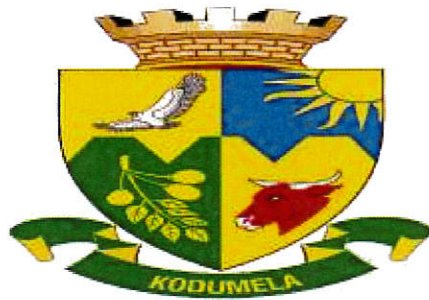


# BLOUBERG LOCAL MUNICIPALITY



## APPROVED ANNUAL REPORT 2020/21

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### 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 2020/21



# **VISION, MISSION AND MOTTO**

## **ANNUAL REPORT 2020/21**

### **BLOUBERG LOCAL MUNICIPALITY**

**COUNCILOR: THAMAGA MARIA**



**MAYOR OF 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

# **GENERAL INFORMATION**

## 4. OUR VALUES

Transparency, Diligence and Honesty

### GENERAL INFORMATION

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

## **A. FOREWORD BY THE HONORABLE MAYOR: CLR THAMAGA MARIA**

The year 2020/21 was the year since the discovery of COVID-19 in City of Wuhan in China. We had adapted to the a new normal in pursuit of uninterrupted service to our communities. And this greatly affected our performance as the Municipality.

The municipality planned to implement the IDP/Budget 2020/2021 along the Six Key Performance Areas. And summary of key highlights is as follows:

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

The year under review saw the municipality experiencing challenges with regard to the land issues. Land invasions were experienced in Senwabarwana

The Municipality has put more budget towards the township establishment in order to address the challenge of land invasion. The following projects were implemented

- Township establishment for Bochum 178 LS, Alldays and Bochem 145 LS
- Township establishment for Farm Bochum 178 LS Township Establishment 500 sites
- Land use scheme was developed
- GIS system was not achieved
- Compilation of Supplementary valuation Roll was not achieved

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

The Municipality has successfully implemented all capital projects.

The following projects were successfully implemented and completed:

- Senwabarwana sports complex phase 5
- Witten internal street and Stormwater phase 2
- Cluster 1-Post connections of 155 households connection at (Arrie (23),Sias (25), Thorpe (57), Motadi (20) and Gideon (30))
- Cluster 2 –Post connections of 132 households at (Diepsloot (50),Silvermine (45), (Nailana (22), Innes(15))
- Cluster 3 – Post connection of 120 household at (Kgokonyane(30),Milbank (55) ,Mosehleng (35))
- Bochum Substation
- Electrification of Witten ext 9 (248)
- Electrification of Innes (66) and Diepsloot ext (20)
- Construction of Towerfontein Crèche

The Senwabarwana by-pass was not completed.

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

Council has a functional ward committee system and the cluster ward committee conferences were held.

The council had committed to address the issues raised in the Auditor- General report.

The municipality had still received the unqualified audit opinion.

Due to COVID-19, Community consultation was now on social media, radio and website. The 2020/21 IDP/Budget, management, portfolio committees, executive committee and Council meetings were conducted in line with COVID-19 regulations

### **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 and new mining opportunities around Ward 01 are being finalised. These initiatives will be game changers for the Municipality.

The construction of new mall around the showground is still on track and challenges and delays are being attended

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

The municipality had challenge of improving on the area of revenue collection and management while further challenges are on the expansion of revenue base. Revenue collection remains a big challenge with departments not paying their debts due properties not being registered in the asset register. Covid-19 also had negative impact on revenue collection due to non-payment by residents as a results of loss of jobs and inactive of economy. The municipality continue to lose money due to electricity distribution loss.

However revenue management committee was established with a purpose to address these challenges. This serves as a turnaround plan that will consider each source of income and develop a strategy specifically for that in order to accommodate the individual needs of the source.

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

All senior managers except Community service have been appointed. However the Community services director joined the Municipality during March 2021. We continue to experience different waves and as the majority had to work from home and only essential service workers were on duty during the last quarter of the year.

## 7. SUMMARY OF PERFORMANCE FOR THE 2020/21 FINANCIAL YEAR

The table below indicate the summary of Annual SDBIP Performance 2020/21 per KPA. Out of 123 targets for the year, 103 targets were achieved while 20 targets were not achieved. The overall Annual Performance stands at 84 %

Department	Total Annual Targets	Total Annual Targets Achieved	Total Annual Targets not Achieved	Overall Percentage of Targets achieved
Basic Service and Infrastructure Development	34	32	2	94 %
Municipal Transformation and Organisational Development	40	34	6	85 %
Local Economic Development	3	3	0	100 %
Financial Viability and Management	18	12	6	67 %
Good Governance and Public Participation	19	17	2	89 %
Spatial Planning and Environment	9	5	4	55 %
<b>Overall Total Municipal Targets</b>	<b>123</b>	<b>103</b>	<b>20</b>	<b>84 %</b>

**COUNCILOR: THAMAGA MARIA**

**MAYOR OF BLOUBERG LOCAL MUNICIPALITY**

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

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# 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.

Blouberg 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 Mochum- 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- Ikumpi, Molemole and Polokwane.

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

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

The above table depicts Municipal demographic trends since 2006. The number of Wards and settlements have increased due to 2006 and 2016 Municipal Demarcation process respectively. That has resulted in some villages demarcated into Blouberg Municipality. In the year 2006 the government approved the decision by the municipal demarcation board to incorporate settlements of Vivo, Tolwe, Maastroom, and Swartwater Baltimore Uitkyk N0 1 which were in the Makhado Local municipality, Lephalale and Aganang Local municipality. (**Notice 42, Gazette 1314, December 2006**). The disestablishment of Aganang Local Municipality in 2016 resulted in the following villages demarcated into Blouberg Local Municipality; Burgwal, Cooperspark, Mankodi, Terrebrugge, Leokaneng, Pinkie, Sebotse, Rosenkrantz, Igwanallela, Mamehlabe, Boslagte and Prospect.

## 1.2 REGIONAL CONTEXT

Blouberg Local municipality is a predominantly rural municipality situated to the north-western boundary of the Republic of South Africa, with Botswana and Zimbabwe. Roads **R521 (P94/1 and P94/2)** provides a north-south link between Blouberg and Molemole, Polokwane and Makhado municipality. To the east the municipality is served by road **R523 (D1200)** which provides access to the towns such as

Mogwadi, Morebeng, Duiwelskloof, Tzaneen and Lephalale. There is another important road (N11) from Mokopane town to Botswana that passes through the municipality, which has the potential to stimulate economy.

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

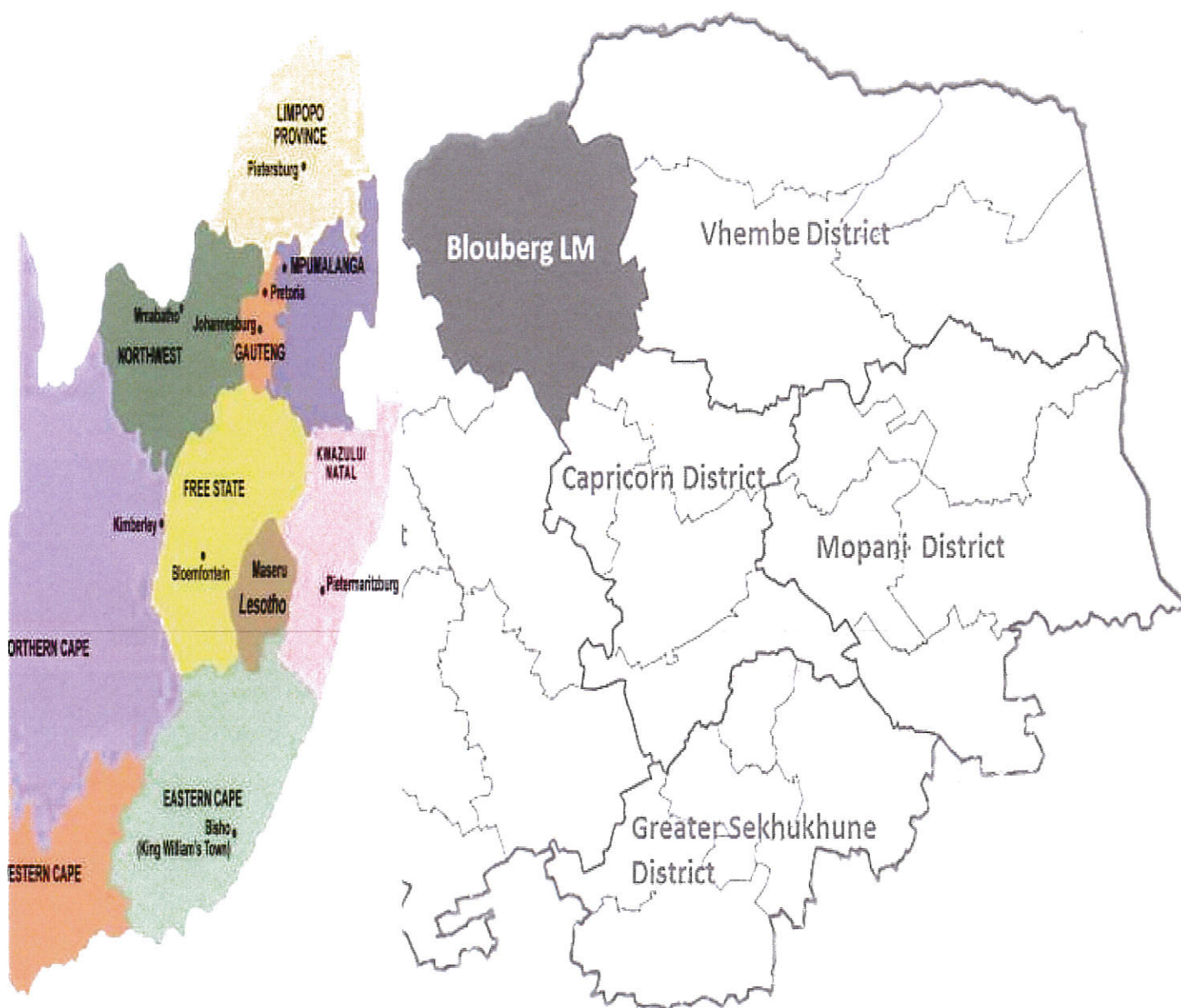
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

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

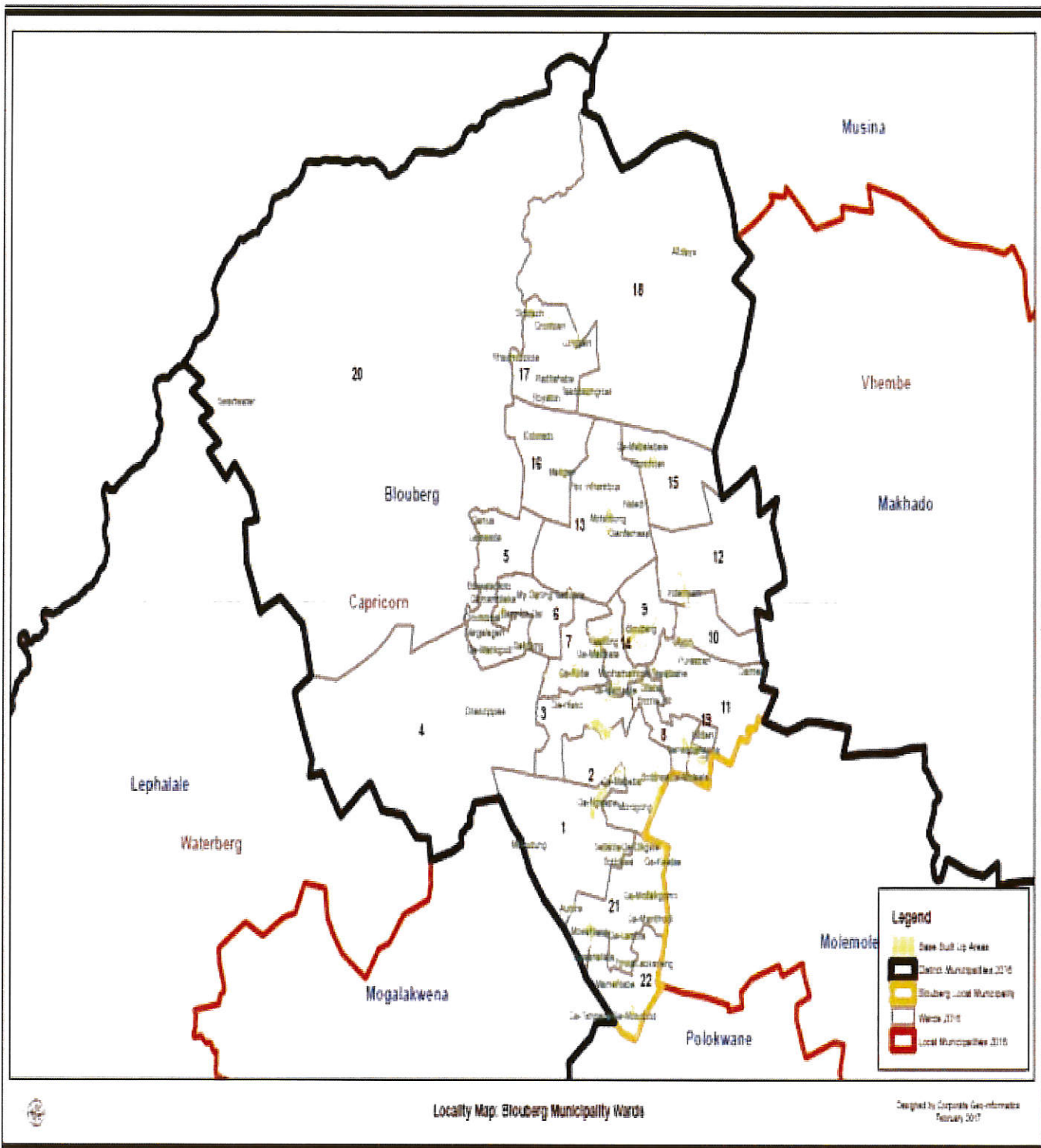
There are various mountain ranges found within the municipality with the Blouberg Mountain being the biggest mountain. The other mountains are the Makgabeng, which was declared the national heritage site because of its historical significance. The municipality is divided into three visible categories 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



## .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	



### **.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.

### **.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

### **.5. WATER AND SANITATION**

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

The district is also responsible for operation and maintenance

### **.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.

### **.7. HOUSING PROVISION**

The provincial department of CoGHSTA renders the function while the municipality coordinates and identifies beneficiaries. To date about 200 low cost houses have been completed in the municipality

### **.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.

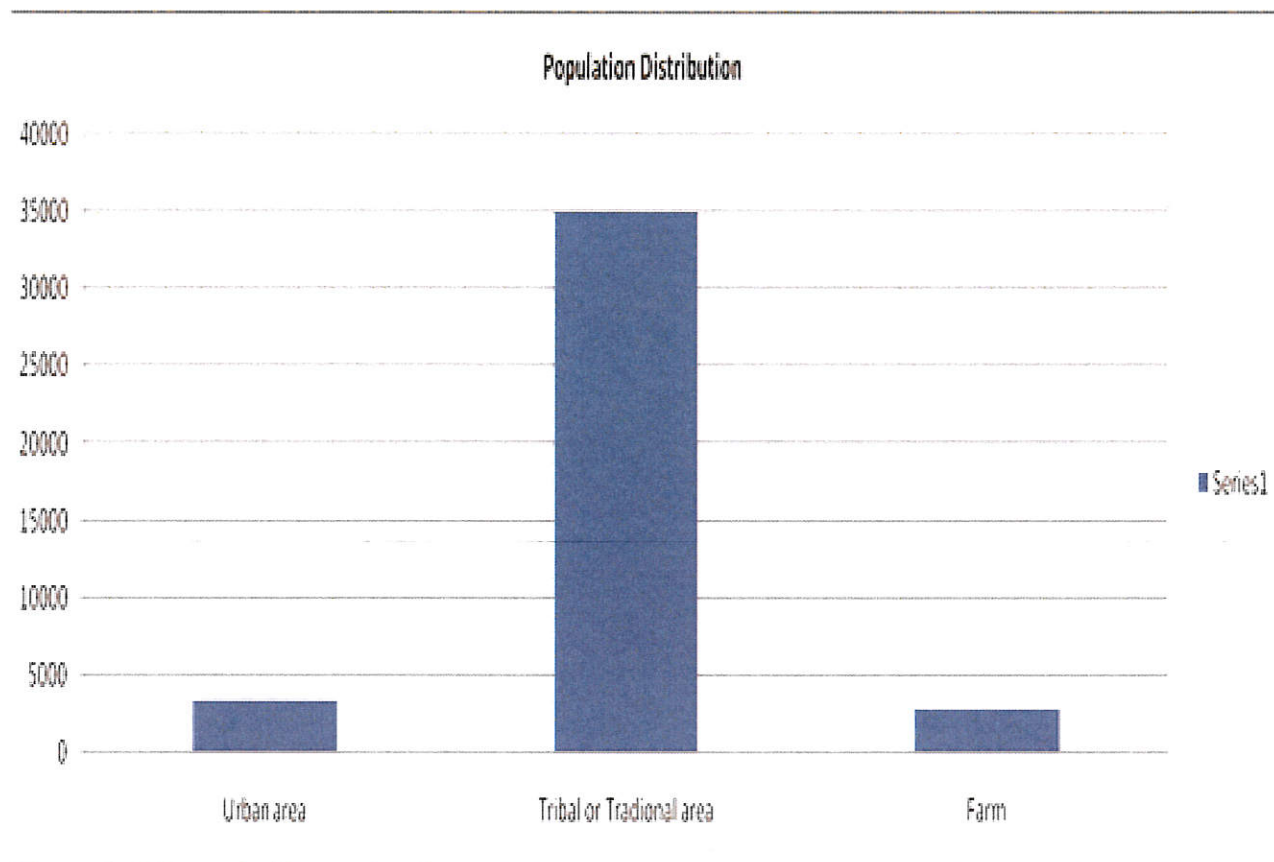
### **.9. NATURAL RESOURCES**

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

## 10 DEMOGRAPHICS

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

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







## **. SERVICE DELIVERY OVERVIEW**

For the year under view all the capital projects were completed in time except for electricity extension Senwabarwana sub-station. All these projects were rolled over to 2020/21 financial year.

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

### **.1. COMMENT ON ACCESS TO BASIC SERVICES**

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

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

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

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

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

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

The roads are mainly the provincial and national roads.

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

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

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

### **.1.2. FINANCIAL HEALTH OVERVIEW**

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

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

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

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

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

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

### 1.3. AUDITOR GENERAL REPORT FOR 2019/20 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

2016/2017	2017/2018	2018/19	2019/20	2020/21
QUALIFIED OPINION	QUALIFIED OPINION	QUALIFIED OPINION	UNQUALIFIED OPINION	UNQUALIFIED OPINION

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

The full report is contained in the Chapter 5 of the Auditor General report.

### 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

**AMOTHWALA REFILWE**

**ACTING MUNICIPAL MANAGER**

# **CHAPTER TWO: GOVERNANCE**

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## **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 5 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.

#### **5.2. 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 and replaced by Cllr Makgakga PJ

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.

. Cllr Ntlatla M.W: (Economic Development and Planning)

. Cllr Rangata M.J :( Community Services)

. Cllr Makhura M.H :( Special Focus)

. Cllr Maila M.P (Without Portfolio)

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

## ADMINISTRATIVE GOVERNANCE

### TOP ADMINISTRATIVE STRUCTURE

TOP ADMINISTRATIVE STRUCTURE
<p>1. MUNICIPAL MANAGER MR MPHEEHE JUNIUS MACHABA APPOINTED</p>
<p>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING MS CHARITY MAPHOLI APPOINTED</p>
<p>3. DIRECTOR, CORPORATE SERVICES MR REFILWE RAMOTHWALA : APPOINTED</p>
<p>4. CHIEF FINANCIAL OFFICER( BUDGET AND TREASURY) MR JACK MABOTE: APPOINTED</p>
<p>5. DIRECTOR ,TECHNICAL SERVICES: MS DENG SIBOIBOI BETTY APPOINTED</p>
<p>6. DIRECTOR, COMMUNITY SERVICES. MS MONYEMORATHO B joined the Municipality as Director in march 2021</p>
<p>For the period under view, about three 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**

**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

3R structure during the period under review:

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

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



## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

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

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

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

#### .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 not followed by public outreach programme referred to as Imbizo, due to Covid 19 pandemic. Most EXCO and council were held visually.

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

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

Other forms of communication and public participation during the 2020/2021 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.

The use of social media, radio and other COVID-19 compliant were applied during the last quarter of 2020/21 due to COVID-19 lockdown regulations

**WARD COMMITTEES**

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

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

The 16<sup>th</sup> ward committee conference was successfully held at Miami Lodge during the period under review.

**.5 IDP PARTICIPATION AND ALIGNMENT**

The IDP is reviewed annually and in –house. Council approved the 2019/20 revised IDP/Budget. Like previous IDPs, the 2019/20 IDP was rated high in terms of credibility by the provincial Department of Co –Operative Government, Human Settlements and Traditional Affairs.

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

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

IDP PRTICIPATION AND ALIGNMENT CRITERIA	YES/NO
Does the Municipality have impact, outcome, input, and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi –year targets?	Yes
Are the above aligned and can they calculated into a score?	Yes
Does the Budget align directly to the KPI's on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## **COMPONENT D: CORPORATE GOVERNANCE**

### **OVERVIEW OF CORPORATE GOVERNANCE**

For the 2020/21 financial year, like the 2019/20, 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. A risk register was developed and its focus was on strategic risks, operational risks and Human Resources risks.

