivable- Senior Managers	19,337	1,560,101
Other receivables from non-exchange transactions	798,790	884,955
Rates	87,604,828	62,065,673
	<b>90,207,434</b>	<b>66,401,094</b>

Included in the Traffic fines receivable there is a provision for impairment of R3 247 363 (2018: R1 770 425). Included also is a debt write off of R- (2018: R3 414 901).

Included in the property rates receivable there is a provision for impairment for R10 788 025 (2018: R13 877 688). Included also is a debt write off of R- (2018: R8 431 140).

### Receivables from non-exchange transactions

The ageing of these receivables is as follows:

Rates	-	-
Current	298,023	182,638
31-60 days	195,265	180,204
61-90 days	192,016	176,188
91-120 days	183,576	265,756
121-365 days	20,157,047	20,166,760
>365 days	77,140,170	59,748,310
Traffic fines	-	-
Current	192,250	359,400
31-60 days	214,700	235,950
61-90 days	218,850	174,100
91-120 days	173,600	137,400
121-365 days	1,835,050	2,753,940
>365 days	2,396,393	-

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

Opening balance	(15,573,312)	(32,679,719)
Provision for impairment	1,531,273	17,106,407
	<b>(14,042,039)</b>	<b>(15,573,312)</b>

### 9. VAT receivable

Vat	3,212,843	13,688,859
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### 10. Consumer debtors

<b>Gross balances</b>		
Electricity	9,489,749	8,019,470
Refuse	1,086,932	800,973
Interest	2,340,178	3,987,615
VAT on Services	1,646,092	291,672
Sundries	1,792,841	1,427,640
	<b>16,355,792</b>	<b>14,527,370</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>10. Consumer debtors (continued)</b>		
<b>Less: Allowance for impairment</b>		
Electricity	(2,666,645)	(3,908,963)
Refuse	(500,758)	(7,492)
Interest	(858,687)	(926,560)
Sundries	(979,450)	(944,555)
	<b>(5,005,540)</b>	<b>(5,787,570)</b>
<b>Net balance</b>		
Electricity	6,823,104	4,110,507
Refuse	586,174	793,481
Interest	1,481,491	3,061,055
VAT on Services	1,646,092	291,672
Sundries	813,391	483,085
	<b>11,350,252</b>	<b>8,739,800</b>
<b>Electricity</b>		
Current (0 -30 days)	547,223	316,002
31 - 60 days	421,700	475,644
61 - 90 days	235,509	242,929
91 - 120 days	380,491	340,200
121 - 365 days	2,840,600	2,413,478
> 365 days	6,056,514	3,302,446
	<b>10,482,037</b>	<b>7,090,699</b>
<b>Refuse</b>		
Current (0 -30 days)	47,457	35,580
31 - 60 days	46,332	34,779
61 - 90 days	45,615	33,505
91 - 120 days	44,672	33,022
121 - 365 days	364,251	177,184
> 365 days	612,307	338,771
	<b>1,160,634</b>	<b>652,841</b>
<b>Sundries</b>		
Current (0 -30 days)	18,913	19,829
31 - 60 days	18,784	19,691
61 - 90 days	45,151	19,690
91 - 120 days	18,631	19,569
121 - 365 days	172,355	148,059
> 365 days	1,489,530	1,168,922
	<b>1,763,364</b>	<b>1,395,760</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(5,787,571)	(5,639,041)
Contributions to allowance	782,029	(148,530)
	<b>(5,005,542)</b>	<b>(5,787,571)</b>
<b>11. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>11. Cash and cash equivalents (continued)</b>		
Cash on hand	1,643	638
Bank balances	7,561,925	15,582,764
	<b>7,563,568</b>	<b>15,583,402</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2019	June 30, 2018	June 30, 2017
ABSA BANK - Current Account - 11 5016 9476	7,401,497	14,275,810	30,769,967	7,401,497	14,275,810	30,769,967
ABSA BANK - Current Account - 40 5735 0474	160,428	1,308,114	247,351	160,428	1,308,114	247,351
<b>Total</b>	<b>7,561,925</b>	<b>15,583,924</b>	<b>31,017,318</b>	<b>7,561,925</b>	<b>15,583,924</b>	<b>31,017,318</b>

### 12. Finance lease obligation

<b>Minimum lease payments due</b>		
- within one year	576,622	576,322
- in second to fifth year inclusive	316,458	889,927
	893,080	1,466,249
less: future finance charges	(71,985)	(177,601)
<b>Present value of minimum lease payments</b>	<b>821,095</b>	<b>1,288,648</b>
<b>Present value of minimum lease payments due</b>		
- within one year	516,193	468,546
- in second to fifth year inclusive	304,902	820,102
	<b>821,095</b>	<b>1,288,648</b>
Non-current liabilities	304,713	820,102
Current liabilities	516,382	468,546
	<b>821,095</b>	<b>1,288,648</b>

It is the municipality policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 3 years and the average effective borrowing rate was 10% (2018: 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	821,095	1,288,648
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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 41.

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

	2019	2018
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### 13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

National Skills Fund Grant (NSF)	160,428	699,785
Capricorn District Municipality (CDM)	67,895	-
Energy Efficient Municipal Grant (EEDMP)	134,753	-
Integrated National Empowerment Programme Grant (INEP)	776,156	-
	<b>1,139,232</b>	<b>699,785</b>

#### Movement during the year

Non-current liabilities	-	-
Current liabilities	1,139,232	699,785
	<b>1,139,232</b>	<b>699,785</b>

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 24 for reconciliation of grants from National/Provincial Government.

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

### 14. Other financial liabilities

#### At amortised cost

Unallocated deposits	2,675,395	4,748,161
Terms and conditions		

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 relate 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.

#### Current liabilities

At amortised cost	2,675,395	4,748,161
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## Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

### Notes to the Annual Financial Statements

Figures in Rand 2019 2018

#### 15. Provisions

##### Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	9,055,115	1,178,099	-	10,233,214
Provision for leave	8,725,830	72,274	-	8,798,104
Provision for long-service awards	5,111,351	1,209,585	(493,318)	5,827,618
Provision for performance bonus	316,861	22,211	-	339,072
	<b>23,209,157</b>	<b>2,482,169</b>	<b>(493,318)</b>	<b>25,198,008</b>

##### Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Provision for restoration cost for landfill site	7,737,802	476,529	-	-	840,784	9,055,115
Provision for leave	7,335,364	2,568,743	(1,178,277)	-	-	8,725,830
Provision for long-service awards	4,911,000	507,000	(321,287)	506,000	(491,362)	5,111,351
Provision for performance bonus	866,033	-	-	(549,172)	-	316,861
<b>Total Provisions</b>	<b>20,850,199</b>	<b>3,552,272</b>	<b>(1,499,564)</b>	<b>(43,172)</b>	<b>349,422</b>	<b>23,209,157</b>
Non-current liabilities					6,166,690	5,428,212
Current liabilities					19,031,318	17,780,945
					<b>25,198,008</b>	<b>23,209,157</b>

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand 2019 2018

### 15. Provisions (continued)

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.