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

### **RISK MANAGEMENT**

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

Top five risks identified are the following:

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

### **INTERNAL AUDIT 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.

## 7 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

During the 20/21 financial year the Supply Chain Management policy was tabled to council for revision alongside with other budget related policies. The revision took into account the BBBEEE codes and areas amended. For the record, no councillor is allowed to participate in the supply chain management processes including being part of committees. Functionality of the established SCM committees was also enhanced. New security services contracts was entered into for a period of three years. Efforts were made to curb the procurement of services from suppliers who are in the service of the state and the municipal records do not have any indication of services awarded to suppliers in the service of the state.

BY- LAWS INTRODUCED DURING 2020/21				
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

## 10 WEBSITES

	YES/NO
Current annual and adjustment budgets and all budget related document.	YES
All current budget related policies	YES
The previous Annual Report (2019/20)	
The Annual Report ( 2019/20) 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 (2020/21)	N/A
All long term borrowing contracts (2020/21)	N/A
All supply chain management contracts above a prescribed value (give value) for 2020/21)	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 2020/21	
Contracts agreed in 2020/21 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.	
PPP agreements referred to in section 120 made in 2020/21	
All quarterly reports tabled in the council in terms of section 52 (d) During 2020/21	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**

Bloubaerg Municipality will not include Water and Sanitation in its 2019/20 Annual Report as such Powers and Functions lie at The Capricorn District Municipality and any attempts to include such information may result in non – alignment with the information provided by the District Municipality.

## **ELECTRICITY**

### **INTRODUCTION TO ELECTRICITY**

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

As the electrification programme continues, the Municipality connected approximately 268 households for the 2019/20 financial year and other incomplete projects were rolled over to 2020/21 financial year.

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

##### WASTE MANAGEMENT

##### STATUS QUO

The Municipality has developed and adopted an Integrated Waste Management Plan (IWMP) in 2008 and reviewed in 2013 and 2019 respectively. The plan serves as a roadmap for the management of solid waste for the entire Municipality with R293 towns and nodal points, plus some rural villages, used as starting points since the capacity available cannot cover the entire municipal wide area. For the 2018\19 financial year the function was rendered in eleven settlements on a weekly basis while the towns of Alldays and Senwabarwana receive the service on a daily basis. Currently there are two landfill sites in Alldays and Senwabarwana. A waste management team is in place and three waste removal trucks, plus a tractor, have been purchased. To augment the waste and environmental section the Municipality enlisted the use of short term EPWP participants and distributed them across areas of high volume waste generation. For the 2019\20 period the number of EPWP participants was increased from **200** to **210** with the budget of R3,5 million. In Senwabarwana and Alldays two Recycling initiatives were established with PEACE Foundation playing a leading role in assisting with recycling initiatives at an identified location in Senwabarwana.

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

WARD	AVAILABLE	BACKLOG
1	0	11
2	0	7
3	0	6
4	0	9
5	0	7
6	0	5
7	0	6
8	1	6
9	0	6
10	1	0
11	0	6
12	2. INDERMARK UP TO DIKGOMONG	0
13	2 (BURGERUGHT AND MOTLANA)	5
14	0	7
15	2 (KROMHOEK AND DEVREDE)	0
16	0	5
17	2 (GROOTPAN AND LONGDEN)	6

18	2 (TAAIBOSCH AND ALLDAYS)	0	20.
19	1 (SENWABARWANA)	1	
20	0	7	
21	0	8	
TOTAL	11	112	

## CHALLENGES

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

The Taaibosch transfer station is fully utilised.

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

## INTERVENTIONS

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

The Environmental Management Plan (EMP) is partially implemented; the Solid waste and refuse removal by laws are not fully implemented due to capacity challenges that are currently being ironed out. Integrated Waste Management Plan is currently under review. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

## INTRODUCTION TO HOUSING

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries. For the 2019/20 financial year a total of 400 housing units were approved and successfully implemented within the municipality.

Blouberg Local Municipality renders the service on behalf of the municipality.

## 6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality provides free basic services in the form of electricity, waste and water (as assisted by Capricorn District Municipality). The indigent register is updated annually although for the year under review it was not done due to COVID-19.

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

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 3,500 per month. Council reviews the threshold on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy.



**INTRODUCTION TO ROADS**

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

Gravel road infrastructure				
Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016\17	786.98km	0	0	488.44
2017\18	786.98km	0	0	488.44
2018\19	786.98km	0	0	488.44
2019\20	786.98km	0	0	488.44
2020\21	786.98km	0	0	488.44

Source : Department of Public Works, Roads and Infrastructure

**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 no other form of public transport is the bus transport with Great North and Mmabi bus being the main operators. The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The movements of these modes of public transport is towards all the nodal points of Blouberg, viz, Alldays, Senwabarwana, Tolwe and Eldorado while outside Blouberg the major destinations are Musina, Louis Trichardt, Lephalale, Steilop and Polokwane.

**STATUS OF TAXI RANK FACILITIES**

LOCATION	STATUS	DESTINATIONS
Senwabarwana	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities	The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg,
Eldorado	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and areas such as Senwabarwana and it connects to Polokwane via Kromhoek taxi rank

Kromhoek	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities	The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg and Louis Trichardt
Alldays	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and destinations such as Musina and Louis Trichardt
Windhoek	The rank is informal	It covers Senwabarwana, Steilloop
Avon	The rank is informal	It covers Senwabarwana, Vivo, Indermark
Buffelshoek	The rank is informal	It covers Senwabarwana
Vivo	The rank is informal	It covers Senwabarwana, Alldays, Mogwadi and Louis Trichardt
Letswatla	The rank is informal	It covers Senwabarwana

#### **.5.4.2 PUBLIC TRANSPORT CHALLENGES**

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

Poor road conditions that negatively affect the taxi industry

#### **PERFORMANCE OF TRANSPORT OVERALL:**

#### **PUBLIC TRANSPORT INTERVENTIONS**

The roads and transport forum has been established and all taxi associations operating within Blouberg are members of the forum.. The matter of accessibility of public transport outside the 6H00 and 20H00 time periods has been referred to the operators for rectification. The state of poor road conditions has been highlighted to the MEC for Roads and Transport for intervention. The municipality and the CDM in collaboration with public transport operators will develop a priority list for formalization of taxi ranks. Taxi and bus shelters have been constructed along major routes such as D1200 (Senwabarwana-Windhoek road), Wegdraai to Eldorado road, Letswatla to Windhoek road and D1598 (Kibi to Schiermoonikoog road). The Municipality should explore the introduction of Blouberg Bus as part of the Bus Rapid Transport System as is the case in the City of Joburg and Polokwane Municipalities.

Local integrated Transport Plan

The plan has been developed and adopted by council..

Licensing and registering authority

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

Law Enforcement unit

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

## **.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, Borkum and Alldays. Three main Service delivery priorities -: Service delivery and Infrastructure development, LED and spatial Planning. The attraction of investors e.g. Establishment of the third mall in Alldays (Gillfillian) and Senwabarwana

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

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

### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

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

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

Implementation of the Venetia mine underground project with a budget of over R16 billion and the resultant work opportunities for the mine's workers; labour sending areas, viz, Blouberg Municipality and Musina Municipality. The expansion has also resulted in an increased population in the town of Alldays.

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

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

#### COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

#### 55 CEMETORIES AND CREMATORIUMS

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

#### 56. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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

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

#### COMPONENT F: HEALTH

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

#### COMPONENT G: SECURITY AND SAFETY

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

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

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

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

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

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

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1

5	0	1
6	0	1
7	0	1
8	0	1
9	0	1
10	0	1
11	0	1
12	0	1
13	0	1
14	1 BEN SERAKI	0
15	0	1
16	1 STANDARD SPORTS FACILITY	0
17	0	1
18	1 ALLDAYS SPORTS COMPLEX	0
19	0(SENWABARWANA RECREATIONAL PARK)	1
20	0	1
21	0	1
TOTAL	3	18

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

WARD COMMUNITY HALLS

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



## **.5.2 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.

## **.5.3 INTERVENTIONS**

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

## **.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 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 a 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 2019\20 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

## **.69 EXECUTIVE AND COUNCIL**

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

This 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 an approved delegation system that seeks to decentralize decision making within the institution and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide adequate checks and balances for line with the delegation system, some decisions making powers have been cascaded from council to the executive committee, its portfolio committee and full time councilors. Other powers have been delegated to the Municipal Manager

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

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

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

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

## **.70 FINANCIAL SERVICES**

### **INTRODUCTION FINANCIAL SERVICES**

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

Most revenue on the finance department comes from equitable shares, financial management grants and the other sources of revenue, including interest earned, Rent received, development fund and other sundry income. A full report on financial performance is contained in chapter 4 of this report, which deals with Annual Financial Statements and performance.

## **.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 include timely filling of



vacancies to support municipal vision and objectives, improving working conditions and skills development. Not all the funded positions for 2019\20 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**

Human Resources Development – The Workplace Skills Plan (WSP) and Annual Training Report were developed and submitted in April 2019 for implementation in the 2019\20 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councilors and employees, bursaries for employees, internships and learner ships as informed by the WSP. There were no bursaries for employees during the year under review.

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

## **7.2 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

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

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

Information and Communication Technology is but one area that is cardinal in ensuring that communication lines from within and outside the municipality are maintained. Its major service delivery priorities include i. improvement of citizen participation within the municipality governance; ii. To enable and support technology integration throughout the municipality. To deploy technology for cost effective,

responsive service delivery to citizens, business, employees and government. Council and the Executive Committee respectively adopted the IT Governance Framework and a number of policies and plans notably Business Continuity, Electronic Records Management Systems and E-Mail, IT Equipment's and Systems Maintenance Plans. The Corporate Services Portfolio Committee was favoured with compliance monitor reports to track progress in that regard.

#### **PERFORMANCE OF ICT SERVICES OVERALL:**

The ICT did not perform well mainly due to lack of budget. The Disaster Recovery and Business Continuity Plans could not put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not so great performance. These safety and environmental controls could not be fitted due to lack of funds. Council however, approved IT Governance Framework, IT Monitoring framework, Operating System Security (Server) Baseline Policy and Environmental Controls Policy

# **CHAPTER 3:**

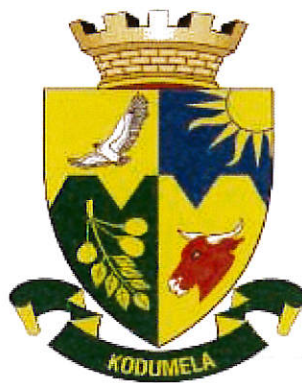
# **2020/21 ANNUAL**

# **PERFORMANCE**

# **REPORT**

# BLM ANNUAL PERFORMANCE REPORT 2020/21

## Blouberg Municipality



### VISION

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

### MISSION

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

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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
19	Fy	: Financial year
20	Exp	: Expenditure

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

The Blouberg Municipality 2020/21 Annual Performance Report highlights the service delivery and developmental achievements, challenges, measures to improve on the performance. The Report has been compiled in terms of legislative provisions; amongst others, these include Municipal Systems Act (MSA) No. 32 of 2000, Municipal Finance Management Act (MFMA) No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA states that a Municipality must prepare for each financial year a Performance Report and further that the said report must form part of the Municipality's Annual Report for each financial year in terms of chapter 12 of the MFMA. This Annual Performance Report is a reflection of the Municipality's actual performance in relation to what was planned for in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating and corrective measures taken. The Annual Performance Report 2020/21 is aligned to the Municipal IDP and Budget for the 2020/21 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2020/21 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 2020/21**

The Annual Performance Report serves the following Purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2020/21 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 2020/21 financial year to which this report relates.

#### 4. SUMMARY OF PERFORMANCE FOR THE 2020/21 FINANCIAL YEAR.

##### 4.1. SUMMARY OF PERFORMANCE FOR THE 2020/21 FINANCIAL YEAR

The table below indicate the summary of Annual SDBIP Performance 2020/21 per KPA. Out of 123 targets for the year, 103 targets were achieved while 20 targets were not achieved. The overall Annual Performance stands at 84 %

Department	Total Annual Targets	Total Annual Targets Achieved	Total Annual Targets not Achieved	Overall Percentage of Targets achieved
Basic Service and Infrastructure Development	34	32	2	94 %
Municipal Transformation and Organisational Development	40	34	6	85 %
Local Economic Development	3	3	0	100 %
Financial Viability and Management	18	12	6	67 %
Good Governance and Public Participation	19	17	2	89 %
Spatial Planning and Environment	9	5	4	55 %
<b>Overall Total Municipal Targets</b>	<b>123</b>	<b>103</b>	<b>20</b>	<b>84 %</b>



## 4.2. COMPARISON OF 2020/21 AND 2019/20 SDBIP PERFORMANCE

The table below illustrate comparison of 2020/21 and 2019/20 performance

Department	Total Targets		Total Targets Achieved		Total Targets not Achieved		Overall Percentage of Targets achieved		Remarks
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Basic Service and Infrastructure Development	34	27	32	18	2	9	94 %	67 %	Improved by 27 %
Municipal Transformation and Organisational Development	40	47	34	39	6	8	85 %	83 %	Improved by 2 %
Local Economic Development	3	6	3	2	0	4	100%	33 %	Improved by 67 %
Financial Viability and Management	18	38	12	31	6	7	67 %	81 %	Declined by 14 %
Good Governance and Public Participation	19	37	17	27	2	10	89 %	73 %	Improved by 16 %
Spatial Planning and Environment	9	14	5	12	4	2	55 %	86 %	Declined by 31 %
<b>Overall Total Municipal Targets</b>	<b>123</b>	<b>169</b>	<b>103</b>	<b>129</b>	<b>20</b>	<b>40</b>	<b>84 %</b>	<b>76 %</b>	<b>Improved by 8 %</b>

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

## 5. PERFORMANCE OF EACH EXTERNAL SERVICE PROVIDER

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

### 5.1 PERFORMANCE RATING IN RESPECT OF CONTRACTED SERVICE PROVIDERS DURING 2020/21.

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

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

PROJECT NAME	APPOINTED SERVICE PROVIDERS	VALUE FOR THE CONTRACT AWARDED	EXPENDITURE TO DATE	ACTUAL PERFORMANCE (COMPLETED OR INCOMPLETED)	REASON FOR NON-COMPLETION	SERVICES PROVIDERS PERFORMANCE (i.e. Poor, fair, good etc.)	COMMENTS AND RECOMMENDATION
Senwabarwana sports complex phase 5	Sizeya consulting engineers Izigi Molokwana Trading JV	R18,704,182.00	R12, 980, 812,61	Completed	N/A	Good	The project annual target was completed on time.
Senwabarwana by pass road phase 1	T2 Tech consulting engineers PJM Engineering and Plant hire	R22,587,241.34	R19,049,941,56	Incomplete	Community Disruption and Borrow pit Licence delayed the Completion of the project	Good	The request for extension of Time and the revised programme of works has been approved for the project to be completed by end of August 2021.
Witten internal street and Stormwater phase 2	Tiou Integrated Urich Construction	R6,258,517.59	R10, 669, 640,60	Completed	N/A	Good	The project was completed on time
Electrification of Witten ext 9 (248)	NSK Electrical Kingki Electrical JV	R4,464 000.00	R4,440,458.84	Completed	N/A	Good	The project was completed on time
Electrification of Innes (66) and Diepsloot ext (20)	Lefokane Consulting and Projects Management Pin Afrika Consulting Engineers	R1,548,000.00	R 1,544,000.00	Completed	N/A	Good	The project was completed on time.
Construction of Towerfontein Crèche	Dikgabo Engineers Bakone Mathekga wide services	R2,000,000.00	R 1,911,792.54	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
Cluster 1-Post connections of 155 households connection at (Arrie (23), Sias (25), Thorpe (57), Motadi (20) and Gideon (30))	Math Engineering Batlase Enterprise	R 1,131,500.00	R 1,114,714.00	Completed	N/A	Good	The project was completed on time
Cluster 2 –Post connections of 132 households at (Diepsloot (50), Silvermine (45), Nailana (22), Innes(15))	Lefokane Consulting and Projects Management Batlase Enterprise	R 963,600.00	R 912,500.00	Completed	N/A	Good	The project was completed on time
Cluster 3 – Post connection of 120 household at (Kgokonyane(30),Mil bank (55) ,Mosehleng (35))	NSK Electrical Batlase Enterprise	R876,000.00	R 803,000.00	Completed	N/A	Good	The project was completed on time.
Bochum Substation	Volt Consulting Engineers Leboneng North Investment	R10,000,000.00	R 9,997,263,73	Completed	N/A	Good	The project was completed on time

## 5.2. COMPARISON OF PERFORMANCE OF SERVICE PROVIDERS FOR 2020/21 AND 2019/20

No projects were rolled over for 2020/21fy. No service provider was terminated due to poor performance in the 2020/21fy

Year	Service providers rated good	Service providers rated fair	Service providers rated poor	Service provider/s terminated
2020/21	10	0	0	0
2019/20	13	06	0	0

## 6. CAPITAL GRANT SPENDING

### 6.1. CAPITAL GRANTS SPENDING FOR 2020/21

The Municipality was allocated R 43,525,000.00 for MIG and for INEP R 6,000,000.00 for the financial year 2020/21. The Municipality has managed to spend 100% for Municipal Infrastructure grant and 99.7% Integrated National Energy Programme.

### 6.2. COMPARISON OF CAPITAL GRANTS SPENDING FOR 2020/21 AND 2019/20

Municipality has managed to spend 100 % of MIG grant while INEP grant spending is at 99.7% for 2020/21 compared to 2019/20 Financial year where MIG spending was 99, 9 % and INEP 45, 9%

Grant	2020/21 Allocation	2020/21 Spending	Percent	2019/20 Allocation	2019/20 Spending	Percent	Comments
MIG	R 43,525 ,000.00	100%		R 44,350,000.00	99.9%		None
INEP	R6,000 ,000 .00	99.7 %		R 15,000,000.00	45.9 %		None

## 7. OPERATING REVENUE COLLECTION

### 7.1. 2020/21 OPERATING REVENUE COLLECTION

The Municipality has managed to collect R 47 157 793.42 out of R 89 486 880 Operating Revenue budget for 2020/21. This represent 53 % of money collected.

### 7.2. COMPARISON OF 2020/21 AND 2019/20 OPERATING REVENUE COLLECTION

Item	2020/21		2019/20		Comments
Operating Revenue Collection	2020/21 Operating budget	2020/21 Actual Collection	2019/20 Operating budget	2019/20 Actual Collection	The 2020/21 collection has dropped from previous year collection because the previous year collection was higher due to payment by sector departments on property rates.
	R 89 486 880	R 47 157 793.42	R 70,300,000.00	R 109,547,459.92	
Overall Percentage	53 %		156 %		

## 8. PERFORMANCE CHALLENGES AND MEASURES FOR IMPROVEMENT

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

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

Challenges/s	Measures for Improvement
Inadequate collection i.e. electricity collection, and traffic revenue sources	Improve on billing system and collection measures Identification of additional revenue sources. Support the work of revenue management committee
Land invasions	Implement forward planning and proactive land use measures that will alleviate land invasions ,for example township establishment and registration, by-law enforcement

Ageing machinery and infrastructure	Appointment of term contractor for plant maintenance and budgeting for purchase of plant annually
Electricity loss	Appointment of electricians and budget allocation for smart and split meters
COVID-19 Alert levels regulations which affected normal working hours, physical contact et cetera	Adapt to new measures for business continuity



## 9. DETAILED SDBIP REPORT 2020/21

### 9.1. KEY PERFORMANCE AREA 1: BASIC SERVICES AND INFRASTRUCTURE DELIVERY

Project/ SDBIP KPI No	PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFOR MANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
BSID 1	Electrification of households at Innes village	Appointment of consultant and contractor for connection of households to electricity grid	To connect and provide sustainable energy to all households by 2021	Innes Village	Number households electrified and energized at Innes Village by June 2021	New indicator	66 households electrified and energised at Innes village by June 2021	Target achieved . 66 households electrified and energised at Innes village by June 2021	N/A	N/A	R1,188 000.00 Exp R 1.188 000	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion certificate	Technical services
BSID 2	Electrification of households at Diepsloot village	Appointment of consultant and contractor for connection of households to electricity grid	To connect and provide sustainable energy to all households by June 2021	Diepsloot village	Number households electrified and energized at Diepsloot village	New indicator	20 households electrified and energised at Diepsloot village by June 2021	Target achieved . 20 households electrified	N/A	N/A	R360 000.00 Exp R 214 596	Advert, appointment letters, site hand over minutes, Quarterly	Technical services

BSID 3	Construction of electricity substation at Senwabarwana	Appointment of contractor for construction of Senwabarwana electricity substation	To provide sustainable energy to all households	Senwabarwana electricity substation	Number of substations constructed at Senwabarwana by June 2021	Designs completed for Senwabarwana substation by 2020	01 substation constructed at Senwabarwana by June 2021 Perimeter fence(120m), Drilling and equipping of borehole(01) and Building of Substation House(160m2), Paving (350m2), Access road (1.3km)	Target achieved .01 substation constructed at Senwabarwana by June 2021 Perimeter fence(120m), Drilling and equipping of borehole (01) and Building of	N/A	N/A	R 5 212 819 Exp R 5 210 082	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate.	Technical services
					by June 2021			and energise d at Diepsloot village by June 2021				Progress reports, pictures and Completion certificate	

									Substation House(160m2), Paving (350m2), Access road (1.3km)						
BSID 4	Electrification of households at Witten village	Appointment of consultant and contractor for connection of households to electricity grid	To provide sustainable energy to all households	Witten village	Number households electrified and energized at Witten village by June 2021	New indicator	248 household electrified and energised at Witten village by June 2021	Target achieved .248 household electrified and energised at Witten village by June 2021	N/A	N/A	R 4 452 000 Exp R 4 440 458	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion certificate	Technical services		
BSID 5	Indigent Relief	Provision of Free basic electricity	To provide indigent relief to indigent households	BLM	Number indigent households provided with free basic	Indigent households provided with free basic electricity by June 2021	4834 indigent households provided with free basic electricity by June 2021	Target achieved .5340 indigent households provided	N/A	N/A	R 1 537 000 Exp R 1 032 780	Free basic electricity invoice and ONTEC MMR reports.	Budget & Treasury		

BSID 6	Re-conditioning of Transformers	To provide sustainable energy to all households	BLM	Number Transformers reconditioned by June 2021	New indicator	20 Transformers reconditioned by June 2021	Target achieved .20 Transformers reconditioned by June 2021	N/A	N/A	R 530 000.00 Exp R 388 848	Proof of purchase and Pictures	Technical services
BSID 7	Purchase of identified electrical equipment	To ensure proper maintenance of Electrical Network	BLM	Number identified electrical equipment purchased by June 2021	Existing Electrical Network	45 Identified electrical equipment purchased by June 2021	Target achieved .45 Identified electrical equipment purchased by June 2021	N/A	N/A	R 1 153 087 Exp R 1 198 730	Proof of purchase.	Technical services

BSID 8	Installation emergency Transformers	Installation of emergency Transformers	To provide sustainable energy to all households (faulty and reported or stolen)	BLM	Percentage emergency transformers installed as an need arise (faulty and reported or stolen) by June 2021	Existing Electrical Network	100 % Installation of emergency Transformers by June 2021 as an need arise (faulty and reported or stolen)	Target achieved . 100 % Installation of emergency Transformers by June 2021 as an need arise (faulty and reported or stolen) A total of 8 transformers were reported and replaced.	N/A	N/A	R620 000 Exp R 499 578	Proof of purchase and transformer register	Technical services
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BSID 9	Procurement and installation of Standby Generators	Procurement of Standby Generators and Installation	To provide sustainable energy to Municipal Offices during interruptions of electricity supply.	BLM	Number Standby Generators procured and installed by June 2021	New Indicator	3 Standby Generators procured and installed by June 2021	Target achieved .3 Standby Generators procured and installed by June 2021	N/A	N/A	R1, 053, 087 Exp R 973 668	Advert, Appointment letter and Certificate of compliance (COC)	Technical services
BSID 11	Purchase of Concrete mixer	Purchase of concrete mixer	To ensure proper maintenance of roads	BLM	Number concrete mixers purchased by June 2021	New indicator	02 Concrete mixers purchased by June 2021	Target achieved .02 Concrete mixers purchased by June 2021	N/A	N/A	R 72 000.00 Exp R 72 000	Proof of purchase and pictures	Technical services
BSID 12	Purchase of Asphalt cutter	Purchase of Asphalt cutter	To ensure proper maintenance of roads	BLM	Number Asphalt cutter purchased by June 2021	New indicator	01 Asphalt cutter purchased by June 2021	Target achieved .01 Asphalt cutter purchased by	N/A	N/A	R 67 000.00 Exp R 67 000	Proof of purchase and Pictures	Technical services

BSID 14	Roads Maintenance at Puraspan village	Maintenance of roads	To ensure proper maintenance of roads	Puraspan village	Kilometres road markings, number road signs and km of sweeping at Puraspan village Internal Streets and Storm water done by June 2021.	New indicator	2.5km of road markings, 10 road signs and 2.5km sweeping at Puraspan Internal Streets and Storm water completed by June 2021	Target achieved .2.5km of road markings , 10 road signs and 2.5km sweepin g at Puraspa n Internal Streets and Storm water complete d by June 2021	N/A	N/A	R 102 000 Exp R 44 600	Photographs and Ward Councillor/Co mmittee confirmation letter	Technical services
BSID 15	Roads Maintenance at Witten village	Maintenance of roads	To ensure proper maintenance of roads	Witten village	Kilometres road markings, number of road signs, m of road patching and km of sweeping at Witten Internal	New indicator	3.0km of road markings, 10 road signs, 10m of road patching and 3.0km sweeping at	Target achieved .3.0km of road markings , 10 road	N/A	N/A	R102 000 Exp R 101 500	Photographs and Ward Councillor/Co mmittee	Technical services





BSID 17	Roads Maintenance at Dilaeneng village	Maintenance of roads	To ensure proper maintenance of roads	Dilaeneng village	Kilometres of road markings, number of road signs , m of road patching and km sweeping at Dilaeneng Internal Streets and Storm water by June 2021	New indicator	3.0km of road markings, 10 road signs, 20m of road patching and 3.0km sweeping at Dilaeneng Internal Streets and Storm water completed by end of June 2021	Target achieved 3.0km of road markings , 10 road signs, 20 m of road patching and 3.0km sweepin g at Dilaenen g Internal Streets and	N/A	N/A	R 51 942 Exp R 50 000	Photographs and Ward Councillor/Co mmittee confirmation letter	Technical Services
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BSID 18	Roads Maintenance at Senwabarwana town	Maintenance of roads	To ensure proper maintenance of roads	Senwabarwana town	Kilometres of road markings, number, m of patching the road and km of sweeping at Senwabarwana Internal Streets and Storm water by June 2021	New indicator	6.7km of road markings, 500m <sup>2</sup> of patching the road and 10.5km sweeping of Senwabarwana Internal Streets and Storm water completed by June 2021.	Storm water completed by end of June 2021	N/A	N/A	R 149 300 Exp R 114 333	Photographs and Ward Councillor/Committee confirmation letter	Technical Services
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BSID 19	Roads Maintenance at Alldays town	Maintenance of roads	To ensure proper maintenance of roads	Alldays town	Kilometres of road markings, number of road signs, m of patching the road and km sweeping of Alldays Internal Streets and Storm water by June 2021	New indicator	7.0km of road markings, 10 road signs, 500m of patching the road and 6.55km sweeping of Alldays Internal Streets and Storm water completed by June 2021	Target achieved .7.0km of road markings , 10 road signs, 500m of patching the road and 6.55km sweepin g of Alldays Internal Streets and Storm water complete d by June 2021	N/A	N/A	R 198 325 Exp R 198 325	Photographs and Ward Councillor/Co mmittee confirmation letter	Technical Services
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BSID 20	Roads Maintenance at Devrede village	Maintenance of roads	To ensure proper maintenance of roads	Devrede village	Kilometres of road markings, number of road signs, number of repair of a concrete drift and sweeping of Devrede Internal Streets and Storm water by June 2021	New indicator	1.0km of road markings, 5 road signs, 1 repair of a concrete drift and 1.0km sweeping of Devrede Internal Streets and Storm water completed by June 2021	Target achieved . 1.0km of road markings , 5 road signs, 1 repair of a concrete drift and 1.0km sweeping of Devrede Internal Streets and Storm water complete d by June 2021	N/A	N/A	R 52 000.00 Exp R 45 217	Photographs and Ward Councillor/Co mmitee confirmation letter	Technical Services
BSID 21	Roads Maintenance at Taaibosch village	Maintenance of roads	To ensure proper maintenance of roads	Taaibosch village	Kilometres of road markings, number of road signs, m of road patching and km sweeping at Taaibosch Internal Streets	Maintenance of Internal street	3.5km of road markings, 06 road signs, 200m of road patching and 3.5km sweeping at Taaibosch Internal Streets and Storm water	Target achieved . 3.5km of road markings , 06 road signs, 200m of	N/A	N/A	R 102 000 Exp R 101 000	Photographs and Ward Councillor/Co mmitee confirmation letter	Technical Services

BSID 22	Roads Maintenance at Kromhoek village	Maintenance of roads	To ensure proper maintenance of roads	Kromhoek village	Kilometres of road markings, number of road signs and km sweeping at Kromhoek Internal Streets and Storm water by June 2021	New indicator	3.0km of road markings, 05 road signs and 6km sweeping at Kromhoek Internal Streets and Storm water completed by June 2021	Target achieved .3.0km of road markings , 05 road signs and 6km sweeping at Kromhoek Internal Streets	N/A	N/A	R 52 000.00 Exp R 44 569	Photographs and Ward Councillor/Co mmitee confirmation letter	Technical Services
					and Storm water by June 2021		completed by June 2021	road patching and 3.5km sweeping at Taaibosc h Internal Streets and Storm water complete d by June 2021					

BSID 23	Roads Maintenance at Avon village	Maintenance of roads	To ensure proper maintenance of roads	Avon village	Kilometres of road markings, number road signs, metres of road repairing and km sweeping at Avon Internal Streets and Storm water by June 2021	New indicator	3.0km of road markings, 07 road signs, 30m of road repairing and .6.0km sweeping at Avon Internal Streets and Storm water completed by June 2021	and Storm water complete d by June 2021	N/A	N/A	R 86 042 Exp R 86 042	Photographs and Ward Councillor/Co mmitee confirmation letter	Technical Services
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BSID 24	Roads Maintenance at Indermark village	Maintenance of roads	To ensure proper maintenance of roads	Indermark village	Kilometres of road markings, number of road signs, m of road patching and km sweeping at Indermark Internal Streets and Storm water by June 2021	New indicator	4.7km of road markings, 10 road signs, 30m of road patching and 4.7km sweeping at Indermark Internal Streets and Storm water completed by June 2021	Target achieved .4.7km of road markings , 10 road signs, 30m of road patching and 4.7km sweepin g at Indermar k Internal Streets and Storm water complete d by June 2021	N/A	N/A	R 52 000 Exp R 51 880	Photographs and Ward Councillor/Co mmittee confirmation letter	Technical Services
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BSID 25	Replacement of culverts	To ensure proper maintenance of roads	Grootdraai village	Number existing culverts replaced and wing-walls constructed at Grootdraai by June 2021.	Replacements and construction of new culvert	10 of the existing culverts replaced and 02 wing-walls constructed at Grootdraai by June 2021.	Target achieved . 10 of the existing culverts replaced and 02 wing-walls constructed at Grootdraai by June 2021.	N/A	N/A	R 150 000 Exp R 150 000	Photographs and Ward Councillor/Committee confirmation letter	Technical Services
BSID 26	Construction of Senwabarwana By-Pass	Improvement of Roads infrastructure and storm water management	Senwabarwana town	Kilometres constructed at Senwabarwana bypass road from gravel to tar and Storm-water channel completed by June 2021	Construction of bypass road from gravel to tar and Stormwater channel completed	2,5 km constructed at Senwabarwana bypass road from gravel to tar and Storm-water channel completed by June 2021	Target not achieved The contractor currently busy with base layer and Installation of Culverts	Community Disruption and Borrow pit Licence obtained on the 16/04/2021) delayed the	The request for extension of Time and the revised programme of works has	R 22,587,241.34 Exp R 22 587 241,34	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Technical Services

BSID 27	Towerfontein n crèche	Construction of Towerfontein Crèche	To provide safe and sustainable educational facility services	Towerfontein village	Number crèche constructed at Towerfontein crèche by June 2021	Drilling of borehole and foundations	01 crèche constructed at Towerfontein crèche by June 2021	Target achieved . 01 crèche construct ed at Towerfon tein crèche by June 2021 <u>CONSTRUCTIO</u> <u>N STAGE -</u> Building ( 193 m2) , Fencing (200m), Playground (30m2)	Completion of the project	been approv ed for the project to be comple ted by end of August 2021.	R 900 000 Exp R 785 728	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Technical Services
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BSID 28	Constructio n of culverts and with wing walls	Construction of new of culverts	To ensure proper maintenance of roads	BLM	Number culverts and with wing- walls constructed and completed by June 202 1.	01 culvert constructed by June 2020	Forty-two culverts and with 16 wing- walls constructed by June 2021.	Target achieved . Forty- three culverts and with 19 wing- walls construct ed and complete d by June 2021.	(200m), Playgrou nd (30m2)	More funds were allocat ed for Culvert and re- graveli ng of internal streets/ access roads on Januar y 2021 budget adjust ment and 3 additio nal wing walls	N/A	R 500 000 Exp R 500 000	Photographs and Ward Councillor/Co mmitee confirmation letter	Technical services
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BSID 29	Witten Internal Street and Stormwater channel	Construction of internal street and Stormwater channel from Gravel to Pavement (2.4km)	Improvement of Roads infrastructure and storm water management	Witten village	Kilometres of Roadbed layer and Sub base layer constructed for Witten internal street and Stormwater channel completed by June 2021	New indicator	Construction of 2,4 Km of Roadbed layer and Sub base layer for Witten internal street and Stormwater channel completed by June 2021	Target achieved . Construc tion of 2,4 Km of Roadbed layer and Sub base layer for Witten internal street and Stormwa	was constr ucted as they were damag ed by heavy rain	N/A	N/A	R 10 669 649 , 59 Exp R 10 669 640	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures	Technical Services
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BSID 34	Construction of Senwabarwana Sports complex phase 5	Construction of concrete grand stand, athletic tracks, Gym and boxing building	To provide safe and sustainable recreational and social facilities	Senwabarwana town	Percentage Construction of Senwabarwana Sports complex phase 5 completed by June 2021( planning stage, tender stage, construction of athletic tracks, Soccer Pitch and boxing and gym building )	Phase 1 - 4 Sports complex constructed.	100 % Construction of Senwabarwana Sports complex phase 5 completed by June 2021 (planning stage 5%, tender stage , site handover , establishment and site clearing (5 %)	construction of earthworks for athletic tracks(4652 sqm),30% ,Soccer Pitch(278sqm) 30% and construction of brickwork, roofing, plumbing connections for boxing and gym	Target achieved .100 % Construction of Senwabarwana Sports complex phase 5 complete d by June 2021 (planning stage 5%, tender stage , site handover , establish ment and site clearing (5 %)	N/A	N/A	R 12 980 882 ,00 Exp R 12 380 883	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate	Technical Services
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BSID 35	Free basic Refuse	Payment of free basic refuse	To provide free basic waste removal to Communities	BLM	Number households provided with free basic refuse by June 2021	4834 Households provided with free basic refuse by June 2020	4834 households provided with free basic refuse by June 2021	Target Achieved 5340 households provided with free basic refuse	N/A	N/A	OPEX	Free basic refuse database	Community Services
BSID 38	Cluster 1- electrification of households	Electrification of 155 households	To electrify and provide sustainable energy to all households.	Arrie(23), Sias(25), Thorpe(57), Motadi(20) and Gedion (30)	Number households electrified and energized at Arrie, Sias, Thorpe, Motadi and Gedion by June 2021	PLANNING STAGE - Inception, Concept and Viability, Design Development, Tender Stage, Appointment of contractor and Site hand over.	155 households electrified and energised at Arrie(23), Sias(25), Thorpe(57), Motadi(20) and Gedion (30) completed by June 2021	Target achieved 155 households electrified and energised at Arrie(23), Sias(25), Thorpe(57), Motadi(20) and Gedion (30)	N/A	N/A	R 1,131,500 Exp R 519 750	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate.	Technical Services

BSID 39	Cluster 2 electrification of households	Electrification of 132 households	To electrify and provide sustainable energy to all households.	Diepsloot village, Silvermine village, Nailana village and Innes village	Number households electrified and energized at Diepsloot, Silvermine, Nailana and Innes by June 2021	PLANNING STAGE - Inception, Concept and Viability, Design Development, Tender Stage, Appointment of contractor and Site hand over.	132 households electrified and energised at Diepsloot(50), Silvermine(45), Nailana(22) and Innes(15 by June 2021	Target achieved .132 househol ds electrifie d and energise d at Diepsloot (50), Silvermin e(45), Nailana( 22) and Innes(15 by June 2021	N/A	N/A	R 912,500 Exp R 540 572	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, and pictures and Completion Certificate.	Technical services
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BSID 40	Cluster 3- electrification of households	Electrification of 120 households	To connect and provide sustainable energy to all households.	Kgokonyane village , Milbank village and Mosehleng village	Number households electrified and energized at Kgokonyane, Milbank and Mosehleng by June 2021	<u>PLANNING</u> <u>STAGE</u> - Inception, Concept and Viability, Design Development, Tender Stage, Appointment of contractor and Site hand over.	120 households electrified and energized at Kgokonyane(30), Milbank(55) and Mosehleng(35) by June 2021	Target achieved . 120 households electrified and energised at Kgokonyane(30), Milbank(55) and Mosehleng(35) by June 2021	N/A	N/A	R 803 000 Exp R 278 396	Advert, appointment letters, site hand over minutes, Quarterly Progress reports, and pictures and Completion Certificate	Technical services
BSID 41	Gravel roads and internal street maintenance and Patching of potholes	Re-graveling of access roads and internal streets and patching of potholes in villages	To ensure maintenance of all surfaced and gravel internal streets and access Roads and storm water control	All wards	Kilometres internal streets and access re- gravelled and square kilometres potholes patched on tarred municipal roads(Senwabar wana, Alldays, Indermark, Taai Bosch and	20km of internal streets re-gravelled	35 km internal streets and access roads re- gravelled and 1000m2 potholes patched on tarred municipal roads(Senwabar wana, Alldays, Indermark, Taai Bosch and	Target achieved 40,7 km internal streets and access roads re- gravelled and 1000m2 potholes patched	More funds were allocated for re- graveling of internal streets/ access roads on	N/A	R 8 300 000 Exp R 7 547 044	Progress Report, Photographs and Completion certificate	Technical Services

BSID 44	Waste Compactor truck	Purchase of Waste Compactor truck	To ensure proper collection and capacity on waste collection	BLM	Number waste compactor truck purchased by June 2021	New Indicator	01 waste compactor truck purchased by June 2021	Avon) by June 2021	Avon) by June 2021	on tarred municipa l roads(Se nwabarw ana, Alldays, Indermar k, Taibosc h and Avon) by June 2021	Januar y 2021 budget adjust ment	The truck will be deliver ed within quarter one 2021/2 2	R 1 600 000 Exp R 0	Proof of purchase and photos	Community Services
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9.2. KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION								
MTOD 01	Employee wellness	Conducting employee wellness	Promote welfare of the employees	BLM	Number reports on the employee wellness conducted by June 2021	04 Reports on the employee wellness conducted by 2020	02 Reports on the employee wellness conducted by June 2021	Target not achieved. (Only one employee wellness conducted)	Affected by COVID-19 Level 5 lockdown and physical contacts were prohibited.	Deferred to next financial year (Quarter 4)	R100 000 Exp R 59 521	Attendance registers and reports Corporate Services

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
MTOD 02	Youth Programme	Support to youth programs	To promote and support youth development programmes	Number youth programs supported by June 2021	Four youth programs supported by June 2020	Four youth programs supported by June 2021	Target achieved . Four youth program supported	N/A	N/A	R 143 800 Exp R 82 980	Reports	Municipal Manager's office
MTOD 03	Gender Programme	Support to gender programs	To promote the needs and interests of special focus groupings and gender mainstreaming	Number gender programs supported by June 2021	2 events on 16 days of activism against women supported by June 2020	2 events on 16 days of activism against women supported by June 2021	Target achieved . Two events on 16 days of activism against women supported.	N/A	N/A	R 108 099 Exp R 44 795	Reports, Attendance register	Municipal Manager's office
MTOD 04	Children Programme	Support to the children programs	Ensure that children programmes	Number children's programs	One children's programs	One children's programs	Target achieved . One children	N/A	N/A	R 162 967 Exp R 162 967	Reports and registers	Municipal Manager's office

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
			are coordinated	supported by June 2021	supported by June 2020	supported by June 2021	program supported					
MTOD 05	Disability Programme	Support to the disability programs	Promote disability and elderly programmes through commemorations	Number disability programs supported by June 2021	One(1) disability and elderly commemoration event by June 2020	One(1) disability and elderly commemoration event by June 2021	Target achieved . One disability and one elderly commemoration supported	N/A	N/A	R 140 980 Exp R 10 832	Reports and registers	Municipal Manager's office
MTOD 06	HIV/AIDS Programme	Implementation of HIV/AIDS Programs	Prevent spread of communicable diseases including HIV/AIDS	Number HIV/AIDS programs implemented by June 2021	Four (4) HAST awareness campaigns by June 2020	Four (4) HAST awareness campaigns by June 2021	Target achieved . Four (4) HAST awareness campaigns	N/A	N/A	R 212 000 Exp R 119 445	Reports and registers	Municipal Manager's office

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
MTOD 07	Back to School campaign	Conduct the back to school campaign	Promote and support educational programmes	Number back to school campaigns conducted by June 2021	10 Schools visited through back to school programme by June 2020	10 Schools visited through back to school programme by June 2021	Target achieved . Ten schools visited through back to school campaign	N/A	N/A	R 150 000 Exp R 71 725	Reports and registers	Municipal Manager's office
MTOD 09	IT Software and Licensing	Purchase of new software and renewal of licenses	Improve municipal IT capacity	Number software and licenses purchased and renewed by June 2021	100 licences purchased	100 software and licenses purchased and renewed by June 2021	Target achieved . 100 software licenses renewed and purchased.	N/A	N/A	R 742 000 Exp R 742 000	Proof of purchase	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 10	Rental of Office Equipment	Rental	Improve municipal IT capacity	BLM	Number office equipment rental and maintenance reports by June 2021	New indicator	04 office equipment rental and maintenance reports by June 2021	Target achieved .04 office equipment rental and maintenance reports	N/A	N/A	R 2 065 333 Exp R 1 946 643	Reports	Corporate Services
MTOD 12	Mayoral Imbizos	Hosting of Mayor's Imbizos	Promote good governance	BLM	Number mayoral Imbizos held by June 2021	New indicator	Two mayoral Imbizos held by June 2021	Target achieved . Two Mayoral imbizos held	N/A	N/A	R 56 000 Exp R 30 090	Reports and attendance register	Municipal Manager's office
MTOD 13	Mayor – Magoshi	Hosting of Mayor Magoshi	Promote stakeholder engagements	BLM	Number Mayor-Magoshi meeting held Program me and Reports by June 2021	04 Mayor-Magoshi meeting held Program me	04 Mayor-Magoshi meeting held Program me	Target achieved . Four Mayor/Magoshi	N/A	N/A	R 50 000 Exp R 12 000	Reports and attendance	Municipal Manager's office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 14	Heritage Celebrations	Hosting of Heritage Celebrations	Promote arts and culture	BLM	Percentage Hosting of Heritage Celebrations supported by June 2021	100 % Hosting of Heritage Celebrations supported by June 2020	100% Hosting of Heritage Celebrations supported by June 2021	Target achieved . Four heritage celebrations supports	N/A	N/A	R 159 000 Exp R 154 995	Reports	Municipal Manager's office
MTOD 16	Record Management	Procurement of record management system	To improve municipal record management system	BLM	Percentage payment of record management system by June 2021	Record systems installed	100% payment of record of management system by June 2021	Target achieved . 100% payment of record of management system	N/A	N/A	R 480 000 Exp R 478 400	Proof of payment	Corporate Services