#### Provision for performance bonus

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

#### Provision for long -service awards

The employees of Blouberg 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 benefit plans. As at year end 30 June 2019 186 (2018:195) employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability as at 30 June 2019 is estimated at R5 827 618 (2018: R5 111 351). The current cost for the year ending 30 June 2019 is estimated at R523 847 (2018: R507 000).

Key actuarial assumptions used

Rate of interest	2019	2018
Discount rate	8.25%	8.62%
General salary inflation ( long term)	5.27%	6.21%
Net Effective Discount Rate applied to Long Service Bonuses	2.64%	2.27%

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

#### Present Value of fund obligation

	2019	2018
Reconciliation of present value of fund obligation:		
Present value of fund obligation	5,111,351	4,911,000
Current service costs	523,847	507,000
Interest costs	419,776	506,000
Benefits paid	(493,318)	(321,287)
Actuarial (gains) losses	265,962	(491,362)
<b>Balance as at 30 June</b>	<b>5,827,618</b>	<b>5,111,351</b>
<b>Present value</b>		
Balance	5,827,618	5,111,351
	<b>5,827,618</b>	<b>5,111,351</b>

#### Environmental rehabilitation provision

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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>15. Provisions (continued)</b>		
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 relate 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 10%, which is the Prime rate as at June 2018. Both landfill sites are expected to be in operation for a period of 5 years from July 2019.		
<b>16. Payables from exchange transactions</b>		
Trade payables	15,425,133	11,263,243
Payments received in advance	3,575,976	3,705,736
Retentions	13,156,251	14,867,764
13th cheque provision	2,118,302	2,018,754
Prepaid electricity accrual	130,850	363,675
Sale of stands deposits	171,610	1,045,489
Other Creditors	728,876	-
Landfill site	4,835,719	4,607,202
	<b>40,142,717</b>	<b>37,871,863</b>

Included in Payables from exchange transactions is the amount of R- (2018: R864 769) 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.

### 17. Revenue

Service charges	22,984,085	23,336,476
Rental of facilities and equipment	684,825	851,274
Licences and permits	3,699,166	3,999,118
Other revenue - refer to note 20	43,808	38,150
Other revenue - refer to note 20	-	36,916
Other revenue - refer to note 20	1,346,000	1,561,158
Other revenue - refer to note 20	140,643	212,753
Other revenue - refer to note 20	2,535	-
Interest on Outstanding Debtors	1,286,914	128,539
Other revenue - refer to note 21	3,250,360	286,962
Farming Income	52,942	124,685
Interest received - Investments & Current accounts	1,307,931	1,797,960
Property rates	24,056,427	22,472,235
Government grants & subsidies	234,299,022	256,301,916
Fines	1,784,480	3,282,760
	<b>294,939,138</b>	<b>314,430,902</b>

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

Service charges	22,984,085	23,336,476
Rental of facilities and equipment	684,825	851,274
Licences and permits	3,699,166	3,999,118
Photocopies & Electricity Illegal connections	43,808	38,150
Tender Documents	-	36,916
CDM - Commissions received	1,346,000	1,561,158
Cemetery, Burial & Plans approval fees	140,643	212,753
Valuation Services	2,535	-
Interest on Outstanding Debtors	1,286,914	128,539
Sale of Inventory - Sites/Land	3,250,360	286,962
Cattle Grazing	52,942	124,685
Interest received - investment	1,307,931	1,797,960
	<b>34,799,209</b>	<b>32,373,991</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>17. Revenue (continued)</b>		
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	24,056,427	22,472,235
<b>Transfer revenue</b>		
Government grants & subsidies	234,299,022	256,301,916
Fines	1,784,480	3,282,760
	<b>260,139,929</b>	<b>282,056,911</b>
<b>18. Service charges</b>		
Sale of electricity	22,470,453	22,909,644
Sewerage and sanitation charges	249,046	177,853
Refuse removal	264,586	248,979
	<b>22,984,085</b>	<b>23,336,476</b>
<b>19. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Rental of facilities	684,825	851,274
<b>20. Other revenue</b>		
Electricity Fines - illegal connections	30,296	17,768
Photocopies and Faxes	13,512	20,382
Tender Documents	-	36,916
CDM - Commissions received	1,346,000	1,561,158
Building Plans approvals	124,863	194,597
Cemetery and Burial fees	15,780	18,156
Valuation Services	2,535	-
Interest charges on overdue account	1,286,914	128,539
Cattle Grazing	52,942	124,685
	<b>2,872,842</b>	<b>2,102,201</b>
<b>21. Sale of inventory - Sites/Stands</b>		
Sale of sites/stands	3,250,360	286,962
<b>22. Interest received - investment</b>		
<b>Interest revenue</b>		
Investments	1,307,931	1,797,960

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand 2019      2018

### 23. Property rates

#### Rates received

Residential	1,625,118	514,134
Commercial	1,980,537	1,830,499
State-owned	19,155,045	18,845,351
Small Holdings & Farms	1,295,727	1,282,251
	<b>24,056,427</b>	<b>22,472,235</b>

#### Valuations

Residential	467,408,820	467,408,820
Commercial	362,313,000	362,313,000
State-owned	376,160,000	376,160,000
Municipalities	54,244,200	54,244,200
Other	5,620,500	5,620,500
Small Holdings and farms	3,199,802,565	3,199,802,565
	<b>4,465,549,085</b>	<b>4,465,549,085</b>

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.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand 2019      2018

### 24. Government grants and subsidies

#### Operating grants

Equitable share	167,730,000	161,115,187
Financial Management Grant (FMG)	2,534,000	2,533,000
Municipal Systems Improvement Grant (MSIG)	1,055,000	-
Municipal Demarcation Transition Grant (MDTG)	-	3,044,000
Expanded Public Works Programme (EPWP)	1,089,000	1,562,000
Capricorn District Municipality Grant (CDM)	3,232,105	5,137,263
National Skills Fund Grant (NSFG)	6,783,826	25,855,950
	<b>182,423,931</b>	<b>199,247,400</b>

#### Capital grants

Municipal Infrastructure Grant (MIG)	43,491,000	46,554,516
Integrated National Empowerment Programme (INEP)	3,518,844	10,500,000
Energy Efficiency Demand Management Grant (EEDMG)	4,865,247	-
	<b>51,875,091</b>	<b>57,054,516</b>
	<b>234,299,022</b>	<b>256,301,916</b>

#### Equitable Share

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

#### Financial Management Grant (FMG)

Current-year receipts	2,534,000	2,533,000
Conditions met - transferred to revenue	(2,534,000)	(2,533,000)
	-	-

#### Municipal Systems Improvement Grant (MSIG)

Current-year receipts	1,055,000	-
Conditions met - transferred to revenue	(1,055,000)	-
	-	-

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

Provide explanations of conditions still to be met and other relevant information.

#### Municipal Demarcation Transition Grant(MDTG)

Balance unspent at beginning of year	-	4,071,319
Current-year receipts	-	3,044,000
Conditions met - transferred to revenue	-	(3,044,000)
Other	-	(4,071,319)
	-	-

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

#### Capricorn District Municipality (CDM)

Balance unspent at beginning of year	-	167,262
Current-year receipts	1,650,000	4,970,000
Conditions met - transferred to revenue	(3,232,105)	(5,137,262)
Accrued Grant Debtor	1,650,000	-

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>24. Government grants and subsidies (continued)</b>		
	<b>67,895</b>	-
Conditions still to be met - remain liabilities (see note 13).		
In the current year CDM committed to a grant of R3 300 000 to Blouberg Local Municipality. As at 30 June 2019 the grant was not received in full as expected, a total amount of R1 650 000 is due and payable by Capricorn District Municipality (CDM). The grant received was not sufficient to cover the costs incurred resulting in the municipality to cover the costs of R1 582 105 which is recoverable from CDM. The outstanding Grant was received in July 2019 and a debtor was raised of an amount of R1 650 000 refer to <b>Note 7</b> .		
<b>Expanded Public Works Programme (EPWP)</b>		
Current-year receipts	1,089,000	1,562,000
Conditions met - transferred to revenue	(1,089,000)	(1,562,000)
	-	-
Conditions still to be met - remain liabilities (see note 13)		
<b>National Skills Fund Grant (NSF)</b>		
Balance unspent at beginning of year	699,786	253,153
Current-year receipts	6,244,469	26,302,583
Conditions met - transferred to revenue	(6,783,827)	(25,855,950)
	<b>160,428</b>	<b>699,786</b>
Conditions still to be met - remain liabilities (see note 13).		
<b>Integrated National Empowerment Programme (INEP)</b>		
Current-year receipts	4,295,000	10,500,000
Conditions met - transferred to revenue	(3,518,844)	(10,500,000)
	<b>776,156</b>	-
<b>Municipal infrastructure Grant ( MIG)</b>		
Balance unspent at beginning of year	-	2,532,525
Current-year receipts	43,491,000	45,090,000
Conditions met - transferred to revenue	(43,491,000)	(46,554,516)
Other	-	(1,068,009)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
<b>Energy Efficient and Demand Management Grant (EEDMG)</b>		
Current-year receipts	5,000,000	-
Conditions met - transferred to revenue	(4,865,247)	-
	<b>134,753</b>	-

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>25. Employee related costs</b>		
Basic Salary	58,481,340	56,550,516
Bonus	4,651,477	5,205,689
Medical aid - company contributions	3,881,927	3,611,307
Unemployed Insurance Fund (UIF)	398,491	350,475
Skills Development Levy (SDL)	920,899	747,113
Leave pay provision charge	72,274	-
Leave payout	524,316	2,598,112
Pension Fund contributions	12,828,426	11,799,283
Travel, motor car, accommodation, subsistence and other allowances	14,171,800	13,553,245
Overtime payments	2,393,117	2,170,304
Long-service awards	523,847	507,000
Acting allowances	195,937	361,405
Housing benefits and allowances	156,016	191,492
Daily Allowances	560,968	297,255
Bargaining Council	19,766	19,841
Standby allowance	586,749	457,683
Telephone & CellPhone allowances	1,881,118	1,820,108
	<b>102,248,468</b>	<b>100,240,828</b>

### Remuneration of municipal manager

Annual Remuneration	860,636	582,145
Car Allowance	286,070	232,311
Performance Bonuses	-	59,555
Contributions to UIF, Medical and Pension Funds	130,928	121,579
Other allowances	26,071	79,480
Back pay	-	187,456
	<b>1,303,705</b>	<b>1,262,526</b>

### Remuneration of chief finance officer

Annual Remuneration	634,156	141,719
Car Allowance	191,549	40,156
Performance Bonuses	22,211	-
Contributions to UIF, Medical and Pension Funds	99,493	22,350
Leave pay	-	155,444
Other allowances	22,241	28,955
Back pay	-	38,712
	<b>969,650</b>	<b>427,336</b>

### Remuneration of Senior Management

Remuneration of Senior Management - 2019	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	-	693,594	667,889	640,559	2,002,042
Acting allowance	14,398	-	-	-	14,398
Travel, motor car, accommodation, subsistence and other allowances	-	234,375	215,216	213,006	662,597
Contributions to UIF, Medical and Pension Funds	-	131,380	99,588	99,588	330,556
Subtotal	14,398	1,059,349	982,693	953,153	3,009,593
	<b>14,398</b>	<b>1,059,349</b>	<b>982,693</b>	<b>953,153</b>	<b>3,009,593</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand					2019	2018
<b>25. Employee related costs (continued)</b>						
<b>Remuneration of Senior Management- 2018</b>	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total	
Annual Remuneration	830,253	456,857	905,155	-	-	2,192,265
Bonus 13th Cheque	50,321	15,035	-	-	-	65,356
Back pay	57,898	179,417	61,976	64,008	-	363,299
Travel, motor car, accommodation, subsistence and other allowances	138,203	209,765	180,726	57,959	-	586,653
Contributions to UIF, Medical and Pension Funds	28,143	95,899	-	-	-	124,042
Leave Pay	186,796	-	-	-	-	186,796
Subtotal	1,291,614	956,973	1,147,857	121,967	-	3,518,411
	<b>1,291,614</b>	<b>956,973</b>	<b>1,147,857</b>	<b>121,967</b>	-	<b>3,518,411</b>