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 19	Landfill Site	Management of landfill site	To protect communities from health hazard through proper management of waste	BLM	Number monthly reports by the Service provider by June 2021	Approved operational management plan	12 monthly reports by the Service provider by June 2021	Target achieved . 12 Landfill site reports compiled	N/A	N/A	R 4 000 000 Exp R 3 474 782	Reports	Community Services
MTOD 20	Coordination of the Disaster Management Plan	Curbing of the disaster incidents	To protect and educate the community about disaster	BLM	Number Disaster incidents reports compiled by June 2021	Disaster management Plan	Four Disaster incidents reports compiled by June 2021	Target achieved . Four Disaster incidents reports compiled	N/A	N/A	R 66 780 Exp R 0	Disaster incidents Reports	Community Services
MTOD 21	Procurement and maintenance of aircons	Appointment of Service provider to procure and maintain aircon	To workplace environment	BLM	Percentage procurement and maintenance of air cons by June 2021	New indicator	100 % Procurement and maintenance of air cons by June 2021	Target achieved . 100 % (45 Aircons procured	Only new aircons were installed and no maintenance	N/A	R 550 000 Exp R 518 618	Appointment letter	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 22	Vehicle Tracking	Tracking of Municipal Vehicles	To enhance municipal fleet safety	BLM	Percentage installation of Functional vehicle tracking system by June 2021	New Indicator	100% installation of Functional vehicle tracking system by June 2021	Target not achieved .0 % installation of Functional vehicle tracking system.	Delay in the delivery of the purchased vehicle affected installation	Link installation of tracker to purchase of vehicles	R 300 000 Exp R 247 165	Proof of installation	Corporate Services
MTOD 23	Wet Fuel	Management of fuel used by fleet.	To improve wet fuel management	BLM	Number Reports on the use of wet fuel by June 2021	New indicator	Four quarterly wet fuel management reports by June 2021	Target achieved .4 wet fuel reports compiled	N/A	N/A	R 2 892 000 Exp R 2 384 785	Reports	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 24	Traffic Management	Management & control of traffic	To ensure the provision of traffic services in an efficient , effective manner	BLM	Number monthly reports compiled by June 2021	Approved action plan	12 monthly reports compiled by June 2021	Target achieved 12 monthly reports compiled	N/A	N/A	OPEX	Reports	Community Services
MTOD 25	Pound management	Pounding of stray animals	To ensure provision of pound services in an efficient manner	BLM	Number pound reports compiled by June 2021	Approved pound operational plan	12 pound reports compiled by June 2021	Target achieved 12 monthly reports compiled	N/A	N/A	R 50 000 Exp R 0	Reports	Community Services
MTOD 27	Sports Facility	Maintenance of Sport Facilities	To maintain sports facility to be in acceptable standards	BLM	Number sports facilities maintained by June 2021	Approved sports maintenance plan	3 sports facilities to be maintained by June 2021	Target achieved .3 sports facilities maintained ed.( Eldorado Senwaba rwana	N/A	N/A	R 400 000 Exp R 379 599	Reports and photos	Community Services

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
							Skelding maintained)					
MTOD 28	Municipal Facilities	Maintenance of Municipal facilities	To restore the quality of municipal facilities	Number facilities maintenance reports compiled June 2021	Approved maintenance facility plan	6 facilities maintenance reports compiled by June 2021	Target achieved Completed 6 facilities maintenance reports compiled	N/A	N/A	R 1 030 000 Exp R 1 024 632	Photo and Reports	Community Services
MTOD 29	Community hall	Maintenance of community halls( Kibi and	To improve community facilities	Number Community halls maintained by June 2021	Report on progress of maintenance of Community	2 Community halls maintained by June 2021	Target achieved . 2 Commun	N/A	N/A	R 143 980 Exp R 133 800	Reports	Community services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
		Pax Community)				halls by June 2021		ity halls maintain ed(Kibi and Pax)					
MTOD 31	Tolwe Office Face lift	Face lifting of Tolwe Office	To extend licensing services to Tolwe	BLM	Percentage construction work completed as per approved designs at Tolwe office constructed by June 2021	Approved specification	100% construction work completed as per approved designs at Tolwe office constructed by June 2021	Target achieved .100 % Construction work complete d(licensing and examination halls)	N/A	N/A	R 600 000.00 Exp R 577 255	Reports and photos	Community Services
MTOD 33	Cemetery	Cemetery EIA study	To comply with NEMA regulations	Alldays	Number EIA Authorisation Reports obtained for Alldays cemetery by June 2021	Terms of reference	One EIA Authorization report obtained for Alldays cemetery by June 2021	Target achieved . EIA Study Complete	N/A	N/A	R 250 000 Exp R 0	EIA Authorization report	Community Services

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
MTOD 35	Machine	Machine calibration	To restore the accuracy of data taken	Number Machines calibration completed by June 2021	Approved specifications	Two Machines calibration completed by June 2021	Target Achieved Two Machines Calibrated	N/A	N/A	R 50 000 Exp R 22 098	Reports	Community Services
MTOD 39	Provision of industrial bins	Procurement of industrial bins	To extend waste collection services to other areas within towns	Number Industrial Bins purchased by June 2021	Approved specification	7 Industrial bins procured by June 2021	Target Achieved 7 Industrial bins purchased	N/A	N/A	R 500 000 Exp R 304 347	Photos	Community Services
MTOD 43	Occupational Health and safety(COVID-19)	Provision of health and safety kits and COVID-19 measures(PPE)	To promote health and safety and fight against COVID-19	Number first Aid kits boxes with contents, contents of first aid kit, fire hose real and servicing of fire	100 % purchase of first Aid kits and servicing of fire	Purchase of 30 first Aid kits boxes with contents, 15 x1 contents of first aid kit, 16 fire hose real,	Target achieved .30 First aid kits and covid19 PPE, 16	N/A	N/A	R 700 000 Exp R 165 205	Proof of purchase, service certificate for fire extinguishers	Corporate Services



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
					extinguishers purchased by June 2021	extinguishers by June 2020	COVID 19 PPE and servicing of 80 fire extinguishers by June 2021	Hose reel and 80 fire extinguishers serviced				Covid-19 report	
MTOD 44	Professional Bodies	Affiliation to professional bodies	To promote professionalism	BLM	Percentage Payment of membership fees by June 2021	100% Payment of membership fees by June 2020	100% Payment of membership fees by June 2021	Target achieved .100% Members hip fees paid.	N/A	N/A	R 1 520 000 Exp R 1 516 690	Proof of payment	Corporate Services
MTOD 45	Uniform & protective clothing	Purchasing of Uniform and protective clothing	To comply with workplace safety	BLM	Percentage protective clothing purchased and distributed by June 2021	100 % purchase of protective clothing by June 2020	100 % purchase of protective clothing and distributed by June 2021	Target not achieved .100 % purchase of protective clothing and	Awaiting delivery by the service provider	Will be delivered within quarter 1 of 2021/22 financial year	R 730 000 Exp R 0	Proof of purchase	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 46	Labor relations	Labour relations	Promote sound labour relations through LLF meetings	BLM	Number meetings of LLF coordinated and held by June 2021	12 meetings of LLF coordinated held by June 2020	12 meetings of LLF coordinated and held by June 2021	Target not achieved. 3 meetings were held.	Lack of quorum	Develop a schedule of meeting and adhere to the plan also use virtual meetings	OPEX	Reports and attendance register	Corporate services



PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
MTOD 48	Plant Maintenance	Maintenance of Plant	To ensure proper maintenance of roads	Number Fleet and plant maintained by June 2021	fleet and plant maintained by June 2020	33 fleet and 20 plant maintained by June 2021	Target achieved (Only 7 vehicles and 15 plants maintained)	Other vehicle and plant still in good conditions	N/A	R3,300 000 Exp R 3 257 182	Maintenance reports	Corporate services
MTOD 49	Fleet management costs	Purchasing of new fleet assets	To improve Municipal fleet	Number new Vehicle assets purchased by June 2021	Purchasing of new fleet assets by June 2020	Two new Vehicle assets purchased by June 2021	Target not achieved, Only one vehicle was purchased.	Vehicle not yet delivered	Allocate budget for 2021/22 (R1,3 M)	R 700 000 Exp R 0	Proof of purchase	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 51	Clocking System	Installation of Clocking system	To improve human resource management	BLM	Percentage maintenance of Clocking system by June 2021	100% clocking system installed	100% maintenance of Clocking system by June 2021	Target achieved .100% Clocking system maintained	N/A	N/A	R 119 840 Exp R 52 939	Maintenance reports	Corporate Services
MTOD 52	Network	Network Maintenance	To improve and maintain IT capacity	BLM	Percentage Network Maintenance by June 2021	100 % Network Maintenance by June 2020	100 % Network Maintenance by June 2021	Target achieved .100 % Network maintained.	N/A	N/A	R 150 000 Exp R 150 000	Proof of payment	Corporate Services
MTOD 53	Data line	Procurement of Data line	To improve and maintain IT capacity	BLM	Percentage monthly payment of Data line by June 2021	100 % Monthly payment of Data line by June 2020	100 % Monthly payment of Data line by June 2021	Target achieved .100% Data line payment done.	N/A	N/A	R 712 000 Exp R 664 553	Proof of payment	Corporate Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
MTOD 54	Furniture	Purchase of furniture	To improve workplace environment	BLM	Percentage furniture purchased by June 2021	New Indicator	100 % furniture purchased by June 2021	Target not achieved 0 %. Furniture purchased.	Insufficient budget for purchase of office furniture (Office chairs)	Allocate adequate budget in 2021/22 (R133 000 allocated)	R 30 000 Exp R 2 786	Proof of purchase	Corporate Services
MTOD 55	Computer/ Laptops equipment	Purchase of Laptops	To improve and maintain IT capacity	BLM	Number of Laptops purchased by June 2021	13 Laptops procured by June 2020	14 Laptops purchased by June 2021	Target achieved .14 Laptops procured .	N/A	N/A	R 215 200 Exp R 215 200	POP	Corporate Services
MTOD 56	Office Furniture for PMU Office	Purchase of office Furniture	To improve workplace environment	BLM	Number of office desk, office chairs, filing Cabinets, Printer and Fridge	New Indicator	1 office desk, 3 office chairs, 2 filing Cabinets, 1 Printer and 1 Fridge	Target achieved .1 office desk, 3 office	N/A	N/A	R 30 000 Exp R 26 013	Proof of purchase	Technical Services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
					purchased for PMU Office by June 2021		purchased for PMU Office by June 2021	chairs, 2 filing Cabinets, 1 Printer and 1 Fridge purchased for PMU Office by June 2021					
MTOD 58	Training guided by WSP	Coordination of training guided by WSP	To enhance skills capacity	BLM	Number people trained and coordinated through WSP by June 2021	42 people trained and coordinated through WSP by June 2020	25 people trained and coordinated through WSP by June 2021	Target Achieved, 38 Employees trained and coordinated	Additional external stakeholder trainings were secured	N/A	R 450 000 Exp R 226 486	Training reports	Corporate Services

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION								
							through WSP					

### 9.3. KEY PERFORMANCE AREA 3: ECONOMIC DEVELOPMENT AND PLANNING

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project / SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION								
LED 01	Tourism centre Renovation	Renovation of Tourism centre	To have an attractive and informative one stop centre for tourists and researchers.	Senwabarwana	Tourism centre in place	100% renovation of Tourism Centre (Roof repair, painting, Ceiling, installation of gate, and paving ) by June 2021	Target achieved. 100% Tourism center fully renovated	N/A	N/A	R 200 000 Exp R146 560	Specification Appointment letter Report	Economic Development and Planning
LED 03	Financial support to LED projects	Provide financial support LED by procuring required operations equipment in support of their growth and sustainability	Provide financial support to LED Projects for growth and sustainability	BLM	2 projects supported financially during 2019/20	03 LED projects (Rebochicks poultry, Egrets farming, Blouberg farming project) supported financially by June 2021	Target achieved 4 LED projects supported. Eagles Farming, Moshaisa no poultry, Blouberg Farming	Additional project was done due to savings	N/A	R 500 000 Exp R 457 365	Reports	Economic Development and Planning

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project / SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
LED 13	EPWP Programme	Recruitment and coordination of participants	To create of job opportunities through EPWP	BLM	Number of Job opportunities created and sustained through municipal EPWP by June 2021	210 EPWP job opportunities created in the 2019/20 FY	230 jobs created and sustained through EPWP project by June 2021	Target achieved. 230 jobs created and sustained through EPWP project.	N/A	N/A	R 4 500 000 Exp R 4 500 138	Records of EPWP Participants( IID's and contracts)	Community services



#### 9.4. KEY PERFORMANCE AREA 4: FINANCIAL VIABILITY AND MANAGEMENT

Project/ SDBIP KPI No	PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 01	Asset Management Plan	Development of Asset Management Plan	To improve asset management	BLM	Number Asset Management Plan developed by June 2021	New Indicator	One Asset Management Plan developed by June 2021	Target Achieved, One Asset Management Plan developed	N/A	N/A	R 1200 000 Exp R 1 041 513	Asset Management plan	BTO
FVM 02	Asset Recording system	Recording of Assets on the Solar System	To improve asset management	BLM	Percentage Assets Recorded on the Solar System by June 2021	New indicator	100% Assets Recorded on the Solar System by June 2021	Target not Achieved, Service provided appointed	Deferred submission of 2019/20 AFS and extension of audit	The services provided appointed and the project	R 600 000 Exp R 0	Systematised Asset Register	BTO



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 03	Unbundling of Asset Register	Unbundling of Asset Register	To improve asset management	BLM	Number unbundling of Asset Register completed by June 2021	Unbundled asset register	One unbundling of Asset Register completed by June 2021	Target Achieved. One unbundling of Asset Register completed	N/A	N/A	R 1 000 000 Exp R 953 050	Unbundling Report	BTO
									timetable	it will be completed by 2nd Quarter 2021/22			

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 04	Landfill Rehabilitation	Calculation of Landfill rehabilitation costs	To improve asset management	BLM	Number Landfill Rehabilitation report compiled by June 2021	Landfill rehabilitation cost calculated	Four landfill Rehabilitation report compiled by June 2021	Target Achieved, Four landfill Rehabilitation report compiled	N/A	N/A	R 50 000 Exp R 42 784	Landfill Rehabilitation Report	BTO
FVM 05	Electricity	Sale of Electricity	To enhance Municipal revenue	BLM	Number reports on Sale of Electricity compiled by June 2021	New Indicator	Four reports on Sale of Electricity compiled by June 2021	Target Achieved, Four reports on Sale of Electricity	N/A	N/A	R 5 181 130 M Exp R 4 116 262	Reports	BTO

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 07	MSCOA	MSCOA implementation	Operational	BLM	Number MSCOA project implemented by June 2021	New indicator	One MSCOA project implemented by June 2021	Target Achieved, One MSCOA project implemented	N/A	N/A	R 1 378 875 Exp R 166 956	mSCOA Report	BTO
FVM 09	Annual Financial Statements (AFS)	Compilation of AFS	To report financial management	BLM	Number AFS Compiled & submitted to AGSA,LPT,CO GOHSTA& NT by June 2021	2018/19 AFS compiled & submitted to AGSA, LPT& NT	2019/20 Compilation submitted to AGSA,LPT& NT by June 2021	Target Achieved, 2019/20 AFS compiled & submitted	N/A	N/A	R 1 050 000 Exp R 926 828	Acknowledgment reports from stakeholders	BTO

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 10	Elec: Reconnect Fees	To effect new connections	To improve electricity connections	BLM	Number reports on connections compiled by June 2021	New Indicator	Four reports on post connections compiled by June 2021	Target Achieved, Four reports on post connections compiled	N/A	N/A	R 307 400 Exp R 101 548	Reports	BTO
FVM 11	Elec Sales: Domestic Low : Prepaid	Sale of electricity	To enhance Municipal revenue collection	BLM	Number reports on vending facilities compiled by June 2021	New Indicator	Four reports on vending facilities compiled by June 2021	Target Achieved, Four reports on vending facilities	N/A	N/A	R 31 708 87 1 Exp R 22 497 280	Reports	BTO

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
								compiled					
FVM 12	AFS quality review	To perform quality review/assessment of AFS	To submit credible AFS	BLM	Number quality assessment conducted by 31 August 2021	New indicator	One AFS quality assessment conducted by 31 August 2021	Target Achieved, One AFS quality assessment conducted October 2020	The audit timetable was revised due to COVID-19	N/A	R 192 000.00  Exp R 166 956	2019/20 AFS assessment report.	BTO
FVM 13	Debt Collector.	To appoint the debt collector	To improve revenue collection through investigating, negotiation and	BLM	Number debt collectors appointed by June 2021	Debt collector appointed	One debt collectors appointed by June 2021	Target Achieved, One debt collectors	N/A	N/A	R 7 000 000 Exp R 1 722 878	Appointment Letter & Signed SLA and monthly reports	BTO

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 14	Insurance cover	Insurance cover for the Municipal assets	collection of debtors To safeguard the municipal assets	BLM	Number Signed Insurance policy cover for all Municipal Assets and insurance reports compiled by June 2021	Insurance policy covered all Municipal Assets by June 2020	One Signed Insurance policy cover for all Municipal Assets and four insurance reports by June 2021	Target Achieved, One Signed Insurance policy cover for all Municipal Assets and four insurance reports	N/A	N/A	R 1 301 000 Exp R 1 188 016	Signed Insurance policy cover	BTO

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 15	Road & TRSP: Driver's License Applicant	Application for the driver's license test	To promote road safety	BLM	R amount generated through driver's licence application by June 2021	R 1 787 316.29 revenue raised through driver licence applications fees by June 2020	R1 492 933 revenue raised through driver licence applications fees by June 2021	Target achieved R2 155 992.76 Revenue collected by June 2021	N/A	N/A	OPEX	Report on driver licenses application fees	Community services
FVM 16	Road & TRSP: Learners License Application	Application for the learner's license test	To promote road safety	BLM	R amount revenue raised through driver licence applications fees by June 2021	R 861 841.90 revenue raised through driver licence applications fees by June 2020	R 1 040 000 revenue raised through driver licence applications fees by June 2021	Target not achieved R710 284.56 Revenue collected by	Enatis System Offline	Log Calls with department	OPEX	Report on learner licenses application fees	Community services



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 17	Traffic Fine Provision	Provision of traffic fines	To raise municipal revenue	BLM	R amount raised through traffic fines by June 2021	R 301 374.57 revenue raised through traffic fine by June 2020	R 2 600 000 revenue raised through traffic fine by June 2021	Target not achieved. R146 300.00 Collected by June 2021	Collection system poor	Aarto system to improve collection	OPEX	Report on traffic fines	Community services
FVM 18	Motor Vehicle licenses	Licenses for Motor Vehicles	To raise municipal revenue	BLM	R 1 207 249 amount revenue raised through motor vehicle licences by June 2021	R 723 150.96 revenue raised through motor vehicle licences by June 2020	R 1 207 249 revenue raised through motor vehicle licences by June 2021	Target not achieved. R1 000, 819.89 Collected	Enatis System Offline	Log Calls with Department	OPEX	Report on motor vehicle licenses income	Community services



PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE									
FVM 20	Sale of sites	Disposal of municipal owned properties in Senwabarwana and Alldays	To sell land for development to increase the municipal revenue base	R amount raised through sale of 100 sites by June 2021	R 386 000 raised through sale sites by June 2020	R 4 M raised through sale of 100 sites by June 2021	Target not achieved. Council resolution done but no sites sold from new extension. Collect ion was R325, 161.76 from Allday	Delay in approval of the Township earmarked for disposal. The District Tribunal could not sit on time	Targeted date for disposal is in 4 <sup>th</sup> quarter in 2021/22 FY 2021/22	R 4 M Exp R 0	Council Resolution Advert. Report on sale of sites	EDP

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project/ SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
FVM 21	Licensing and registration of vehicles	Licensing and registration of vehicles	To promote road safety	BLM	R amount raised through Licensing and registration of vehicles by June 2021	R 1 138 914 revenue raised through motor vehicle licences by June 2020	R 1 138 914 revenue raised through motor vehicle licences by June 2021	Target not achieved. R1 000, 819,89 Collected	Enatis System Offline	Log Calls with Department	OPEX	Report on motor vehicle licensing	Community services