### 26. Remuneration of councillors

Mayor	872,029	838,687
Chief Whip	676,157	640,303
Executive Committee Members	3,298,251	3,437,239
Speaker	706,817	680,144
Councillors	10,633,738	10,142,751
	<b>16,186,992</b>	<b>15,739,124</b>

### 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	35,111,135	33,591,018
Intangible assets	146,447	27,712
	<b>35,257,582</b>	<b>33,618,730</b>

### 28. Finance costs

Finance leases	661,189	907,022
Long Service Awards	419,776	506,000
	<b>1,080,965</b>	<b>1,413,022</b>

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>29. Provision for debt impairment</b>		
Debt impairment	(2,313,302)	15,396,652
Contributions to debt impairment provision	-	(13,088,015)
	<b>(2,313,302)</b>	<b>2,308,637</b>

During the financial year a total amount of R- (2018: R15 396 652) was presented to the council for a recommendation to be written off due to a bad history of settling outstanding debts with the municipality. 2018 financial year bad debtors relate to all outstanding amounts for the year 2006 to 2011 relating to Rates, Refuse, Traffic fines, electricity, interest and other services charges.

In the current year a reversal of provision for bad debt was raised with an amount of R2 313 302.

### 30. Bulk purchases

Electricity - Eskom	31,566,419	30,319,038
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### 31. Contracted services

#### Presented previously

Information Technology Services	1,698,644	-
Fleet Services	459,520	499,798
Operating Leases	959,789	790,461
Other Contractors	11,227,816	10,462,803

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>32. General expenses</b>		
Administration and management fees	2,810,526	3,601,396
Advertising	507,850	569,667
Audit fees	3,660,739	3,145,375
Bank charges	395,849	727,608
Provision for restoration costs of landfill site	855,655	679,982
EPWP costs	3,122,974	4,790,914
Consulting and professional fees	10,605,969	9,818,231
Inventory adjustment - Consumables	-	(1,712,000)
Municipal Demacation costs	-	4,613,156
Workmens Compensation Costs	452,900	5,733,375
PMS Cost	569,436	697,758
MPAC expenses	485,751	270,243
Insurance	771,755	838,550
Conferences, Accomodation and seminars	2,402,542	2,341,330
IT expenses	316,756	496,222
NSFG Costs	6,153,863	26,457,928
Fuel Costs	5,697,000	3,714,777
Postage Costs	12,440	9,035
Printing and stationery	1,902,254	1,336,027
Promotions	280,979	76,034
Master Plans for LDP	818,194	3,369
Repairs and maintenance	2,119,504	2,437,611
Poverty Alleviation	497,510	281,013
Staff welfare	1,630,956	58,601
Subscriptions and membership fees	1,272,107	1,171,810
Telephone and fax	1,636,968	2,007,710
Training Costs	622,124	658,292
Subsistence and travel	12,521,387	8,136,833
Refuse bags	-	58,205
Group Insurance	132,765	116,571
Water & Electricity	-	21,714
Special Focus	114,741	871,578
Audit committee fees	481,566	485,995
Bursaries	180,980	59,099
Public participation	1,186,616	775,194
Licence fees - vehicles	120,294	125,521
Refreshments	242,357	271,368
Remuneration of ward committee members	3,905,080	3,016,176
Free basic services electricity	1,016,643	161,894
Support of ward committee	1,329,046	1,785,431
Sport Development	655,853	1,212,670
Other expenses	6,173,348	7,089,192
	<b>77,663,277</b>	<b>99,011,433</b>
<b>33. Auditors' remuneration</b>		
Fees	3,660,739	3,145,375

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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>34. Cash generated from operations</b>		
Surplus	16,245,120	19,791,256
<b>Adjustments for:</b>		
Depreciation and amortisation	35,257,582	33,591,018
Loss on sale of assets and liabilities	119,130	754,846
Finance costs - Finance leases	661,189	907,022
Interest income	(2,854,714)	(2,181,812)
Debt impairment	(2,313,302)	2,308,637
Actuarial loss	265,962	-
Movements in provisions	1,988,851	2,562,411
<b>Changes in working capital:</b>		
Inventories	2,526,772	(3,510,198)
Receivables from exchange transactions	(2,111,462)	(3,878,082)
Consumer debtors	(2,610,452)	(481,675)
Receivables from non-exchange transactions	(23,806,340)	(706,692)
Payables from exchange transactions	2,042,337	(1,955,923)
VAT	15,650,910	(9,462,857)
Unspent conditional grants and receipts	439,447	(6,324,474)
	<b>41,501,030</b>	<b>31,413,477</b>

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### Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>35. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	1,302,346	-
<b>Total capital commitments</b>		
Already contracted for but not provided for	1,302,346	-
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Security Services	7,618,328	18,662,366
• Consulting Services	885,613	1,724,500
• Spacial Development Framework	111,755	428,106
• Development of Growth Strategy	-	40,000
• Other	-	671,693
• Establishment of Bochum, Alldays and Senwabarwana	2,225,062	-
• Mobile Communication Services	2,225,108	-
• MSCOA Project Management	1,740,401	-
• Supply and Installation of Electronic Record Management System	616,193	-
	<b>15,422,460</b>	<b>21,526,665</b>
<b>Total operational commitments</b>		
Already contracted for but not provided for	15,422,460	21,526,665
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	1,302,346	-
Authorised operational expenditure	15,422,460	21,526,665
	<b>16,724,806</b>	<b>21,526,665</b>

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

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 36. 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 5,198,219. 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. The matter is still pending due to the plaintiff not having legal representative.	300,000	300,000
2. Machuene Chariese Keetse - The plaintiff is suing the Municipality and the Minister of Police for unlawful arrest and detention. The matter is still pending with no indication of the court 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. IN-SUTU Consulting cc - The plaintiff is suing various entities including the Municipality as the Eighth defendant in a contractual dispute relating to a water boreholes drilled around the Municipality's jurisdiction. The Municipality was not party to the contract but merely involved for the sake of formality in terms of the Uniform Rules of Court. The matter is still pending as we await the Applicant to apply for a court date. However it looks like the plaintiff has abandoned the matter	223,419	223,419
5. 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. Still waiting for the matter to be set down.	574,800	574,800
	<b>5,198,219</b>	<b>5,198,219</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand 2019 2018

### 37. Related parties

#### Relationships

Controlled by the same government - legislatively (MFMA Act)  
Controlled by the same government - legislatively (MFMA Act)

Department of Transport  
Capricorn District Municipality (CDM)

The municipality is involved in an agency relationship with Capricorn District Municipality for the provision of water services and also receives a Grant from the Municipality.