9.5. KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION								
GGD 01	Auditing	Coordination of external Audit process	To improve municipal audit opinion	BLM	100% coordination of external audit process by June 2020	100% coordination of external audit process by June 2021	Target achieved 100% coordination of Audit process done	N/A	N/A	R4 000 000 Exp R 3 362 926	Reports	Municipal Manager' Office
GGD 03	Audit & Risk Committee Allowances	Coordination of Risk and Audit Committee meetings	To adhere to the schedule of meetings.	BLM	08 meetings held	08 Risk and Audit Committee held by June 2021	Target achieved. 08 Risk and Audit committee held	N/A	N/A	R 560 000 Exp R 354 704	Minutes and attendance registers. Report	Municipal Manager' Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 05	Newsletter	Development and publication of electronic newsletter	To ensure regular publication of electronic Municipal newsletter	BLM	Number of electronic editions of newsletter produced by June 2021	Two editions produced	Two electronic editions of newsletter produced by June 2021	Target Achieved. Two electronic editions of the newsletter produced	N/A	N/A	R 396 283 Exp R 335 524	Copies of editions	Municipal Manager's Office
GGD 06	Advertisements	Advertisement of Municipal activities	To advertise posts, tenders, IDP/Budget and Council adverts	BLM	Percentage of advertisement made on print or electronic media	100 % advertisements	100% advertisement of posts, tenders and adverts done	Target Achieved. 100% of advertisement of posts, tender, and	N/A	N/A	R 445 917 Exp R 409 906	Proof of adverts	Municipal Manager's Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 08	MPAC programmes	Coordination of MPAC programmes	Promote good governance	BLM	Number oversight meetings coordinated and held by June 2021	4 Oversight meetings coordinated and held by June 2020	4 Oversight meetings coordinated and held by June 2021	Target achieved, 4 oversight meeting coordinated and held	N/A	N/A	R 100 000 Exp R 304 587	Oversight report, including attendance registers.	Corporate services
GGD 09	Bursary Fund for Non- Employees	Advertisement and selection of recipients	To promote learning and development	BLM	Percentage awarding of bursary to deserving learners by June 2021	No bursary awarded for 2019/20	100 % awarding of bursary to deserving learners by June 2021	Target not achieved. 0 % bursary awarded	Bursary advertisement was affected due to development around free	Deferred to 2021/22 (R 90 000 allocated )	R 90 000 Exp R 0	Adverts and reports	Corporate services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 10	Employees Bursary	Support to employees	To promote learning and development	BLM	Percentage awarding of bursary to deserving employees by June 2021	No bursary awarded for 2019/20	100 % awarding of bursary to deserving employees by June 2021	Target achieve d 100 % awardin g of bursary to deservi ng employ ees(6 employ ees awarde d)	N/A	N/A	R 330 000 Exp R 204 865	Adverts and reports	Corporate services

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 11	Anti-Fraud And Corruption	Coordination of campaigns	Promote good governance	BLM	Number anti-fraud campaigns Coordinated by June 2021	One anti-fraud campaigns Coordinated	One anti-fraud campaigns Coordinated by June 2021	Target achieved One anti-fraud campaign coordinated	N/A	N/A	OPEX	Report and attendance registers	Municipal Manager Office
GGD 12	Council Support	Coordination Council activities	Promote good governance	BLM	Number Council meetings coordinated and held by June 2021	04 Council meetings coordinated and held by June 2020	06 Council meetings coordinated and held by June 2021	Target achieved, 06 Council meetings coordinated and held.	N/A	N/A	R 101 980 Exp R 101 980	Minutes and registers	Corporate Services



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 13	Security Management	Appointment and payment of Physical Security service provider	To protect the municipal properties and employees against potential threats.	BLM	Percentage security incidents reported and investigated by June 2021	100% security incidents reported and investigated by June 2020	100% security incidents reported and investigated by June 2021	Target Achieved. 100 % security incidents reported and investigated (12 monthly security reports compiled)	N/A	N/A	R15 518 300 Exp R 11 808 174	Reports	Municipal Manager's Office
GGD 14	Security Cameras	Appointment of service providers for the installation of camera	To improve municipal security	BLM	Percentage Security Cameras installed by June 2021	New indicator	100% Security Cameras installed by June 2021	Target Achieved 100% Security	N/A	N/A	R 175 337 Exp R 175 337	Installation reports	Municipal Manager's Office



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 16	IDP Process Plan	Development and adoption of the process plan	To ensure proper coordination of IDP/Budget review process	BLM	Number approved IDP/Budget process plan by June 2021	IDP process plan 2019/20	One IDP/Budget process plan 2020/21 approved by June 2021	Target achieved. IDP adopted by Council on the 28 <sup>th</sup> May 2021	N/A	N/A	R 20 000 Exp R 0	Council resolution and IDP/ Budget Document	EDP

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 17.	IDP Stakeholders Consultations	IDP stakeholder consultations	To ensure public participation process is transparent and informative	BLM	Number IDP consultative meetings conducted, IDP consultative reports compiled by June 2021	IDP public participation process	Seven IDP consultative meetings conducted and three IDP consultative reports compiled by June 2021	Target Achieved. Seven IDP consultative meetings conducted and three IDP consultative reports compiled	N/A	N/A	R 90 000 Exp R 41 400	4 Reports on Consultation process	EDP
GGD 18	IDP Steering Committees and Review Sessions(SD	SDBIP Quarterly reports through organizing Quarterly Steering	To promote performance management and reporting	BLM	Number quarterly SDBIP reports compiled and	Four quarterly SDBIP reports compiled and	Four quarterly SDBIP reports compiled and approved by	Target achieved. Four quarterly	N/A	N/A	R 68 584.74 Exp R 37 536	Copies of quarterly reports and	Municipal Manager's Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
	BIP quarterly reporting)	Committee and Performance Review Sessions			approved by Council by June 2020	Council by June 2021	SDBIP reports compiled by June 2021					Council resolutions	
GGD 19	Performance Assessments	Conducting individual performance Assessments	To promote performance management and reporting	BLM	Two Performance assessment sessions conducted for Section 57/56 managers by June 2020	Two Performance assessment session conducted for Section 57/56 managers by June 2021	Targets achieved. Two Performance assessment session conducted for Section 57/56 managers by June 2021		N/A	N/A	R 50 000 Exp R 0	Assessment reports and attendance registers	Municipal Manager' Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 20	Ward Committees	Coordination and support	To ensure support to ward committee	BLM	Percentage purchase of ward committee promotional material purchased by June 2021	One conference held by June 2020	100 % purchase of ward committee promotional material by June 2021	Target achieved, 100% of ward committee material purchased.	N/A	N/A	R 900 000 Exp R 889 080	Proof of purchase	Corporate services
GGD 21	Access control	Appointment of service provider for installation of Access control system	To control access to municipal premises	BLM	Percentage installation of Access control system by June 2021	New indicator	100% installation of Access control system by June 2021	Target Not Achieved. 0 % installation of Access control system	Insufficient Budget.	Deferred to 2022/23 financial year	R 250 000 Exp R 0	Appointment letter	Municipal Manager's Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 22	License and maintenance of team mate	Payment of license fees and maintenance of team mate system	To improve audit systems	BLM	Percentage Payment of license fees and maintenance of team mate system by June 2021	100 % Payment of license fees and maintenance of team mate system by June 2021	100 % Payment of license fees and maintenance of team mate system by June 2021	Target Achieved 100% payment of team mate licence( 1 team mate system maintained)	N/A	N/A	R 60 000 Exp R 0	Proof of purchase and reports	Municipal Manager' Office

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
GGD 23	Cascading of PMS	Reports and appointment of service provider	Promote a culture of performance management	BLM	Number reports generated and appointment of service provider on cascading of PMS	PMS implemented Snr management level	Three reports generated service provider appointed on cascading of PMS	Target achieved. Three reports generated service provider appointed on cascading of PMS	N/A	N/A	R 600 000 Exp R 530 880	Report on cascading of PMS. Appointment letters	Municipal Manager

### 9.6. KEY PERFORMANCE AREA 6: SPATIAL PLANNING AND RATIONALE

PROJECT DETAILS				KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION								
SPR 01	Township Establishment	Conducting the process of township establishment	To formalize rural and urban settlements	Bochum 178 LS, Alldays and Bochum 145 LS	Number Township establishment projects completed by June 2021	Title deed and Caretakership	Three Township establishment projects completed. June 2021	Target achieved . Three Township establishment projects completed	N/A	R 1 000 000 Exp R 996 459	Project reports	EDP
SPR 02	Tenure Upgrading	Compilation and submission of phase 2 of the project	To ensure that all Townships are upgraded for security of tenure	Senwabarwana	Number reports on Phase project 2 compiled and submitted by June 2021	General plans	Two reports on Phase project 2 compiled and submitted by June 2021	Target achieved . Two reports on Phase 2 reports compiled and submitted	N/A	R 1 000 000 Exp R 775 377	Project reports	EDP



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
SPR 03	Land use scheme	Development of Land use Scheme	To manage the land use activities	BLM	Number Land use scheme developed by June 2021	SDF and Land use scheme 2006	One Land use Scheme developed by June 2021	Target achieved . One Land use Scheme developed	N/A	N/A	R 700 000 Exp R 568 280	Project reports	EDP
SPR 04	Precinct Plan	Development of Harriswich Precinct Plan	To develop a master plan for Harriswich	Harriswich	Number precinct plans developed by June 2021	SDF	One precinct plan developed at Harriswich by June 2021	Target achieved . One precinct plan developed at Harriswich	N/A	N/A	R 600 000 Exp R 589 310	Project reports	EDP
SPR 05	Valuation roll	Compilation of a supplementary valuation roll	To rate all properties within the jurisdiction of the municipality	All wards	Number Supplementary roll compiled by June 2021	General Valuation Roll 2016	One Supplementary valuation roll compiled by June 2021	Target not achieved . . One supplementary	Gazette notice was replaced with newspaper	Improve the process as per	R 1 500 000 Exp R 1 389 070	Supplementary Roll and provincial	EDP



PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
								roll approved . Advert was on newspaper er due to difficulty in getting quotation s from governm ent gazette	per notice due to unavail ability of govern ment gazette quotes	MPR A		gazette Notice	
SPR 06	GIS system	Purchase and Installation of a GIS system	To procure the GIS system	BLM	Number GIS Systems Purchased and Installed by June 2021	N/A	One GIS Systems Purchased and Installed by June 2021	Target not achieved . GIS system not purchased	The bidders were not responsive at Bid Evaluation on	Budget for it in the financial year 2022/ 2023	R 300 000 Exp R 0	Project report	EDP

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
SPR 07	Farm Bochum 178 LS Township Establishment 500 sites	To establish a Township in Remainder of Farm Bochum 178 LS with 500 sites	To formalize rural and urban settlements	Senwabarwana	Number township establishment completed at arm Bochum 178 LS Township by June 2021	Title deed of farm 178 LS	One township establishment completed at arm Bochum 178 LS Township by June 2021	Target achieved . One township establishment complete d at arm Bochum 178 LS Township	N/A	N/A	R 800 000 Exp R 800 000	Project reports	EDP

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFORMANCE	REASON FOR VARIANCE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
SPR 12	Gazetting	Gazetting of Municipal Notices as a legislative requirement	To comply with legislations	BLM	Number reports compiled on Gazetting of Notices as a legislative requirement by June 2021	New indicator	02 reports compiled on Gazetting of Notices by June 2021	Target not achieved. No gazetting was done	Provincial Gazette did not respond to request for quotations to gazette the rates tariffs	Improve the process as per MPR A	R 15 000 Exp R 0	Reports	EDP
SPR 13	Prohibition signboards	Procurement and erection of sign boards	To address land invasions	BLM	Number reports on prohibition boards procured and erected by June 2021	New Indicator	One prohibition board procured and erected by June 2021	Target not achieved. Specification complied	Late appointment of service provider	Improve project management during procur	R 5000 Exp R 0	Reports	EDP

PROJECT DETAILS					KEY PERFORMANCE INDICATOR	2019/20 BASELINE/ STATUS QUO	2020/21 ANNUAL TARGET/ PERFORMANCE INDICATOR	2020/21 ACTUAL PERFOR MANCE	REASON FOR VARIAN CE	CORRECTIVE MEASURE	BUDGET	PORTFOLIO OF EVIDENCE	RESPONSIBILITY
Project /SDBIP KPI No	PROJECT	PROJECT DESCRIPTION	STRATEGIC OBJECTIVE	LOCATION									
										ement plan imple menta tion			

**10. CERTIFICATION OF ANNUAL PERFORMANCE REPORT 2020/21**

The Annual Performance report 2020/21 has been compiled in line in terms of Section 46 of Municipal System Act no 32 of 2000, circular 11 and 63 of Municipal Finance Management Act no 56 of 2003.

I therefore certify that this report represents the highlights of the performance of the Municipality during 2020/21

**MACHABA JUNIAS**

**MUNICIPAL MANAGER BLOUBERG LOCAL MUNICIPALITY**

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

## INTRODUCTION

The municipal Organizational structure was aligned to IDP and budget. The council also adopted the Organisational structure as part of IDP/Budget 2019/20. 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

Employees						
Description	2018/19			2019/20		
	No. of employees	No. of vacancies	% of vacancies	No. of employees	No. of vacancies	% of vacancies
Water	0	0	0	0	0	0
Waste Water (sanitation)	0	0	0	0	0	
Electricity	9	3		13	0	
Waste Management	5	3		7	7	
Housing	1	0		1	0	
Waste Water (Storm water Drainage)				0	0	
Roads	21	7		21	06	
Transport	6	1		0	1	
Planning	4	3		4	2	

Local Economic Development	3	1		3	1	
Planning (Strategic & Regulatory)	1	1		6	02	
Community & social services						
Environmental protection				3	2	
Health						
Security & safety	38	7		31	11	
Sport & recreation						
Corporate Policy offices & other				95	38	
Totals				184	70	



Vacancy Rate: 19/20				
Designation	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %	
Municipal Manager	1	0	0	
CFO	1	0		
Other S57 Managers (excluding Finance Posts)	4	0		
Other S57 Managers (Finance posts)	0	0	0	
Municipal Police	0	0	0	
Fire Fighters	0	0	0	
Management:				
Middle Management	30	0		
Highly skilled supervision: Levels 9-12 (excluding Finance posts)	12	0		
Highly skilled supervision: Levels 9-12 (Finance posts)	2			
Total	50			

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*
2012/13	163	12	
2013/14	166	9	
2014/15	165	7	
2015/16	181	15	
2016/2017	179	11	
2017/18	191	8	
2018/19	191	7	
2019/20	181	2	
1920/2021	184	08	

**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

## 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, Equality redress and Affirmative Action. The Municipality has Employment Equity Plan and active/ functional Employment Equity Committee. 2019/20 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

#### 4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%	0	Using employment equity policy
2	Attraction & Retention	100	100%	28 May 2021
3	Code of conduct for employees	100%	100%	28 May 2021
4	Delegations, Authorization & responsibility	100	100	28 May 201.
5	Disciplinary Code & Procedures	0	0	Using the disciplinary code collective agreement

6	Essential Services	100	100	100	28 May 2021
7	Employee Assistance/ wellness	100	100	100	28 May 2021
8	Employment Equity	100%	100%	100%	28 May 2021
9	Exit Management	100%	100%	100%	28 May 2021
10	Grievance Procedures	100%	100%	100%	28 May 2021
11	HIV/AIDS	100%	100%	100%	28 May 2021
12	Human Resource & Development	100%	100%	100%	28 May 2021
13	Information Technology	100%	100%	100%	28 May 2021
14	Job Evaluation	100%	100%	100%	28 May 2021
15	Leave	100%	100%	100%	28 May 2021
16	Occupational Health & Safety	100%	100%	100%	28 May 2021
17	Official Housing	0	0	0	N/A
18	Official Journeys	100%	100%	100%	28 May 2021
19	Official Transport to attend funerals	100	100	100	28 May 2021
20	Official working hours and overtime	100	100	100	28 May 2021
21	Organisational rights	100	100	100	28 May 2021
22	Payroll Deductions	100	100	100	28 May 2021

23	Performance Management & Development	100	100%	28 May 2021	
24	Recruitment, selection & Appointments	100%	100%	28 May 2021	
25	Remuneration Scales & Allowances	100	100	28 May 2021	
26	Resettlement	0	0	n/a	
27	Sexual Harassment	100%	100%	28 May 2021	
28	Skills development	100%	100%	28 May 2021	
29	Smoking	100%	100%	28 May 2021	
30	Special skills	0	0	n/a	
31	Work Organization	0	0	N/A	
32	Uniforms & protect clothing	100	100	28 May 2021	
33	Other			N/A	



**COMMENT ON WORKFORCE POLICY DEVELOPMENT:**

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

**4.3 INJURIES, SICKNESS AND SUSPENSIONS**

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

Number of days and cost of sick leave (excluding injuries on duty)							
Designations	Total sick leave Days	Proportion of sick leave without medical certification	Employees using sick leave No.	Total employees in post*	*Average sick leave per employees Days	Estimated cost R'000	
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							

**COMMENT ON INJURY AND SICK LEAVE:**

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

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized



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

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

There were no cases related to financial misconduct during 2019/20

#### 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW)						
Designation	Beneficiary Profile					Proportion of beneficiaries within group %
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2018/19 R'000		
Lower skilled (levels 1-2)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled (levels 3-5)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Senior Management (levels 13-15)	Female	0	0	0	0	0

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



## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

### SKILLS DEVELOPMENT AND TRAINING

Skills Matrix													
Management	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2021										
	No.		Learnerships		Skills programme & other short courses		Target		Other forms of training				Total
			Actual 30 June 2020	Actual 30 June 2021	Target	Actual 30 June 2020	Actual 30 June 2021	Target	Actual 30 June 2020	Actual 30 June 2021	Target	Actual 30 June 2020	Actual 30 June 2021
MM & S57	Female	03	0	02	02	00	00	00	0	0	0	0	02
	Male	03	0	0	0	00	01	01	0	0	0	0	01
	Female	27	0	03	03	21	11	11	0	02	02	21	16
													37

Councillors, senior officials & managers	Male	42	0	02	02	21	13	13	0	02	02	21	17	38
Technicians & associate professionals	Female	17	0	0	00	00	09	09	0	02	02	00	11	11
	Male	46	0	0	00	00	14	14	0	0	0	00	14	14
Professionals	Female	27	0	0	0	01	03	03	0	2	2	01	05	06
	Male	35	0	0	0	02	05	05	0	1	1	02	06	08
Sub Total	Female	74	00	05	05	22	23	23	0	06	06	22	34	56
	Male	136	00	02	02	23	33	33	0	03	03	23	38	61
Total		210	00	07	07	45	56	56	00	09	09	45	72	137

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6. EMPLOYEE EXPENDITURE

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



Employees whose salary levels exceed the grade determined by Job Evaluation (NONE)				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

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

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

There were no upgraded posts during the period under review.

**DISCLOSURES OF FINANCIAL INTERESTS**

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



# **CHAPTER 5: 2020/21 ANNUAL FINANCIAL STATEMENTS**



**Blouberg Local Municipality**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

Approved by the Council

Blouberg Local Municipality, 10000 Blouberg Road, Blouberg, 1913, South Africa

The figures in the financial statements are in South African Rand (R) unless otherwise indicated.

Approved by the Council

Page 1

The financial statements of the municipality for the year ended 30 June 2021 are as follows:

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## 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  
Tiouamma 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  
Madzhie AE  
Selamolela S  
Madibana SS  
Phoshoko NC  
Mabolola SJ  
Chula MI  
Morudu MF  
Madibana MR  
Madiope MT

### Councillors

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## General Information

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	Tefo LT Tjumana MM Mathekga MJ
Grading of local authority	Grade 3
Municipal Manager	Machaba MJ
Chief Finance Officer (CFO)	Mabote NJ
Registered office	2nd Building Dendron Road Senwabarwana 0790
Business address	2nd Building Dendron Road Senwabarwana 0790
Postal address	P.O.Box 1593 Senwabarwana 0790
Bankers	ABSA
Auditors	Auditor- General of South Africa

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## 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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Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 15
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Notes to the Annual Financial Statements	34 - 71

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Index

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

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Index

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SETAS	Sector Education and Training Authority
EEDSM	Energy Efficiency Demand Side Management
EEDMG	Energy Efficiency and Demand-side Management Grant
UIF	Unemployment Insurance Fund
SDL	Skills Development Levy



# **Blouberg Local Municipality**

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

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

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

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

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

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

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

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

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

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

The annual financial statements set out on pages 7 to 71, which have been prepared on the going concern basis, were approved by the on 31 August 2021 and were signed on its behalf by:

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**Machaba MJ**  
**Municipal Manager**

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

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	8	7,407,469	6,839,131
Receivables from exchange transactions	9	137,476	372,715
Receivables from non-exchange transactions	10	93,196,245	74,384,426
VAT receivable	11	764,605	1,802,310
Consumer debtors	12	11,967,465	9,952,680
Cash and cash equivalents	13	38,247,161	38,422,558
		<b>151,720,421</b>	<b>131,773,820</b>
<b>Non-Current Assets</b>			
Investment property	3	7,723,000	8,544,772
Property, plant and equipment	4	943,317,017	914,528,703
Intangible assets	5	306,593	372,489
Investments	6	3,083,441	3,085,203
		<b>954,430,051</b>	<b>926,531,167</b>
<b>Total Assets</b>		<b>1,106,150,472</b>	<b>1,058,304,987</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	14	485,217	303,748
Payables from exchange transactions	17	50,695,358	53,667,880
Unspent conditional grants and receipts	15	394,098	7,057,920
Provisions	16	14,555,684	12,825,271
		<b>66,130,357</b>	<b>73,854,819</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	14	673,285	-
Employee benefit obligation	7	7,623,154	6,150,587
Provisions	16	919,369	614,326
		<b>9,215,808</b>	<b>6,764,913</b>
<b>Total Liabilities</b>		<b>75,346,165</b>	<b>80,619,732</b>
<b>Net Assets</b>		<b>1,030,804,307</b>	<b>977,685,255</b>
Accumulated surplus		1,030,804,307	977,685,255