#### Related party balances

The balance relate to the unspent Grant received from Capricorn District Municipality for the period ended 31 March 2019 for the use of Landfill sites. The current year Grant received was fully spent.

#### Amounts included in Trade receivable (Trade Payable) regarding related parties

Capricorn District Municipality - (Water)	(1,498,066)	(3,881,254)
Capricorn District Municipality - (Commission)	481,245	237,157
Department of Transport	5,031,843	3,660,790
CDM Grant Debtor	1,650,000	-

#### Provision for doubtful debts related to outstanding balances with related parties

Department of Transport - Traffic fines	3,247,363	1,770,425
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#### Expenses recognised in respect of bad or doubtful debts

Department of Transport - Traffic fines	850,970	1,231,740
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#### Related party transactions

##### Commission received from related parties

Capricorn District Municipalities (CDM) - Water	244,088	237,157
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##### Traffic fines, permits and Licences

Department of transport - Fines	1,784,480	3,282,760
Department of transport - Licenses & Permits	3,699,166	3,999,118

##### Grants received from related parties

Capricorn District Municipality (CDM)	3,232,105	3,470,000
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#### Debtors balance with key management

	Opening balance	Billings/paym ents	Closing balance
Tshoshi M	283	3,801	4,084
Thamaga NM	274	3,485	3,759
Selamolela S	508	8,495	9,003
	<b>1,065</b>	<b>15,781</b>	<b>16,846</b>

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	2,007,099	-
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#### Key management information

Class	Description	Number
Chief Financial Officer	Mabote J	1



## Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

### Notes to the Annual Financial Statements

Figures in Rand

#### 37. Related parties (continued)

##### Remuneration of management

##### Municipal Manager and Chief Financial Officer

2019

Name	Basic salary	Other short-term employee benefits	Post-employment benefits	Total
Machaba MJ	860,636	312,141	130,928	1,303,705
Mabote J	634,156	213,096	122,398	969,650
	<b>1,494,792</b>	<b>525,237</b>	<b>253,326</b>	<b>2,273,355</b>

2018

Name	Basic salary	Other short-term employee benefits	Post-employment benefits	Total
Machaba MJ	823,522	232,311	106,422	1,162,255
Mokonyama MF	141,719	195,600	37,538	374,857
	<b>965,241</b>	<b>427,911</b>	<b>143,960</b>	<b>1,537,112</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

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### 37. Related parties (continued)

#### Councillors/Executive Committee Members

2019

Name	Basic salary	Allowances	S & T	Total
Pheedi MS	608,873	203,282	-	812,155
Tshoshi MM	456,656	152,663	152,711	762,030
Thamaga MN	487,100	162,810	147,277	797,187
Mathidza SE	192,686	64,672	85,634	342,992
Makobela SR	456,656	152,663	182,589	791,908
Mashalane MS	456,676	152,663	176,766	786,105
Morapedi AM	456,656	152,663	141,103	750,422
Makhura MH	254,759	128,466	156,011	539,236
Rangata MJ	254,759	85,345	200,520	540,624
Malla MP	254,759	128,466	132,888	516,113
Ntlatia MW	254,759	85,345	141,378	481,482
Masekwameng MR	192,686	64,672	59,424	316,782
Raseruthe MA	192,686	64,672	124,461	381,819
Lehong MV	192,686	64,672	144,903	402,261
Tlouamma NM	192,686	64,672	66,421	323,779
Moetjie NT	192,686	64,672	176,189	433,547
Mojodo MD	192,686	64,672	202,262	459,620
Seema MI	192,686	64,672	114,697	372,055
Maifo ML	192,686	64,672	195,798	453,156
Mokobodi CS	192,686	64,672	38,566	295,924
Moshokoa MS	192,686	64,672	109,612	366,970
Murathi MS	192,686	64,672	127,840	385,198
Molema MN	192,686	64,672	126,640	383,998
Sebetha MJ	192,686	64,672	126,894	384,252
Makgakga JP	192,686	64,672	113,239	370,597
Ramoba MR	192,686	64,672	134,515	391,873
Sekgoloane MJ	247,280	126,827	147,546	521,653
Motokomme MM	192,686	64,672	121,003	378,361
Mphago MA	192,686	64,672	132,018	389,376
Modingwana MG	192,686	64,672	141,918	399,276
Setwaba DS	192,686	64,672	158,430	415,788
Maleka NG	192,686	64,672	78,427	335,785
Magwai RT	192,686	64,672	124,905	382,263
Madzhe AE	192,686	64,672	143,593	400,951
Selamolela S	192,686	64,672	90,794	348,152
Madibana SS	192,686	64,672	122,147	379,505
Phoshoko NC	192,686	64,672	65,603	322,961
Mabolola SJ	192,686	64,672	92,305	349,663
Chula MI	192,686	64,672	76,985	334,343
Morudu Mf	192,686	64,672	74,426	331,784
Madibana MR	192,686	64,672	69,734	327,092
Madiope MT	192,686	64,672	115,087	372,445
Tefo LT	192,686	64,672	114,259	371,617
Tjumana MM	192,686	64,672	125,221	382,579
	<b>10,547,571</b>	<b>3,665,369</b>	<b>5,372,739</b>	<b>19,585,679</b>

2018

Name	Basic salary	Allowances	S & T	Total
Pheedi MS	582,472	229,641	850	812,963

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## Notes to the Annual Financial Statements

Figures in Rand			2019	2018
<b>37. Related parties (continued)</b>				
Tshoshi MM	437,043	181,081	90,486	708,610
Thamaga MN	466,229	190,792	58,509	715,530
Mathidza SE	183,561	96,587	62,701	342,849
Makobela SR	437,043	181,081	120,341	738,465
Mashaiane MS	437,043	181,081	118,442	736,566
Morapedi AM	437,043	181,081	93,626	711,750
Makhura MH	242,696	116,298	92,391	451,385
Rangata MJ	242,696	116,298	244	359,238
Maila MP	242,696	116,298	102,775	461,769
Ntlatla MW	242,696	116,298	76,960	435,954
Masekwameng MR	183,561	96,587	26,480	306,628
Raseruthe MA	183,561	96,587	95,353	375,501
Lehong MV	183,561	96,587	117,129	397,277
Tlouamma NM	183,561	96,587	74,658	354,806
Moetjie NT	183,561	96,587	120,525	400,673
Mojodo MD	183,561	96,587	131,849	411,997
Seema MI	183,561	96,587	70,147	350,295
Maifo ML	183,561	96,587	153,711	433,859
Mokobodi CS	183,561	96,587	-	280,148
Moshokoa MS	183,561	96,587	83,105	363,253
Murathi MS	183,561	96,587	102,577	382,725
Molema MN	183,561	96,587	101,849	381,997
Sebetha MJ	183,561	96,587	91,936	372,084
Makgakga JP	183,561	96,587	72,894	353,042
Ramoba MR	183,561	96,587	108,803	388,951
Sekgoloane MJ	235,570	114,090	102,897	452,557
Molokomme MM	183,561	96,587	94,358	374,506
Mphago MA	183,561	96,587	86,058	366,206
Modingwana MG	183,561	96,587	96,402	376,550
Setwaba DS	183,561	96,587	114,988	395,136
Maleka NG	183,561	96,587	50,736	330,884
Magwai RT	183,561	96,587	101,688	381,836
Madzhe AE	183,561	96,587	100,066	380,214
Selamolela S	183,561	96,587	-	280,148
Madibana SS	183,561	96,587	84,210	364,358
Phoshoko NC	183,561	96,587	38,559	318,707
Mabolola SJ	183,561	96,587	48,991	329,139
Chula MI	183,561	96,587	53,045	333,193
Morudu Mf	183,561	96,587	55,086	335,234
Madibana MR	183,561	96,587	70,723	350,871
Madiupe MT	183,561	96,587	57,881	338,029
Tefo LT	183,561	96,587	67,263	347,411
Tjumana MM	183,561	96,587	84,797	364,945
	<b>10,060,740</b>	<b>4,911,410</b>	<b>3,476,089</b>	<b>18,448,239</b>

### Senior management

2019

Name	Technical Services	Local Economic Development	Corporate Services	Community Services	Total
Annual remuneration	-	693,594	667,889	640,559	2,002,042
Acting allowances	14,398	-	-	-	14,398
Travel, Motor Car, Accommodation	-	234,375	215,216	213,006	662,597
Contribution to UIF and Medical Aid	-	2,106	1,732	1,732	5,570
Contribution to Pension Funds	-	129,274	97,857	97,857	324,988

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand 2019 2018

### 37. Related parties (continued)

14,398      1,059,349      982,694      953,154      3,009,595

#### 2018

Name	Technical Services	Local Economic Development	Corporate Services	Total
Annual remuneration	830,253	659,000	187,798	1,677,051
Leave pay	-	-	424,375	424,375
Travel, Motor Car, Accommodation and other allowances	54,522	164,035	114,676	333,233
Contribution to UIF and Medical Aid	446	1,785	595	2,826
Contribution to pension fund	25,880	100,509	33,804	160,193
	<b>911,101</b>	<b>925,329</b>	<b>761,248</b>	<b>2,597,678</b>

### 38. Prior period errors

As a result of incorrect actual collections for water and waste water, CDM commission was incorrectly calculated. And adjustment was recalculated after obtaining actual receipts for the 2017/2018 financial year amounting to R2 410 831. A retrospective restatement will be done.

It was identified that Aganang assessment rates have been successfully migrated into the debtors module and form part of billing, a duplicate journal was processed in 2018 as a correction journal to address audit finding. The journal should be reversed to ensure that the vote agrees with the age analysis. an adjusting journal amounting to R4 129 544 will be processed retrospectively.

During the current year it was identified that the age analysis was not in agreement with the votes from previous years and an investigation was performed to identify the issues. it was identified that there were differences an journals have been passed to correct the differences. a total impact of R9 711 614 will be adjusted to Property rates, electricity and Refuse receivables.

During the current year it was identified that during verifications there was land/sites identified as not included in the inventory listing amounting to R464 000, the values used was from a valuation roll which is still valid until 2020. an adjustment was done retrospectively.

It was identified that the interest received in the previous year was incorrectly recorded in the accounting records amounting to R677 537 and was different from the bank statement and confirmation.

It was identified that the there was salary suspense account figures and provision for electricity for advance payments for electricity for units bought on the last three days of June relating to prior years not being reversed. an adjustment was done with amounts of R363 675 (Electricity provision) and R318 559 (salary suspense) respectively.

During the current year a VAT Consultant was appointed to review the correctness of VAT claims for prior years starting from 2014 until 2018. it was identified that there was invoices incorrectly disallowed by SARS amount to R12 088 236 relating. the payment was received in the current year under review, a retrospective adjustment will be made.

During the current year it was identified that the third party refund was incorrectly recognised as a liability which was reversed in the current year relating to prior years refunds amounting to R1 344 038. a retrospective adjustment will be made.

During the current year an assessment of useful lives was performed for all Other assets categories which resulted in the adjustment of opening accumulated depreciation with an amount of R6 264 917 and adjusting the accumulated surplus of the previous years. the adjustment is also disclosed in the prior period error.

During the physical verification of assets the municipality identified a piece of land that was not included in the asset register, a professional valuar was appointed to determined the market value of the land which will be regarded as a deemed cost for accounting purposes. It was determined to be R6 750 000 which adjusted the opening balance of Land and Buildings and disclosed as a prior period error.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

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### 38. Prior period errors (continued)

During the current year it was identified that an amount of R205 000 was incorrectly classified as Investment property from the prior years, this cost was restated and written off and adjusted for the prior period possible.

It was identified that the provision for landfill for the site which is awaiting rehabilitation was not taking into account the effect of time value of money, an adjustment of the time differences was done using the average inflation rate for the 2018 financial year which amounted to R203 453.

There was a stale cheques amount which did not have supporting documentations and no claims was made for many years, it was decided to write off/reversal the amount of R1 805 904.

A separation of the Land and Buildings was performed in the current year to ensure that land and building is presented separately to be in line with the requirements of GRAP 17. an amount of R17 786 290 was reclassified from buildings to Land

Statement of Financial Position	Previously reported	Correction of error	Reclassification	Restated balances
Investments	3,767,074	(677,537)	-	3,089,537
Inventories - Consumables & Land/Sites	6,925,355	464,000	-	7,389,355
Receivables from non-exchange transactions	85,780,410	(19,379,316)	-	66,401,094
Receivables from exchange transactions	3,694,969	(2,410,831)	(26)	1,284,112
Payables from exchange transactions	(46,104,567)	5,812,495	2,420,210	(37,871,862)
VAT receivables	2,670,202	12,088,236	(1,069,579)	13,688,859
Consumer Debtors	8,627,777	1,161,468	(1,049,445)	8,739,800
Cash & Cash Equivalent	15,884,563	-	(301,160)	15,583,403
Property, Plant and Equipment	893,811,968	14,694,039	-	908,506,007
Investment Properties	205,000	(205,000)	-	-
	<b>975,262,751</b>	<b>11,547,554</b>	<b>-</b>	<b>986,810,305</b>