\* See Note 37

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Performance

Figures in Rand

	Note(s)	2021	2020 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	19	30,264,180	31,515,126
Rental of facilities and equipment	20	551,690	799,051
Licences and permits		3,824,031	3,372,309
Photocopies & Electricity illegal connections		11,306	28,626
CDM - Commissions received		341,007	362,884
Cemetery, Burial and Plans approval fees		208,172	145,443
Valuation Services		1,305	288
Interest charged on outstanding debtors		574,279	461,208
Sale of Inventory - Sites/Land	21	10,841	363,010
Cattle Grazing		129,916	50,634
Interest received - investment	22	1,535,693	1,700,717
Fair value adjustments		17,558	-
Actuarial gains	7	-	73,113
<b>Total revenue from exchange transactions</b>		<b>37,469,978</b>	<b>38,872,409</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	23	27,550,104	25,567,365
Interest charges on overdue account	23	1,677,760	1,761,605
<b>Transfer revenue</b>			
Government grants & subsidies	24	295,178,822	248,704,311
Fines		464,000	1,018,920
<b>Total revenue from non-exchange transactions</b>		<b>324,870,686</b>	<b>277,052,201</b>
<b>Total revenue</b>	18	<b>362,340,664</b>	<b>315,924,610</b>
<b>Expenditure</b>			
Employee related costs	25	(114,653,323)	(111,434,519)
Remuneration of councilors	26	(16,412,062)	(16,975,680)
Depreciation and amortisation	27	(29,407,162)	(33,076,204)
Finance costs	28	(523,655)	(517,154)
Provision for Debt Impairment	29	(8,188,217)	(12,842,559)
Bulk purchases	30	(36,471,696)	(37,670,974)
Contracted services	31	(22,014,985)	(17,337,064)
Loss on disposal of assets and liabilities		(470,254)	(114,439)
Fair value adjustments		-	(860,000)
Actuarial losses	7	(1,304,763)	-
General Expenses	32	(79,775,495)	(69,035,430)
<b>Total expenditure</b>		<b>(309,221,612)</b>	<b>(299,864,023)</b>
<b>Surplus for the year</b>		<b>53,119,052</b>	<b>16,060,587</b>

\* See Note 37

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	960,009,775	960,009,775
Adjustments		
Correction of errors (Note 37)	1,614,893	1,614,893
<b>Balance at 01 July 2019 as restated*</b>	<b>961,624,668</b>	<b>961,624,668</b>
Changes in net assets		
Surplus for the year	16,060,587	16,060,587
Total changes	16,060,587	16,060,587
Opening balance as previously reported	973,421,186	973,421,186
Adjustments		
Correction of prior period errors (Note 37)	4,264,069	4,264,069
<b>Restated* Balance at 01 July 2020 as restated*</b>	<b>977,685,255</b>	<b>977,685,255</b>
Changes in net assets		
Surplus for the year	53,119,052	53,119,052
Total changes	53,119,052	53,119,052
<b>Balance at 30 June 2021</b>	<b>1,030,804,307</b>	<b>1,030,804,307</b>
Note(s)		

\* See Note 37

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from rate payers and other		37,866,715	75,507,872
Grants		288,515,001	254,623,000
Interest income		1,535,693	1,700,717
		<u>327,917,409</u>	<u>331,831,589</u>
<b>Payments</b>			
Employee costs		(131,125,655)	(128,410,199)
Suppliers		(138,700,175)	(121,919,329)
Finance costs		(523,655)	(456,719)
		<u>(270,349,485)</u>	<u>(250,786,247)</u>
<b>Net cash flows from operating activities</b>	33	<b><u>57,567,924</u></b>	<b><u>81,045,342</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(57,351,263)	(49,613,984)
Increase in investments		1,765	5,449
<b>Net cash flows from investing activities</b>		<b><u>(57,349,498)</u></b>	<b><u>(49,608,535)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease movements		(393,823)	(577,816)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(175,397)</u></b>	<b><u>30,858,991</u></b>
Cash and cash equivalents at the beginning of the year		38,422,558	7,563,567
<b>Cash and cash equivalents at the end of the year</b>	13	<b><u>38,247,161</u></b>	<b><u>38,422,558</u></b>

\* See Note 37

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Service charges	40,148,059	300,000	<b>40,448,059</b>	30,264,180	<b>(10,183,879)</b>	Refer to note 49 (1)
Rental of facilities and equipment	218,000	-	<b>218,000</b>	551,690	<b>333,690</b>	
Licences and permits	4,355,825	-	<b>4,355,825</b>	3,824,031	<b>(531,794)</b>	
Commissions received	1,100,000	-	<b>1,100,000</b>	341,007	<b>(758,993)</b>	
Interest received on outstanding debtors	1,587,075	-	<b>1,587,075</b>	574,279	<b>(1,012,796)</b>	Refer to note 49 (2)
Other income	1,642,352	-	<b>1,642,352</b>	350,699	<b>(1,291,653)</b>	Refer to note 49 (4)
Sale of inventory - sites	5,000,000	(1,000,000)	<b>4,000,000</b>	10,841	<b>(3,989,159)</b>	Refer to note 49 (5)
Interest received - investment	1,802,000	-	<b>1,802,000</b>	1,535,693	<b>(266,307)</b>	Refer to note 49 (3)
<b>Total revenue from exchange transactions</b>	<b>55,853,311</b>	<b>(700,000)</b>	<b>55,153,311</b>	<b>37,452,420</b>	<b>(17,700,891)</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	32,475,401	(3,000,000)	<b>29,475,401</b>	27,729,304	<b>(1,746,097)</b>	Refer to note 49 (6)
Property rates - penalties imposed	1,020,100	-	<b>1,020,100</b>	1,677,760	<b>657,660</b>	

##### Transfer revenue

Government grants & subsidies	289,191,000	6,033,183	<b>295,224,183</b>	295,178,822	<b>(45,361)</b>	
Fines	3,593,764	-	<b>3,593,764</b>	464,000	<b>(3,129,764)</b>	Refer to note 49 (7)

##### Total revenue from non-exchange transactions

<b>Total revenue from non-exchange transactions</b>	<b>326,280,265</b>	<b>3,033,183</b>	<b>329,313,448</b>	<b>325,049,886</b>	<b>(4,263,562)</b>	
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##### Total revenue

##### Expenditure

Personnel	(128,058,729)	90,000	<b>(127,968,729)</b>	(114,653,323)	<b>13,315,406</b>	Refer to note 49 (8)
Remuneration of councillors	(18,116,396)	-	<b>(18,116,396)</b>	(16,412,062)	<b>1,704,334</b>	Refer to note 49 (9)
Depreciation and amortisation	(43,988,216)	6,615,179	<b>(37,373,037)</b>	(29,407,162)	<b>7,965,875</b>	Refer to note 49(10)
Finance costs	(600,000)	-	<b>(600,000)</b>	(523,655)	<b>76,345</b>	
Debt impairment	(8,746,928)	(6,615,179)	<b>(15,362,107)</b>	(8,188,217)	<b>7,173,890</b>	Refer to note 49(11)
Bulk purchases	(37,100,000)	(3,000,000)	<b>(40,100,000)</b>	(36,471,696)	<b>3,628,304</b>	
Contracted Services	(72,630,990)	(912,500)	<b>(73,543,490)</b>	(22,014,985)	<b>51,528,505</b>	Refer to note 49(12)

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## 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						
General Expenses	(48,522,802)	4,457,564	<b>(44,065,238)</b>	(79,775,495)	<b>(35,710,257)</b>	Refer to note 49(13)
<b>Total expenditure</b>	<b>(357,764,061)</b>	<b>635,064</b>	<b>(357,128,997)</b>	<b>(307,446,595)</b>	<b>49,682,402</b>	
<b>Operating surplus</b>	<b>24,369,515</b>	<b>2,968,247</b>	<b>27,337,762</b>	<b>55,055,711</b>	<b>27,717,949</b>	
Loss on disposal of assets and liabilities	-	-	-	(470,254)	<b>(470,254)</b>	
Fair value adjustments	-	-	-	17,558	<b>17,558</b>	
Actuarial gains/losses	-	-	-	(1,304,763)	<b>(1,304,763)</b>	
	-	-	-	<b>(1,757,459)</b>	<b>(1,757,459)</b>	
<b>Surplus before taxation</b>	<b>24,369,515</b>	<b>2,968,247</b>	<b>27,337,762</b>	<b>53,298,252</b>	<b>25,960,490</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>24,369,515</b>	<b>2,968,247</b>	<b>27,337,762</b>	<b>53,298,252</b>	<b>25,960,490</b>	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	4,521,648	-	4,521,648	7,407,469	2,885,821	Refer to note 49(14)
Receivables from exchange transactions	13,023,385	-	13,023,385	137,476	(12,885,909)	Refer to note 49(15)
Receivables from non-exchange transactions	99,983,010	(2,200,000)	97,783,010	93,196,245	(4,586,765)	Refer to note 49(16)
VAT receivable	-	-	-	764,605	764,605	
Consumer debtors	19,053,189	-	19,053,189	11,967,465	(7,085,724)	Refer to note 49(17)
Cash and cash equivalents	65,456,466	14,957,264	80,413,730	38,247,161	(42,166,569)	Refer to note 49(18)
	<b>202,037,698</b>	<b>12,757,264</b>	<b>214,794,962</b>	<b>151,720,421</b>	<b>(63,074,541)</b>	

##### Non-Current Assets

Investment property	3,010,000	-	3,010,000	7,723,000	4,713,000	Refer to note 49(19)
Property, plant and equipment	630,949,192	4,049,247	634,998,439	943,317,017	308,318,578	Refer to note 49(20)
Intangible assets	2,541,961	(540,000)	2,001,961	306,593	(1,695,368)	Refer to note 49(21)
Investments	3,252,192	-	3,252,192	3,083,441	(168,751)	
	<b>639,753,345</b>	<b>3,509,247</b>	<b>643,262,592</b>	<b>954,430,051</b>	<b>311,167,459</b>	

##### Total Assets

	<b>841,791,043</b>	<b>16,266,511</b>	<b>858,057,554</b>	<b>1,106,150,472</b>	<b>248,092,918</b>	
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#### Liabilities

##### Current Liabilities

Payables from exchange transactions	62,673,649	(6,000,000)	56,673,649	50,695,361	(5,978,288)	Refer to note 49(22)
Unspent conditional grants and receipts	725,000	-	725,000	394,098	(330,902)	Refer to note 49(23)
	<b>63,398,649</b>	<b>(6,000,000)</b>	<b>57,398,649</b>	<b>51,089,459</b>	<b>(6,309,190)</b>	

##### Non-Current Liabilities

Finance lease obligation	1,143,033	-	1,143,033	1,158,502	15,469	
Employee benefit obligation	-	-	-	7,623,154	7,623,154	
Provisions	20,105,265	-	20,105,265	15,475,053	(4,630,212)	Refer to note 49(24)
	<b>21,248,298</b>	<b>-</b>	<b>21,248,298</b>	<b>24,256,709</b>	<b>3,008,411</b>	

##### Total Liabilities

	<b>84,646,947</b>	<b>(6,000,000)</b>	<b>78,646,947</b>	<b>75,346,168</b>	<b>(3,300,779)</b>	
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##### Net Assets

	<b>757,144,096</b>	<b>22,266,511</b>	<b>779,410,607</b>	<b>1,030,804,304</b>	<b>251,393,697</b>	
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# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Net Assets

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

#### Reserves

Accumulated surplus	757,144,096	22,266,511	779,410,607	1,030,804,304	251,393,697	
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# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

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

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

Grants	251,711,000	44,054,183	<b>295,765,183</b>	288,515,001	<b>(7,250,182)</b>	Refer to note 49(25)
Interest income	1,802,000	-	<b>1,802,000</b>	1,535,693	<b>(266,307)</b>	
Other receipts	78,706,092	(1,089,000)	<b>77,617,092</b>	37,866,715	<b>(39,750,377)</b>	Refer to note 49(26)
	<b>332,219,092</b>	<b>42,965,183</b>	<b>375,184,275</b>	<b>327,917,409</b>	<b>(47,266,866)</b>	

##### Payments

Suppliers and employees	(258,111,224)	(46,282,629)	<b>(304,393,853)</b>	(269,825,830)	<b>34,568,023</b>	Refer to note 49(27)
Finance costs	-	-	-	(523,655)	<b>(523,655)</b>	
	<b>(258,111,224)</b>	<b>(46,282,629)</b>	<b>(304,393,853)</b>	<b>(270,349,485)</b>	<b>34,044,368</b>	

#### Net cash flows from operating activities

	<b>74,107,868</b>	<b>(3,317,446)</b>	<b>70,790,422</b>	<b>57,567,924</b>	<b>(13,222,498)</b>	
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#### Cash flows from investing activities

Purchase of property, plant and equipment	(60,873,788)	(8,168,247)	<b>(69,042,035)</b>	(57,351,263)	<b>11,690,772</b>	Refer to note 49(28)
Short term investments	-	-	-	1,765	<b>1,765</b>	
	<b>(60,873,788)</b>	<b>(8,168,247)</b>	<b>(69,042,035)</b>	<b>(57,349,498)</b>	<b>11,692,537</b>	

#### Cash flows from financing activities

Finance lease receipts	-	-	-	(393,823)	<b>(393,823)</b>	
Net increase/(decrease) in cash and cash equivalents	13,234,080	(11,485,693)	<b>1,748,387</b>	(175,397)	<b>(1,923,784)</b>	
Cash and cash equivalents at the beginning of the year	12,775,500	-	<b>12,775,500</b>	38,422,558	<b>25,647,058</b>	
	<b>26,009,580</b>	<b>(11,485,693)</b>	<b>14,523,887</b>	<b>38,247,161</b>	<b>23,723,274</b>	

# **Blouberg Local Municipality**

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## **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.

#### **1.1 Presentation currency**

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

#### **1.2 Going concern assumption**

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

#### **1.3 Materiality**

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

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

#### **1.4 Significant judgements and sources of estimation uncertainty**

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

#### **Fair value estimation**

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

# **Blouberg Local Municipality**

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## **Accounting Policies**

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### **1.4 Significant judgements and sources of estimation uncertainty (continued)**

#### **Impairment testing**

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

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

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

#### **Useful lives assets**

The municipality's management determines the estimated useful lives and related depreciation charges for the assets in use. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

#### **Receivables /Investments and/or loans**

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

### **1.5 Comparative figures**

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

When the presentation or classification of the items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the classification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The municipality's material variance is considered when there is a 6% deviation from the budget and actual.

### **1.6 Investment property**

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

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

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

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.6 Investment property (continued)

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

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

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

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

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

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

### 1.7 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

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

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

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

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

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

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

### 1.8 Intangible assets

An asset is identifiable if it either:

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

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



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### 1.8 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer softwares	Straight line	5 to 8 years

Intangible assets are derecognised:

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

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

### 1.9 Investments

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

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## Accounting Policies

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### 1.10 Financial instruments

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

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

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

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

A financial asset is:

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

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

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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



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### 1.10 Financial instruments (continued)

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

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

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

- equity instruments or similar forms of 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.

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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### 1.10 Financial instruments (continued)

#### Classification

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

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

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

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

#### Initial recognition

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

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

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

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

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### 1.11 Leases

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

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

#### Finance leases - lessee

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

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

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

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

### 1.12 Inventories

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

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

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

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

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

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

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

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

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

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.

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## **Accounting Policies**

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### **1.13 Employee benefits**

#### **Short-term employee benefits**

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

#### **Defined benefit plans**

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

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

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

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

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

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

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

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

### **1.14 Provisions and contingencies**

Provisions are recognised when:

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

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

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

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

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### 1.14 Provisions and contingencies (continued)

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

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

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

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

Provisions are not recognised for future operating surplus.

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

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

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

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

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

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and



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### 1.14 Provisions and contingencies (continued)

- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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

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

### 1.15 Capital Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### 1.16 Revenue from exchange transactions

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

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

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

#### Measurement

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

#### 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.

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### 1.16 Revenue from exchange transactions (continued)

#### Rendering of services

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

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

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

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

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

#### Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

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

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

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

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

### 1.17 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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.



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## **Accounting Policies**

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### **1.17 Revenue from non-exchange transactions (continued)**

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.

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.

### **Transfers**

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

# **Blouberg Local Municipality**

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## **Accounting Policies**

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### **1.17 Revenue from non-exchange transactions (continued)**

#### **Fines**

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

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

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

#### **Grants**

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

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

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

### **1.18 Investment income**

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

### **1.19 Borrowing costs**

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

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

### **1.20 Accounting by principals and agents**

#### **Identification**

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

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

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

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

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

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

#### **Binding arrangement**

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

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

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## **Accounting Policies**

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### **1.20 Accounting by principals and agents (continued)**

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

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

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

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

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

#### **Recognition**

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

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

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

### **1.21 Unauthorised expenditure**

Unauthorised expenditure means:

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

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance 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.

### **1.22 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.

### **1.23 Irregular expenditure**

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

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

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

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Annual Financial Statements for the year ended 30 June 2021

## **Accounting Policies**

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### **1.23 Irregular expenditure (continued)**

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

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

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

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

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

### **1.24 Budget information**

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

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

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

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

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

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

### **1.25 Related parties**

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

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

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

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

# **Blouberg Local Municipality**

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Annual Financial Statements for the year ended 30 June 2021

## **Accounting Policies**

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### **1.25 Related parties (continued)**

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

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

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

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

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

### **1.26 Events after reporting date**

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

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

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

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

### **1.27 VAT**

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

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

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



# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

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

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

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

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

##### Standard/ Interpretation:

##### Effective date: Years beginning on or after

##### Expected impact:

- |                                   |               |  |
|-----------------------------------|---------------|--|
| • GRAP 25: Employee Benefits      | 01 April 2021 | Not expected to impact results but may result in additional disclosure |
| • GRAP 104: Financial Instruments | 01 April 2021 | Not expected to impact results but may result in additional disclosure |

## Blouberg Local Municipality

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### Notes to the Annual Financial Statements

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#### 3. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	7,723,000	-	7,723,000	8,544,772	-	8,544,772

#### Reconciliation of investment property - 2021

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	8,544,772	(839,330)	17,558	7,723,000

#### Reconciliation of investment property - 2020

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	9,760,000	(355,228)	(860,000)	8,544,772

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

#### Details of valuation

The effective date of the revaluations was Wednesday, 30 June 2021. Revaluations were performed by an independent valuer, Mod Hope Properties by Modiba Kholofelo, registered as a Professional Associated Valuer in terms of the Property Valuer's Professional Act, 2000 (Act No 47 of 2000). Mod Hope Properties are not connected to the municipality and have recent experience in location and category of the investment property being valued.

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

These assumptions are based on current market conditions.



# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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### 4. Property, plant and equipment

	2021		2020			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	7,756,290	-	7,756,290	8,026,290	-	8,026,290
Buildings	41,070,872	(23,783,099)	17,287,773	39,719,478	(22,171,583)	17,547,895
Infrastructure	1,046,580,977	(414,042,225)	632,538,752	1,040,066,225	(394,644,748)	645,421,477
Community Assets	191,242,628	(60,207,142)	131,035,486	189,537,870	(54,222,166)	135,315,705
Other Assets	40,921,052	(16,326,615)	24,594,437	37,303,812	(15,342,512)	21,961,300
WIP - Community Assets	34,012,551	-	34,012,551	23,373,917	-	23,373,917
WIP - Infrastructure	96,091,728	-	96,091,728	62,882,119	-	62,882,119
<b>Total</b>	<b>1,457,676,098</b>	<b>(514,359,081)</b>	<b>943,317,017</b>	<b>1,400,909,711</b>	<b>(486,381,008)</b>	<b>914,528,703</b>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	8,026,290	-	-	(270,000)	-	7,756,290
Buildings	17,547,895	1,351,394	-	-	(1,611,516)	17,287,773
Infrastructure	645,421,477	-	(107,003)	6,623,916	(19,399,638)	632,538,752
Community	135,315,705	-	-	1,704,758	(5,984,979)	131,035,486
Other Assets	21,961,300	5,341,529	(363,258)	-	(2,345,134)	24,594,437
WIP - Community assets	23,373,917	12,073,392	-	(1,434,758)	-	34,012,551
WIP - Infrastructure	62,882,119	39,833,525	-	(6,623,916)	-	96,091,728
<b>Total</b>	<b>914,528,703</b>	<b>58,599,840</b>	<b>(470,261)</b>	<b>-</b>	<b>(29,341,267)</b>	<b>943,317,017</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

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

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	8,026,290	-	-	-	-	8,026,290
Buildings	18,994,514	143,521	-	-	(1,590,140)	17,547,895
Infrastructure	637,501,015	438,883	(114,439)	28,428,653	(20,832,635)	645,421,477
Community	142,137,718	589,437	-	-	(7,411,450)	135,315,705
Other Assets	23,867,032	1,164,775	-	-	(3,070,507)	21,961,300
WIP Community Assets	19,424,044	3,949,873	-	-	-	23,373,917
WIP Infrastructure	47,983,277	43,327,495	-	(28,428,653)	-	62,882,119
	<b>897,933,890</b>	<b>49,613,984</b>	<b>(114,439)</b>	<b>-</b>	<b>(32,904,732)</b>	<b>914,528,703</b>

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

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

General expenses

5,447,674      3,380,589

#### Delayed projects

There were no delayed projects in current financial year.

#### Pledged as security

No assets are pledged as security.

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 5. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	750,685	(444,092)	306,593	750,685	(378,196)	372,489

#### Reconciliation of intangible assets - 2021

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

#### Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software, other	543,961	(171,472)	372,489

### 6. Investments

Name of company	Held by	Carrying amount 2021	Carrying amount 2020
ABSA Bank	Blouberg Local Municipality	3,083,441	3,085,203

The Municipality has a long term investment in an ABSA fixed deposit as Eskom Guarantee to an amount of R3 079 000 in capital. The balances were R3 083 441 (2020: R3 085 203) as at 30 June 2021. The difference from the capital amount is due to accrued interest at the end of each financial period. The municipality does not have access to the account, only receives interest on investment. During the year an amount of R112 989 (2019: R209 306) interest was earned from the investment.

### 7. Employee benefit obligations

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

<b>Carrying value</b>		
Present value of fund obligation	6,150,587	5,827,618
Current service costs	511,503	522,622
Interests costs	480,870	456,719
Benefits paid	(824,569)	(583,259)
Actuarial (gains)/losses	1,304,763	(73,113)
<b>Balance as at 30 June</b>	<b>7,623,154</b>	<b>6,150,587</b>
Current assets	-	-
Non-current liabilities	(7,623,154)	(6,150,587)
	<b>(7,623,154)</b>	<b>(6,150,587)</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>7. Employee benefit obligations (continued)</b>		
<b>Key assumptions used</b>		
<b>Rate of interest</b>		
Actual return on plan assets	8.17 %	8.25 %
Discount rates used	4.64 %	4.47 %
Expected rate of return on assets	5.64 %	5.47 %
Expected rate of return on reimbursement rights	2.39 %	2.64 %
<b>Provision for long - service awards</b>		
The employees of Blouberg Municipality qualifies for the following long service award additional leave for various periods of uninterrupted service:		
<ul style="list-style-type: none"> <li>• 10 years uninterrupted service: 10 working day's leave</li> <li>• 15 years uninterrupted service: 20 working day's leave</li> <li>• 20 years uninterrupted service: 30 working day's leave</li> <li>• 25 years uninterrupted service: 30 working day's leave</li> <li>• 30 years uninterrupted service: 30 working day's leave</li> <li>• 35 years uninterrupted service: 35 working day's leave</li> <li>• 40 years uninterrupted service: 30 working day's leave</li> <li>• 45 years uninterrupted service: 30 working day's leave</li> </ul>		
The Long Service Awards are defined benefits plans. As at year end 30 June 2021 171 (2020: 181) employees were eligible for Long Service Bonuses.		
The Employer's Unfunded Accrued Liability as at 30 June 2021 is estimated at R7 623 154 (2020: R6 150 587). The current cost for the year ending 30 June 2021 is estimated at R511 503 (2020: R522 622).		
The actual expense cost for the year ending 30 June 2020, and the net change in the accrued obligation over the financial year ending 30 June 2020 are determined as follows:		
<b>Net change in the accrued obligation</b>		
Current service cost	511,503	522,622
Current interest cost	480,870	456,719
Actuarial (gain)/loss	1,304,763	(73,113)
<b>Net expense recognised in income statement as at 30 June 2020</b>	2,297,136	906,228
Actual benefit payments	(824,569)	(583,259)
<b>Net change in the accrued liability over the financial year ending</b>	<b>1,472,567</b>	<b>322,969</b>
<b>8. Inventories</b>		
Inventory sites	3,958,695	3,194,275
Consumable stores	3,448,774	3,644,856
	<b>7,407,469</b>	<b>6,839,131</b>
<b>9. Receivables from exchange transactions</b>		
Prepaid electricity Accrued	136,755	371,994
Other Receivables	721	721
	<b>137,476</b>	<b>372,715</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 9. Receivables from exchange transactions (continued)

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

Opening balance	(1,163,175)	-
Provision for impairment	-	(1,163,175)
	<b>(1,163,175)</b>	<b>(1,163,175)</b>

### 10. Receivables from non-exchange transactions

Traffic Fines	462,500	1,018,920
Other receivable- Senior Managers	19,337	19,337
Equitable share	-	1,063,859
Other receivables from non-exchange transactions	2,228,602	1,300,187
Rates	90,485,806	70,982,123
	<b>93,196,245</b>	<b>74,384,426</b>

Included in the Traffic fines receivables there is a provision for impairment of R5 619 977 (2020: R4 747 357). Included also is a debt write off of R- (2020: R-).

Included in the property rates receivable there is a provision for impairment of R14 780 204 (2020: R13 280 969). Included also is a debt write off of R- (2020: R-).

Included in the equitable share receivable there is a provision for impairment of R1 063 859 (2020: R0). Included also is a debt write off of R- (2020: R-).

#### Receivables from non-exchange transactions

The ageing of these receivables is as follows:

#### Rates

Current	797,425	314,361
31-60 days	236,509	510,030
61-90 days	233,574	192,685
91-120 days	232,035	201,358
121-365 days	24,003,770	14,493,549
>365 days	79,939,201	68,286,056

#### Traffic fines

Current	18,800	8,800
31-60 days	98,300	16,600
61-90 days	72,600	60,600
91-120 days	24,200	64,500
121-365 days	481,300	92,800
>365 days	5,387,277	5,522,977

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

Opening balance	(18,028,326)	(14,035,388)
Provision for impairment	(3,435,714)	(3,992,938)
	<b>(21,464,040)</b>	<b>(18,028,326)</b>

### 11. VAT receivable

VAT	764,605	1,802,310
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# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>12. Consumer debtors</b>		
<b>Gross balances</b>		
Electricity	17,542,691	13,695,177
Refuse	2,976,018	1,827,921
Interest	3,618,479	2,787,697
VAT on Services	3,073,640	2,357,338
Sundries	2,201,127	1,976,534
	<b>29,411,955</b>	<b>22,644,667</b>
<b>Less: Allowance for impairment</b>		
Electricity	(10,543,557)	(8,609,149)
Refuse	(1,623,127)	(788,502)
Interest	(3,451,314)	(2,126,058)
Sundries	(1,826,492)	(1,168,278)
	<b>(17,444,490)</b>	<b>(12,691,987)</b>
<b>Net balance</b>		
Electricity	6,999,134	5,086,028
Refuse	1,352,891	1,039,419
Interest	167,165	661,639
VAT on Services	3,073,640	2,357,338
Sundries	374,635	808,256
	<b>11,967,465</b>	<b>9,952,680</b>
<b>Electricity</b>		
Current (0 -30 days)	1,582,137	778,803
31 - 60 days	426,414	1,256,210
61 - 90 days	395,918	317,956
91 - 120 days	868,253	933,025
121 - 365 days	3,947,745	2,165,329
> 365 days	10,322,224	8,243,854
	<b>17,542,691</b>	<b>13,695,177</b>
<b>Refuse</b>		
Current (0 -30 days)	243,850	112,615
31 - 60 days	112,746	205,947
61 - 90 days	111,784	100,039
91 - 120 days	111,291	99,074
121 - 365 days	839,723	502,864
> 365 days	1,556,624	807,382
	<b>2,976,018</b>	<b>1,827,921</b>
<b>Sundries</b>		
Current (0 -30 days)	49,175	16,464
31 - 60 days	24,127	32,892
61 - 90 days	24,060	16,334
91 - 120 days	23,998	14,450
121 - 365 days	176,111	115,964
> 365 days	1,903,656	1,780,430
	<b>2,201,127</b>	<b>1,976,534</b>

## Blouberg Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>12. Consumer debtors (continued)</b>		
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(12,691,987)	(5,005,540)
Contributions to allowance	(4,752,503)	(7,686,447)
	<b>(17,444,490)</b>	<b>(12,691,987)</b>



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Figures in Rand	2021	2020
<b>13. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	5,005	7,421
Bank balances	33,122,754	33,143,826
Short-term Investment	5,119,402	5,271,311
	<b>38,247,161</b>	<b>38,422,558</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
ABSA BANK - Current Account - 11 5016 9476	33,122,754	32,986,061	7,401,497	33,122,754	32,986,061	7,401,497
ABSA BANK - Current Account - 40 5735 0474	-	157,765	160,428	-	157,765	160,428
ABSA BANK - Short-term investment Account - 93 540 119 04	5,119,402	5,271,311	-	5,119,402	5,271,311	-
<b>Total</b>	<b>38,242,156</b>	<b>38,415,137</b>	<b>7,561,925</b>	<b>38,242,156</b>	<b>38,415,137</b>	<b>7,561,925</b>

## 14. Finance lease obligation

### Minimum lease payments due

- within one year	485,217	315,303
- in second to fifth year inclusive	849,130	-
	<b>1,334,347</b>	<b>315,303</b>
less: future finance charges	(175,845)	(11,555)
<b>Present value of minimum lease payments</b>	<b>1,158,502</b>	<b>303,748</b>

### Present value of minimum lease payments due

- within one year	384,187	303,748
- in second to fifth year inclusive	774,315	-
	<b>1,158,502</b>	<b>303,748</b>

Non-current liabilities	673,285	-
Current liabilities	485,217	303,748
	<b>1,158,502</b>	<b>303,748</b>

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

The average lease term was 5 years and the average effective borrowing rate was 10% (2020: 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.

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 14. Finance lease obligation (continued)

#### Market risk

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

Rand	1,158,502	303,748
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For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk refer to note .

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

### 15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Municipal Infrastructure Grant (MIG)	161,955	-
Capricorn District Municipality Grant (CDM)	135,395	135,395
National Skills Fund Grant (NSF)	-	157,764
Integrated National Electrification Programme Grant (INEP)	96,748	6,630,008
Energy Efficient Municipal Grant (EEDMP)	-	134,753
	<b>394,098</b>	<b>7,057,920</b>

#### Movement during the year

Balance at the beginning of the year	7,057,920	1,139,232
Movement during the year	(6,663,822)	5,918,688
	<b>394,098</b>	<b>7,057,920</b>

#### Non-current liabilities

Current liabilities	394,098	7,057,920
	<b>394,098</b>	<b>7,057,920</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 for reconciliation of grants from National/Provincial Government.

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

### 16. Provisions

#### Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation	12,825,271	1,730,413	14,555,684
Provision for performance bonus	614,326	305,043	919,369
	<b>13,439,597</b>	<b>2,035,456</b>	<b>15,475,053</b>

## Blouberg Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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#### 16. Provisions (continued)

##### Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Provision for restoration cost for landfill site	10,233,214	2,592,057	12,825,271
Provision for performance bonus	339,072	275,254	614,326
<b>Total Provisions</b>	<b>10,572,286</b>	<b>2,867,311</b>	<b>13,439,597</b>
Non-current liabilities		919,369	614,326
Current liabilities		14,555,684	12,825,271
		<b>15,475,053</b>	<b>13,439,597</b>

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

##### Provision for performance bonus

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

##### Environmental rehabilitation provision

The Alldays and Senwabarwana land fill sites are permitted facilities in terms of section 20 of Environmental Conservation Act 73 of 1989. The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation discounted at 7%, which is the prime rate as at June 2021. Both landfill sites are expected to be in operation for a period of 5 years from July 2019.

#### 17. Payables from exchange transactions

Trade payables	10,635,855	12,979,901
Payments received in advance	1,696,633	4,416,700
Retentions	15,749,797	14,625,851
13th cheque provision	2,227,535	2,173,222
Accrued leave pay	10,146,181	9,796,370
Prepaid electricity accrual	207,629	6,529
Sale of stands deposits	683,555	358,393
Other Creditors	991,366	1,787,364
Landfill site	5,184,268	4,942,105
Unallocated deposits	3,172,539	2,581,445
	<b>50,695,358</b>	<b>53,667,880</b>

##### Sale of sites

Included in payables from exchange transactions is the amount of R360 132 (2020: R358 393) relating to monies paid by customers for the sale of stands. Once ownership has been transferred to customers, a reallocation will be made from payables to sale of stands in the statement of financial performance thereby realising the revenue from sale of stands.

##### Accrued for leave

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

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 17. Payables from exchange transactions (continued)

#### Unallocated deposits

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

### 18. Revenue

Service charges	30,264,180	31,515,126
Rental of facilities and equipment	551,690	799,051
Licences and permits	3,824,031	3,372,309
Photocopies & Electricity Fines - Illegal connections	11,306	28,626
CDM - Commissions received	341,007	362,884
Cemetery, Burial and Plans approval fees	208,172	145,443
Valuation services	1,305	288
Interest charged on Outstanding Debtors	574,279	461,208
Sale of Inventory - Sites/Land	10,841	363,010
Cattle Grazing	129,916	50,634
Interest received - Investments & Current accounts	1,535,693	1,700,717
Property rates	27,550,104	25,567,365
Property rates - penalties imposed	1,677,760	1,761,605
Government grants & subsidies	295,178,822	248,704,311
Fines	464,000	1,018,920
	<b>362,323,106</b>	<b>315,851,497</b>

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

Service charges	30,264,180	31,515,126
Rental of facilities and equipment	551,690	799,051
Licences and permits	3,824,031	3,372,309
Photocopies & Electricity Illegal connections	11,306	28,626
CDM - Commissions received	341,007	362,884
Cemetery, Burial & Plans approval fees	208,172	145,443
Valuation Services	1,305	288
Interest on Outstanding Debtors	574,279	461,208
Sale of Inventory - Sites/Land	10,841	363,010
Cattle Grazing	129,916	50,634
Interest received - investment	1,535,693	1,700,717
	<b>37,452,420</b>	<b>38,799,296</b>

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

##### Taxation revenue

Property rates	27,550,104	25,567,365
Property rates - penalties imposed	1,677,760	1,761,605

##### Transfer revenue

Government grants & subsidies	295,178,822	248,704,311
Fines	464,000	1,018,920
	<b>324,870,686</b>	<b>277,052,201</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>19. Service charges</b>		
Sale of electricity	28,825,555	30,338,900
Refuse removal	1,438,625	1,176,226
	<b>30,264,180</b>	<b>31,515,126</b>
<b>20. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Rental of facilities	551,690	799,051
<b>21. Sale of inventory - Sites/Stand</b>		
Sale of inventory - Sites/Stand	10,841	363,010
<b>22. Interest received - investment</b>		
<b>Interest revenue</b>		
Investments	1,535,693	1,700,717
<b>23. Property rates</b>		
<b>Rates received</b>		
Residential	2,132,220	1,801,865
Commercial	2,537,450	2,097,171
State-owned	21,556,970	20,304,348
Small Holdings & Farms	1,323,464	1,363,981
	<b>27,550,104</b>	<b>25,567,365</b>
Interest charges on overdue account	1,677,760	1,761,605
	<b>29,227,864</b>	<b>27,328,970</b>
<b>Valuations</b>		
Residential	510,956,320	467,408,820
Commercial	396,834,000	362,313,000
State-owned	377,740,000	376,160,000
Municipalities	73,212,482	54,244,200
Other	7,330,500	5,620,500
Small Holdings and farms	3,355,527,625	3,199,802,565
	<b>4,721,600,927</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.

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## Notes to the Annual Financial Statements

Figures in Rand

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### 24. Government grants and subsidies

#### Operating grants

Equitable share	235,077,753	186,309,000
Financial Management Grant (FMG)	2,500,000	2,534,000
Expanded Public Works Programme (EPWP)	1,547,000	1,072,000
Capricorn District Municipality Grant (CDM)	-	2,932,500
Disaster Relief Grant	-	358,000
National Skills Fund Grant (NSF)	157,764	2,663
	<b>239,282,517</b>	<b>193,208,163</b>

#### Capital grants

Municipal Infrastructure Grant (MIG)	43,363,045	44,350,000
Integrated National Electrification Programme Grant (INEP)	12,533,260	9,146,148
Energy Efficiency Demand Management Grant (EEDMG)	-	2,000,000
	<b>55,896,305</b>	<b>55,496,148</b>
	<b>295,178,822</b>	<b>248,704,311</b>

#### Equitable Share

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

The municipality received additional allocation amounting to R37 million through the equitable shares. This increased the 2020/21 municipal equitable shares allocation from R197 million to R235 million. The R37 million added to the local government Equitable shares allowed municipalities to maintain existing services despite a decline in revenue collections and also cover some additional expenses incurred in response to the pandemic.

#### Financial Management Grant (FMG)

Current-year receipts	2,500,000	2,534,000
Conditions met - transferred to revenue	(2,500,000)	(2,534,000)
	-	-

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

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

#### Municipal infrastructure Grant ( MIG)

Current-year receipts	43,525,000	44,350,000
Conditions met - transferred to revenue	(43,363,045)	(44,350,000)
	<b>161,955</b>	-

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

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

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 24. Government grants and subsidies (continued)

#### Expanded Public Works Programme (EPWP)

Current-year receipts	1,547,000	1,072,000
Conditions met - transferred to revenue	(1,547,000)	(1,072,000)
	-	-

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

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

#### Capricorn District Municipality (CDM)

Balance unspent at beginning of year	135,395	67,895
Current-year receipts	-	3,000,000
Conditions met - transferred to revenue	-	(2,932,500)
	<b>135,395</b>	<b>135,395</b>

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

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

#### National Skills Fund Grant (NSF)

Balance unspent at beginning of year	157,764	160,428
Conditions met - transferred to revenue	(157,764)	(2,664)
	-	<b>157,764</b>

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

National skills fund is geared towards funding of skills development or training through various SETAS inline with priority skills for the economy.

#### Integrated National Electrification Programme (INEP)

Balance unspent at beginning of year	6,630,008	776,156
Current-year receipts	6,000,000	15,000,000
Conditions met - transferred to revenue	(12,533,260)	(9,146,148)
	<b>96,748</b>	<b>6,630,008</b>

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

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



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Figures in Rand	2021	2020
<b>24. Government grants and subsidies (continued)</b>		
<b>Energy Efficient and Demand Management Grant (EEDMG)</b>		
Balance unspent at beginning of year	134,753	134,753
Current-year receipts	-	2,000,000
Conditions met - transferred to revenue	(134,753)	(2,000,000)
	<b>-</b>	<b>134,753</b>

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

To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

The unspent grant for the Energy Efficient and Demand Management Grant (EEDMG) was returned to National Treasury as there were no further expenditure to be incurred on the project (the project was completed). The amount was withheld by treasury on the amount of equitable equities that was received by the municipality.

### Disaster Relief Grant

Current-year receipts	-	358,000
Conditions met - transferred to revenue	-	(358,000)
	<b>-</b>	<b>-</b>

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

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

### 25. Employee related costs

Basic Salary	65,331,211	63,348,595
Bonus	5,611,383	5,452,341
Medical aid - company contributions	4,417,211	4,183,758
Unemployed Insurance Fund (UIF)	603,119	618,891
Skills Development Levy (SDL)	984,517	858,771
Leave payout	679,705	1,485,528
Pension Fund contributions	14,108,813	13,760,547
Travel, motor car, accommodation, subsistence and other allowances	15,583,703	15,014,716
Overtime payments	2,592,188	2,275,768
Long-service awards	511,503	522,622
13th Cheques	114,477	111,409
Acting allowances	580,444	393,046
Car allowance	529,601	513,059
Housing benefits and allowances	208,221	177,015
Daily Allowances	130,253	116,297
Bargaining Council	147,711	20,588
Standby allowance	427,330	533,869
Telephone & CellPhone allowances	2,091,933	2,047,699
	<b>114,653,323</b>	<b>111,434,519</b>

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

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Figures in Rand	2021	2020
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### 25. Employee related costs (continued)

#### Remuneration of municipal manager

Annual Remuneration	760,422	734,828
Car Allowance	301,564	293,326
Performance Bonuses	63,368	60,809
Contributions to UIF, Medical and Pension Funds	139,455	134,383
Other allowances	75,264	75,569
Back pay	-	35,982
	<b>1,340,073</b>	<b>1,334,897</b>

#### Remuneration of chief finance officer

Annual Remuneration	613,309	608,214
Car Allowance	-	219,733
Performance Bonuses	51,109	50,600
Contributions to UIF, Medical and Pension Funds	228,037	136,736
Other allowances	137,508	64,593
Back pay	65,538	17,886
	<b>1,095,501</b>	<b>1,097,762</b>

#### Remuneration of Senior Management

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

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

Remuneration of Senior Management 2020	Technical Services	Economic Development and Planning	Corporate Services	Community Services	Total
Annual Remuneration	-	601,453	608,214	455,396	1,665,063
Leave Pay out	-	-	-	68,006	68,006
13th Cheque	-	49,927	50,600	67,466	167,993
Travel, motor car, accomodation, substance and other allowances	-	217,042	219,733	163,554	600,329
Contributions to UIF, Medical and Pension Funds	-	64,145	145,071	109,458	318,674
Other allowances	-	29,702	64,593	48,303	142,598
Back pay	-	143,607	17,886	16,098	177,591
	-	<b>1,105,876</b>	<b>1,106,097</b>	<b>928,281</b>	<b>3,140,254</b>

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Figures in Rand	2021	2020
<b>26. Remuneration of councillors</b>		
Mayor	895,750	904,075
Chief Whip	678,900	688,990
Executive Committee Members	2,537,589	2,913,020
Speaker	710,219	723,557
Councillors	11,589,604	11,746,038
	<b>16,412,062</b>	<b>16,975,680</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	29,341,266	32,904,732
Intangible assets	65,896	171,472
	<b>29,407,162</b>	<b>33,076,204</b>

### 28. Finance costs

Finance leases	42,785	60,435
Long Service Awards	480,870	456,719
	<b>523,655</b>	<b>517,154</b>

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

### 29. Provision for debt impairment

Debt impairment	8,188,217	12,842,559
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### 30. Bulk purchases

Electricity - Eskom	36,471,696	37,670,974
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### 31. Contracted services

#### Presented previously

Fleet Services	254,571	347,200
Operating Leases	2,515,249	1,259,137
Other Contractors	19,245,165	15,730,727
	<b>22,014,985</b>	<b>17,337,064</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>32. General expenses</b>		
Advertising	818,157	1,031,132
Audit fees	3,362,927	3,146,201
Bank charges	604,952	416,583
Provision for restoration costs of landfill site	1,972,577	2,698,443
EPWP costs	4,202,649	3,278,082
Consulting and professional fees	26,585,930	11,302,420
Land donation to CDM	-	546,000
Workmens Compensation Costs	482,936	310,389
PMS Cost	-	286,821
MPAC expenses	7,052	380,562
Insurance	1,201,060	836,507
Conferences, Accomodation and seminars	897,340	1,169,454
IT expenses	1,912,272	1,000,129
Fuel Costs	2,384,785	2,384,799
Postage Costs	-	5,015
Printing and stationery	133,996	1,903,760
Promotions	49,675	144,323
Master Plans for LDP	217,895	815,215
Repairs and maintenance	5,447,674	3,380,589
Poverty Alleviation	457,365	167,880
Staff welfare	-	13,085
Subscriptions and membership fees	2,007,554	2,296,517
Telephone and fax	1,720,743	1,745,606
Training Costs	-	334,714
Subsistence and travel	8,183,940	10,172,716
Group Insurance	109,286	113,308
Special Focus	500	128,466
Tourism event promoters	-	92,500
Audit committee fees	334,031	871,114
Bursaries	204,865	82,970
Public participation	181,786	540,910
Licence fees - vehicles	3,674	70,857
Refreshments	49,336	191,846
Remuneration of ward committee members	4,129,726	3,945,107
Free basic services electricity	1,032,780	1,272,839
Support of ward committee	889,080	1,469,053
Sport Development	-	20,500
Other expenses	10,188,952	10,469,018
	<b>79,775,495</b>	<b>69,035,430</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>33. Cash generated from operations</b>		
Surplus	53,119,052	16,060,587
<b>Adjustments for:</b>		
Depreciation and amortisation	29,407,162	33,076,204
Loss on sale of assets and liabilities	470,255	114,439
Fair value adjustments	(17,558)	860,000
Finance costs - Finance leases	-	60,435
Debt impairment	8,188,217	12,842,559
Movements in employee benefits obligation	1,472,567	322,969
Movements in provisions	2,035,456	2,867,311
<b>Changes in working capital:</b>		
Inventories	270,989	314,892
Receivables from exchange transactions	235,239	3,022,858
Consumer debtors	(10,203,002)	(11,444,987)
Receivables from non-exchange transactions	(18,811,819)	16,949,334
Payables from exchange transactions	(2,972,517)	(1,381,032)
VAT	1,037,705	1,461,085
Unspent conditional grants and receipts	(6,663,822)	5,918,688
	<b>57,567,924</b>	<b>81,045,342</b>
<b>34. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	42,600,030	8,684,724
<b>Total capital commitments</b>		
Already contracted for but not provided for	42,600,030	8,684,724
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Security services	27,223,301	38,595,325
• Consulting services	2,417,968	-
• Town Planning Professional Services	1,443,162	-
• Operation and Maintenance of Senwabarwana Landfill site	2,768,000	7,827,500
• Township Registration	1,248,759	1,783,368
• Establishment of Bochum, Alldays and Senwabarwana	-	1,468,438
• Mobile Communication Services	1,415,499	1,523,346
• Sanitary Bins	533,014	-
• Supply and Installation of Electronic Record Management System	-	616,193
	<b>37,049,703</b>	<b>51,814,170</b>
<b>Total operational commitments</b>		
Already contracted for but not provided for	37,049,703	51,814,170
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	42,600,030	8,684,724
Authorised operational expenditure	37,049,703	51,814,170
	<b>79,649,733</b>	<b>60,498,894</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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### 34. Commitments (continued)

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.