Statement of Financial Performance	Previously reported	Correction of error	Reclassification	Restated balance
Property Rates	25,289,619	(2,657,383)	-	22,472,236
General expenses	(94,911,586)	9,924	-	(94,901,662)
Interest received on investments	2,475,497	(672,537)	-	1,797,960
CDM Commission received	2,551,581	(996,423)	-	1,561,158
Depreciation	35,270,140	(1,654,131)	-	33,606,009
	<b>(29,324,749)</b>	<b>(6,139,550)</b>	<b>-</b>	<b>(35,464,299)</b>

### Disclosure

The following VAT votes have been re-mapped from VAT control account to

#### Consumer Debtors:

VAT Billed Sundries	-	29,045
VAT Billed Electricity	-	262,626
	<b>-</b>	<b>291,671</b>

# Blouberg Local Municipality

(Registration number LIM351)

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## Notes to the Annual Financial Statements

Figures in Rand

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### 39. Risk management

#### 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 June 30, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	39,413,841	-	-	-
At June 30, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	37,871,863	-	-	-

#### 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.

### 40. Going concern

We draw attention to the fact that at June 30, 2019, the municipality had an accumulated surplus of 973,342,142 and that the municipality's total liabilities exceed its assets by 973,342,142.

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.

### 41. 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 2019.

### 42. Unauthorised expenditure

Opening balance as previously reported	-	85,461,181
<b>Opening balance as restated</b>	-	<b>85,461,181</b>
Less: Amount written off - current	-	(85,461,181)
<b>Closing balance</b>	-	<b>-</b>

Unauthorised expenditure for the 2019 financial year under review amounts to R - (2018: R -). During the financial year under review, the council writes off expenditure of an amount of R- (2018: R85 461 181) relating to the prior years unauthorised expenditure.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>43. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	286,631	475,457
Correction of prior period error	2,393	-
<b>Opening balance as restated</b>	<b>289,024</b>	<b>475,457</b>
Add: fruitless and wasteful expenditure current year	1,022	286,631
Less: Amount written off - current	(286,631)	(475,457)
<b>Closing balance</b>	<b>3,415</b>	<b>286,631</b>

Fruitless and wasteful expenditure is as a result of interest expenses incurred due to late payments of supplier invoice. It was resolved by MPAC that the amount of R2 393 which was paid to an employee as normal time instead of overtime be recovered from the employee concerned and the current year amount of R1 022 is still under investigation and decision will be taken once the outcome of the investigation is known.

### 44. Irregular expenditure

Opening balance	13,959,006	89,163,620
Correction of prior period error	(1,339,400)	-
<b>Opening balance as restated</b>	<b>12,619,606</b>	<b>89,163,620</b>
Add: Irregular Expenditure Current year	25,292,789	13,959,006
Less: Amount written off - current	(25,326,192)	(89,163,620)
<b>Closing balance</b>	<b>12,586,203</b>	<b>13,959,006</b>

### Amounts written-off

The municipality had disclosed an Irregular expenditure of R22 979 884 (2018: 13 959 006 in the annual financial statements), which is composed of R 12 548 404 for MIG road infrastructure (2018: R11 958 853.10 for security services and R1 998 949.29 as audit finding relating non compliance with laws and regulations relating to payroll and supply chain management). An amount relating to R11 958 853 has already been written off by council in the previous financial year (refer to regulation C145 of 2017/2018 and C21 of 2018/2019). The irregular is for security tender which has been contracted for 36 months and the amount will be disclosed as and when is incurred until the end of the contract. (also reference can be made to the council resolution no C48/2018/2019 of the same tender. Therefore in the current financial year, the amount relating to security relate to R12 706 586 will also be written off in the current year using the same council resolution which was passed in the prior year (C145 of 2017/2018 and C21 of 2018/2019) and also the restated opening balance of R12 619 606 should also be written off using the same mentioned council resolution.

### 45. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Current year subscription / fee	1,244,343	2,381,152
Amount paid - current year	(1,244,343)	(2,381,152)
	-	-

#### Audit fees

Current year subscription / fee	3,660,739	1,092,498
Amount paid - current year	(3,586,870)	(1,092,498)
	<b>73,869</b>	-

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

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand 2019      2018

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

#### PAYE and UIF

Current year subscription / fee	18,772,964	29,840,651
Amount paid - current year	(18,772,964)	(29,840,651)

#### Pension and Medical Aid Deductions

Current year subscription / fee	20,047,610	15,493,085
Amount paid - current year	(20,047,610)	(15,493,085)

#### VAT

VAT receivable	3,651,522	13,688,859
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VAT output payables and VAT input receivables are shown in note .

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 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.

Supplier name	Reason	Amount	Total
Matome Frans Construction - Transporation of 14 cattle from stolzenfels to Witten pounding station for municipality	Only local service provider	6,480	6,480
Matome Frans Construction - Transporation of 14 cattle from Bandelierkop auction to Witten pounding station for municipality	Only local service provider	7,080	7,080
Matome Frans Construction - Transporation of 25 donkeys from joos boedery auction to Witten pounding station for municipality	Only local service provider	2,838	2,838
Lindelani Assessment Services - Assessment of Senior Managers	Sole Service provider	36,437	36,437
Tumishi Electrical & Building Construction - Downgrading of Meter Tariff	Services was required urgently	68,425	68,425
Surgorite - Purchase of Transformer(Cracow Village)	Emergency order	85,500	85,500
Firm Supply Trading - Purchase of Transformers -Silvermine Village	Emergency order	165,000	165,000
Surgorite - Purchase of Transformer(Alldays)	Emergency order	88,750	88,750
North west University - Registration for councillors	Sole service provider for the module required	66,100	66,100
Batsibi Technologies - Purchase of CPU Processors & 2 Proc-curve switches for PSU and UPS	Emergency order - server was down	191,194	191,194
Government Printing Works - Purchase of Rates and Taxes ordinary provincial By-law	Sole service provider	35,308	35,308
Surgorite - Purchase of Transformer(Ga-hlako Village)	Emergency order	50,000	50,000
Madibana IT Solutions & Cabling - Network Testing Internet Down and Repairs	Emergency order	122,150	122,150
Gold Circle - Purchase of Transformer(Milbank Village)	Emergency Order	95,750	95,750
NTR Investments - Purchase of Transformer(Cracow Village)	Emergency order	75,450	75,450
RGR Services - Servicing of Municipal Grader DGL 406 L	Authorised dealer for Volvo parts	4,806	4,806
VW - Maintenance of crafter	Sole provider for VW services	30,870	30,870
Conlog - Purchase of meter boxes	Emergency	194,954	194,954
Gold Circle (Pty) Ltd - Purchase of Transformer(Makgari Village)	Emergency	40,000	40,000

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018	
<b>46. Deviation from supply chain management regulations (continued)</b>			
Gold Circle (Pty) Ltd - Purchase of Transformer(Makgari Village)	Emergency	85,000	85,000
Dept of National School of Governance - Registration for councillors	Sole service provider	118,800	118,800
University of Witwatersrand - Payment for tuition/Registration fee for Councillor Choshi	Sole service provider	32,250	32,250
Gold Circle (Pty) Ltd - Purchase of Transformer(Alldays)	Emergency	95,000	95,000
Phuthadichaba Trading Enterprise - Protection of Mayor's house	Emergency	62,100	62,100
Lesedi Guarding & Trading Services - Protection of Inveraan MPCC	Emergency	20,700	20,700
Muhlaba Accountants Bookkeepers and tax Practitioners - Listing of all disallowed invoices discovered by AGSA during 2017/18 audit execution	Service was urgently required	180,000	180,000
<b>Subtotal</b>		<b>1,960,942</b>	<b>1,960,942</b>
		<b>1,960,942</b>	<b>1,960,942</b>

### 47. Distribution Losses

Electricity	3,054,194	2,547,359
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The municipality purchased 21 321 325 units (2018: 20 753 076 units) from Eskom and sold 19 177 731 units (2018: 18 738 639 units) resulting in a difference of 2 143 594 units (2018: 2 076 583 units) between the purchases and sales. This amounts to a distribution loss of 10.05% (2018: 9.71%).

### 48. Explanation of Variances on Actual Costs Versus Budgeted Costs

**Note 1** - The decrease is as a result of non-payment by business customers and CDM boreholes.

**Note 2** - The increase is due to over collection due to mapping of rental income together with rural development fund.

**Note 3** - The increase is as a result of Interest charged on outstanding debts for government properties which was not included in the budgeted figure.

**Note 4** - The decrease is due to budgeting on disposal of land ( Alldays sites)

**Note 5** - The decrease is due to availability of cash in the bank and interest rate received from the bank for the purpose of investing.

**Note 6** - The decrease is due to the municipality planned supplementary during the year under review not approved by council due to community objections.

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

**Note 8** - The finance costs was budgeted under employee cost and Contracted services.

**Note 9** - The decrease is due to the fact that repairs is carried out as and when it is necessary/needed.

# CHAPTER 7: AUDIT COMMITTEE REPORT 2018/19

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# Blouberg Municipality



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## ANNUAL AUDIT COMMITTEE REPORT TO COUNCIL.

### 1. PURPOSE

1.1 We are pleased to present our report Financial Year ended 30 June 2019.

### 2. MEMBERS AND ATTENDANCE

Audit Committee is independent, consists of the four members and meet at least four times a year or once a quarter.

Name of Member	No of Meetings held	No Attended
Trevor Boltman	7	7
Dan Poopedi	7	7
Moloto Mokwele	7	6
Sekepe Thobejane	7	4

### 3. AUDIT COMMITTEE RESPONSIBILITY

3.1 We report that we have been able to comply with our responsibilities as contained in the approved Audit Committee Charter and Section 166 of the Local Government: Municipal Finance Management Act, 2000.

### 4. INTERNAL AUDIT

4.1 The Audit Committee is responsible for ensuring that the Municipal Internal Audit function is independent and has the necessary resources, standing and authority within the Municipality to enable it to discharge its duties. Furthermore, the Committee oversees cooperation between the Internal Audit, Management and Auditor General South Africa (AGSA), and serves as a link between the Council and these functions.

4.2 Audit Committee reviewed and approved the Internal Audit Charter and Risk based Internal Audit Plan.

4.3 Internal Audit completed all their audits as per Annual Risk Based Audit Plan approved by Audit Committee.

## **5. MANAGEMENT REPORTS**

5.1 The Audit Committee reviewed quarterly management reports submitted and made, where necessary, recommendations to improve the reports as well as the systems of internal control, governance and risk management.

## **5. EFFECTIVENESS OF INTERNAL CONTROL**

5.1 The Audit Committee has overseen a process by which internal audit performed a written assessment of the effectiveness of the company's system of internal control and risk management, including internal financial controls. This written assessment by internal audit formed the basis for the audit committee's recommendation in this regard to the Council.

5.2 From reports of Internal Auditors, it was noted that there are significant deficiencies found in the system of internal control.

## **6. RISK MANAGEMENT**

6.1 Council has assigned oversight of the municipal risk management function to the Risk Management Committee which functions as Sub-Committee of the Audit Committee. The chairman of the Risk Management Committee is also a member of the Audit Committee and reports to the Audit Committee regarding the progress made with mitigating risks. The Audit Committee fulfils an oversight role regarding financial reporting risks, non-financial risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting.

6.2 Based on the Internal Auditors, AGSA and Risk Management Unit reports we conclude that internal controls in place, though vastly improved, was not always effective and efficient to reduce the risks identified by Management to an acceptable or tolerable level.

## **7. ANNUAL FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES**

7.1 Audit Committee reviewed and discussed the audited Annual Financial Statements with Management and the AGSA.

## **8. AUDITOR GENERAL SOUTH AFRICA**

8.1 The Committee, in consultation with Management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2019 year. The Committee communicated its concerns about the increase in the AGSA fees as it represented an increase of about 17% on the previous financial year.

8.2 The AGSA completed its 2018/2019 regulatory audit and have issued qualified audit opinion regarding the Annual Financial Statements.

8.3 It must be noted that the Audit Committee, together with management, has engaged the AGSA regarding the matter which forms the basis for the AGSA's qualified audit opinion since there are grounds that indicate that the audit opinion could have been issued in error.

8.4 The matter referred to relates to an error in the notes to the Cash Flow Statement, made by both the municipality and AGSA.

#### 9. AUDIT IMPROVEMENT PLAN

9.1 Management prepared an audit improvement plan which will address root causes of the findings raised by both AGSA and the Internal Auditors.

9.2 This improvement plan will be monitored by the Audit Committee meetings on a quarterly basis.

#### 9. RECOMMENDATION

That the Council consider the report.



**Trevor Boltman**  
**Chairperson: Audit Committee**  
**Date: 28 January 2020**

2020/01/28  
14:00:00