### 35. Contingencies

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

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

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

#### Contingent Liabilities

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

1. Kgamaki Jonas Mangweta: Case No. LP/PLK/RC 499/2015 - The plaintiff is suing the municipality for defamation. The matter is still pending due to the plaintiff not having legal representative.	300,000	300,000
2. Machuene Charlese Keetse - The plaintiff is suing the Municipality and the Minister of Police for unlawful arrest and detention. The matter is still pending 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. 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
5. Tebogo Mokoboti - The plaintiff is suing the Municipality for damages which she claim to have suffered as a results of a collision which between her vehicle and the Council's grader. The matter is still pending. Awaiting further particulars.	51,101	51,101
6. Pension Fund For Municipal Councilors - The Municipality received a letter of demand from the Municipal Councilors Pension Fund for outstanding contributions by some of the Municipality's Councilors and sought a legal opinion from Lebea and Associates Attorneys on the letter of demand.	7,800,000	-
7. Masilo Rapetsoa - The plaintiff seeks is suing the Municipality after his cattle dies after allegedly eating something from the landfill site. The Municipality appointed N.J Morero Attorneys to defend the matter. The matter has been settled.	-	180,000

12,825,901

5,205,901

# Blouberg Local Municipality

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Figures in Rand	2021	2020
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### 36. Related parties

Relationships

Members of key management

Councillors  
Executive Committee Members  
Municipal Manager  
Chief Financial Officer

### Related party transactions

Debtors Balance with key management

Councillor Tshoshi M

Councillor Thamaga NM

Councillor Selamolela S

7,646	6,967
257,772	117,821
8,460	9,032

<b>273,878</b>	<b>133,820</b>
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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

2,291,638	2,066,698
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### Key management information

#### Remuneration of management

#### Municipal Manager and Chief Financial Officer

2021

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

2020

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Machaba MJ	734,828	60,809	368,895	134,165	35,982	1,334,679
Mabote NJ	608,214	50,600	284,326	136,355	17,886	1,097,381
	<b>1,343,042</b>	<b>111,409</b>	<b>653,221</b>	<b>270,520</b>	<b>53,868</b>	<b>2,432,060</b>



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## Notes to the Annual Financial Statements

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2020

### 36. Related parties (continued)

#### Councillors/Executive Committee Members

2021

	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Pheedi MS	639,879	262,355	9,798	912,032
Tshoshi MM	480,361	207,238	147,991	835,590
Thamaga MN	512,384	218,162	92,520	823,066
Makobela SR	479,761	207,270	131,390	818,421
Mashalane MS	120,090	52,479	26,235	198,804
Makgakga JP	340,924	159,491	123,120	623,535
Morapedi AM	480,361	207,270	121,486	809,117
Makhura MH	267,384	134,192	112,840	514,416
Rangata MJ	267,384	134,192	149,439	551,015
Maila MP	267,384	133,544	133,363	534,291
Ntlatla MW	267,384	134,192	146,834	548,410
Mathidza SE	202,088	102,503	-	304,591
Masekwameng MR	202,088	102,503	93,379	397,970
Raseruthe MA	202,088	102,503	87,179	391,770
Lehong MV	202,088	102,503	95,599	400,190
Tlouamma MM	202,088	102,503	51,069	355,660
Moetjie NT	202,088	102,503	146,031	450,622
Mojodo MD	202,088	102,503	99,388	403,979
Seema MI	202,088	102,503	90,058	394,649
Maifo ML	202,088	102,503	149,877	454,468
Mokobodi CS	202,088	102,503	80,194	384,785
Moshokoa MS	202,088	102,503	80,032	384,623
Murathi MS	202,088	102,503	94,714	399,305
Molema MN	202,088	102,503	93,140	397,731
Sabetha MJ	202,088	102,503	93,507	398,098
Mathekga MJ	202,088	102,503	34,988	339,579
Ramoba MR	202,088	102,503	110,978	415,569
Sekgoloane MJ	260,116	126,753	137,489	524,358
Molokomme MM	202,088	102,503	93,564	398,155
Mphago MA	202,088	102,503	68,233	372,824
Mondingwana MG	202,088	102,503	93,958	398,549
Setwaba DS	202,088	102,503	91,719	396,310
Maleka NG	202,088	102,503	80,133	384,724
Magwadi RT	202,088	102,503	95,088	399,679
Madzhie AE	202,088	102,503	10,498	315,089
Selamolela S	202,088	102,503	75,903	380,494
Madibana SS	202,088	102,503	-	304,591
Phoshoko NC	202,088	102,503	56,839	361,430
Mabolola SJ	202,088	102,503	49,053	353,644
Chula MI	202,088	102,503	42,265	346,856
Morudu MF	202,088	102,503	44,140	348,731
Madibana MR	202,088	102,503	48,411	353,002
Madiopo MT	202,088	102,503	-	304,591
Tefo LT	202,088	102,503	62,529	367,120
Tjumanana MM	202,088	102,503	79,148	383,739
	<b>11,052,316</b>	<b>5,359,737</b>	<b>3,724,119</b>	<b>20,136,172</b>

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### 36. Related parties (continued)

2020

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

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### 36. Related parties (continued)

Management class: Senior management

2021

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

2020

	Local Economic Development	Corporate Services	Community Services	Total
<b>Name</b>				
Annual remuneration	601,453	608,214	455,396	1,665,063
Leave pay	-	-	68,006	68,006
13th Cheque	49,927	50,600	67,466	167,993
Travel, Motor Car, Accommodation	217,042	219,733	163,554	600,329
Contribution to UIF and Medical Aid	64,145	145,071	109,458	318,674
Other allowances	29,702	64,593	48,303	142,598
Back pay	143,607	17,886	16,098	177,591
	<b>1,105,876</b>	<b>1,106,097</b>	<b>928,281</b>	<b>3,140,254</b>

### 37. Prior period errors

The useful lives and residual value of all asset classes was reviewed and adjusted during 2020/21 to more accurately reflect the period of economic benefits or service potential derived from these assets. During the assessment it was noted that incorrect usefulives were used on the assets that were fully depreciated and adjustments were performed retrospectively. The tables below details the adjustments from the exercise.

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

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### 37. Prior period errors (continued)

#### Statement of financial position

##### 2019

Property, Plant and Equipment

Accumulated surplus

As previously reported	Correction of error	Restated
896,318,997	1,614,893	897,933,890
1,535,890	-	1,535,890
(960,009,774)	(1,614,893)	(961,624,667)
(62,154,887)	-	(62,154,887)

##### 2020

Property, Plant and Equipment

Receivables from exchange transactions

Accumulated surplus

As previously reported	Correction of error	Restated
910,264,634	4,264,069	914,528,703
1,535,890	(1,163,175)	372,715
(974,584,360)	(3,100,894)	(977,685,254)
(62,783,836)	-	(62,783,836)

#### Statement of financial performance

##### 2020

Depreciation

Provision for Debt Impairment

As previously reported	Correction of error	Restated
35,553,906	(2,649,174)	32,904,732
11,679,385	1,163,175	12,842,560
47,233,291	(1,485,999)	45,747,292

### 38. Risk management

#### Financial risk management

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

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 38. Risk management (continued)

#### Liquidity risk

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

#### At 30 June 2021

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	50,432,213	-	-	-

#### At 30 June 2020

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	53,667,881	-	-	-

#### 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.

#### Market risk

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates. Interest rate risk arises from the fluctuations in the economic market due to the economic climate. The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

The Municipality has significant exposure to interest rate risk due to the volatility in South African interest rates, fluctuations in interest rates on bonds issued and short-term investment will impact the Municipality's cash flow negatively. The municipality's interest rate risk arises from interest that is being earned on the cash deposits and investments that the municipality has invested with the ABSA bank. Investments issued at variable rates expose the municipality to cash flow interest rate risk.

### 39. Going concern

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality to remain in force for as long as it takes to restore the solvency of the municipality.

### 40. Events after the reporting date

The municipality have not identified any material non-adjusting events after the reporting date relating to the financial period then ended 30 June 2021.

# Blouberg Local Municipality

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### 41. Impact of COVID-19

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

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

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

The municipality received additional allocation amounting to R37 million through the equitable shares. This increased the 2020/21 municipal equitable shares allocation from R197 million to R235 million. The R37 million added to the local government Equitable shares allowed municipalities to maintain existing services despite a decline in revenue collections and also cover some additional expenses incurred in response to the pandemic.

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

### 42. Unauthorised expenditure

Opening balance as previously reported	3,348,006	-
<b>Opening balance as restated</b>	<b>3,348,006</b>	<b>-</b>
Add: Expenditure identified - current	-	3,348,006
<b>Closing balance</b>	<b>3,348,006</b>	<b>3,348,006</b>

#### Unauthorized Expenditure: R3, 348,006.18

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

The said expenditure amount was taken to Council (SC06/2020-21) held on the 29th June 2021 of which referred the matter to MPAC for further investigation.

### 43. Fruitless and wasteful expenditure

Opening balance as previously reported	3,514	3,415
<b>Opening balance as restated</b>	<b>3,514</b>	<b>3,415</b>
Add: Expenditure identified - current	-	2,492
Less: Amounts recoverable - current	(1,022)	(2,393)
<b>Closing balance</b>	<b>2,492</b>	<b>3,514</b>

#### Fruitless and Wasteful Expenditure: R2,492.00

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

The previous year's Fruitless expenditure amount of R1022.23 has been recovered from an employee after the year End and therefore has been recognized as debtor.



## Blouberg Local Municipality

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### Notes to the Annual Financial Statements

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<b>44. Irregular expenditure</b>		
Opening balance as previously reported	3,496,151	12,586,204
<b>Opening balance as restated</b>	<b>3,496,151</b>	<b>12,586,204</b>
Add: Irregular Expenditure - current	30,286,364	11,442,433
Less: Amount written off - current	-	(20,532,486)
<b>Closing balance</b>	<b>33,782,515</b>	<b>3,496,151</b>

#### Amounts written-off

##### Opening Balance: R3,496,151.0

The Municipality has an opening balance of R3,496,151.00 (Ingwe) as result of advertisement of Bid of more than R10mill period less than 30days (SCM Reg22).

The said Irregular expenditure amount was taken to Council (SC06/2020-21) held on the 29th June 2021 of which referred the matter to MPAC for further investigation.

##### Current Year Expenditure: R30,286,364.00

The current year irregular expenditure amount is because of Operation and Maintenance of Senwabarwana Landfill Site for 36 months which was found by AGSA in 2019/2020 audit(refer to the opening balance) and both Construction of Senwabarwana By Pass Road and Sports Complex Phase5 projects of which the municipality has advertised for a period less than that is stipulated in the SCM Regulation 22 due to the following reasons:

- Covid 19 Disaster lockdown delayed the completion of designs.
- Spending as per Municipal infrastructure grant Framework deadline.

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

##### Contributions to organised local government

Current year subscription / fee	1,516,690	1,337,728
Amount paid - current year	(1,516,690)	(1,337,728)
	-	-

##### Audit fees

Current year subscription / fee	3,867,366	3,146,201
Amount paid - current year	(3,867,366)	(3,146,201)
	-	-

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

##### PAYE and UIF

Current year subscription / fee	23,582,791	22,727,772
Amount paid - current year	(23,582,791)	(22,727,772)
	-	-

##### Pension and Medical Aid Deductions

Current year subscription / fee	22,224,844	25,166,704
Amount paid - current year	(22,224,844)	(25,166,704)
	-	-



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

##### VAT

VAT receivable	764,605	1,247,263
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VAT output payables and VAT input receivables are shown in note .

##### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Thamaga M	40,690	217,082	257,772
Councillor Selamolela	985	7,475	8,460
Councillor Tshoshi M	1,318	6,328	7,646
	<b>42,993</b>	<b>230,885</b>	<b>273,878</b>

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Thamaga M	932	116,889	117,821
Councillor Selamolela	932	8,101	9,033
Councillor Tshoshi M	928	6,039	6,967
	<b>2,792</b>	<b>131,029</b>	<b>133,821</b>

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

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### 46. Deviation from supply chain management regulations

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

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

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

Supplier name and details	Reason	Amount
RGR Services - Procurement of repairs and services of roller compactor and SDLG grader	Authorised dealer for volvo parts for the service	114,194
Mohodi community radio - Procurement of airing of covid-19 message	Only Local service provider	68,000
MTN - Procurement of tablets for councilors	Only Network service provider that is accessible by the municipality	483,227
Workshop Electronics - Calibration of Vehicle Testing Machines	Sole Provider for the service	28,758
MN Auto electrical services - Services and maintenance of tipper truck CDXG527L	Service of Tipper Truck needed urgently	54,700
Batsibi Technologies - Purchase for Configuration of Server	Emergency	68,504
SABC - Radio airtime on Thobela FM for Service Delivery Report by the mayor	Sole Provider for the service	57,546
Workshop Electronics - Calibration of Vehicle Testing Machines	Sole Provider for the service	10,093
Lexis Nexis - procure books for National Road Traffic Act93/1996 update.		15,934
Kodumela Electrical Engineering - Reconditioning of 14 Transformers	Sole Service provider	352,879
Xixhodo Technologies - Network Down time(Troubleshooting and Upgrade firmware on switches)	Emergency- Network Down time(Troubleshooting and Upgrade firmware on switches)	57,145
Mohodi Community Radio Station - Advertising Space for Court Order	Only local Radio Station(Sole Service provider)	21,635
Mohodi Community Radio Station - Advertising Space for Court Order	Only local Radio Station(Sole Service provider)	42,000

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<b>46. Unauthorised expenditure (continued)</b>		
Truvelo Africa Electronics Division (Pty) LTD - Procurement of Prolaser 4 Speed Measuring Instrument	Sole Service provider	150,000
Truvelo Africa Electronics Division (Pty) LTD - Calibration of Prolessor	Sole Service provider	25,413
Subtotal		<u>1,550,028</u>
		<u><b>1,550,028</b></u>

### 47. Segment information

#### General information

##### Identification of segments

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

##### Reportable segment

Segment 1  
Segment 2

##### Goods and/or services

Technical Services  
Community and public safety

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### 47. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Other notes to the financial statements

#### Revenue

Revenue from non-exchange transactions  
Revenue from exchange transactions

**Total segment revenue**

**Entity's revenue**

#### Expenditure

Salaries and wages  
Contracted services  
Operational costs  
Bulk purchases  
Depreciation and amortisation

**Total segment expenditure**

**Total segmental surplus/(deficit)**

#### Assets

Current assets  
Non-current assets

**Total segment assets**

**Total assets as per Statement of financial Position**

Technical Services	Community and public safety	Total
55,899,587	4,705,313	60,604,900
29,263,905	1,535,906	30,799,811
<b>85,163,492</b>	<b>6,241,219</b>	<b>91,404,711</b>
		<b>91,404,711</b>

18,026,244	25,095,712	43,121,956
10,673,511	10,927,946	21,601,457
1,816,733	1,753,155	3,569,888
36,471,696	-	36,471,696
27,231,703	-	27,231,703
<b>94,219,887</b>	<b>37,776,813</b>	<b>131,996,700</b>
		<b>(40,591,989)</b>

2,457,635	477,650	2,935,285
32,596,357	1,642,006	34,238,363
<b>35,053,992</b>	<b>2,119,656</b>	<b>37,173,648</b>
		<b>37,173,648</b>

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### 47. Segment information (continued)

#### Liabilities

Current liabilities

Non current liabilities

**Total segment liabilities**

**Total liabilities as per Statement of financial Position**

	Technical Services	Community and public safety	Total
	-	164,177	164,177
	525,200	1,972,577	2,497,777
	<b>525,200</b>	<b>2,136,754</b>	<b>2,661,954</b>
			<b>2,661,954</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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<b>48. Distribution Losses</b>		
Electricity	5,751,258	3,696,940

The municipality purchased units 23 519 035 (2020: 20 966 321 units) from Eskom and sold 19 810 295 units (2020: 18 735 868 units) resulting in a difference of 3 708 740 units (2020: 2 230 453 units) between the purchases and sales. This amounts to a distribution loss of 15.77% (2020: 10.64%).

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

**Note 1** - The decrease is as a result of non payments ( Income was negatively affected by Covid-19).

**Note 2** - The decrease was due to the effects of lockdown regulations which resulted in reduced activities and non payments by debtors.

**Note 3** - The increase is as a result of reasonable negotiated interest rates with the banks which were above the inflation rates.

**Note 4** - The decrease is due to no awareness campaign due to covid regulations.

**Note 5** - The decrease is due to due to delays on tribunal sittings.

**Note 6** - The decrease is due to the municipality planned supplementary roll not covering all properties.

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

**Note 8** - The decrease in employee cost was due to none increase on senior managers salaries and unfilled vacant post during the financial year.

**Note 9** - The decrease was due to none increases on councillors salaries.

**Note 10** - Due to number of calender days as compare to last year.

**Note 11** - The increase in debt impairment is due to increase in accounts not being paid in time due to economic challenges and lockdown regulations that impacted the customers

**Note 12** - The decrease was as a result of covid 19 regulations.

**Note 13** - The decrease was as a result of covid 19 regulations.

**Note 14** - The increase in inventory is due to land inventory included under inventory.

**Note 15** - There were no transactions in the current year in relation to other debtors and the budget amount also includes portion for property rates billings.

**Note 16** - The decrease is caused by huge impairments on debtors due to poor collections and also Covid-19 impact on the economy and community.

**Note 17** - The decrease is caused by huge impairments on debtors due to poor collections and also Covid-19 impact on the economy and community.

**Note 18** - The decrease in cash is due to poor collections on revenue billed during the year and outstanding debtors due to challenges being caused by Covid-19 on the economy of the country.

**Note 19** - The movement is caused by fair value adjustments and transfer of land to inventory.

**Note 20** - The increase is due to new assets transferred from work in progress and additions that were bought in the current financial period.

**Note 21** - The decrease is due to expenses that were incurred on software licenses that were not capitalised due to their nature.

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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

**Note 22** - There were less accruals in the current financial period due to Covid-19 regulations impact.

**Note 23** - The decrease is due to conditional grants expenditure being incurred on the grants that were received as conditional grants.

**Note 24** - The decrease was due to Covid-19 impact assumptions used to calculate provisions which are not favourable with the economy.

**Note 25** - Grants amounts were received as per budgeted and few conditional grants that were budgeted for were not received.

**Note 26** - The decrease in other receipts was due to poor collections on debtors due to Covid-19 regulations and impact on the economy.

**Note 27** - The decrease is due to VAT not included on the expenditure incurred and it is included on the budgeted amounts.

**Note 28** - The decrease is due to VAT not included on the expenditure incurred and it is included on the budgeted amounts.



# Blouberg Local Municipality

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### 50. Accounting by principals and agents

The entity was a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

#### Water Service Authority (WSA) and Water Service Provider (WSP) Service Level Agreement

WSA (CDM) was authorized in terms of Structures Act Section 84(1) b and 84(1) to perform functions and exercises the powers as Water Service Authority. The District Municipality appointed Local Municipalities as WSPs in line with Water Service Provider Contract regulations (R980 of 19th July 2002) on interim basis. The contract commenced on the 1st July 2018 and remain effective until revised, reviewed, changed or amended by the parties. In terms of SLA, WSP shall account for the revenue collected as commission earned from the agency services in line with paragraph 8.3 titled Revenue Collection and implement credit Control and Debt Collection in line with paragraph 8.4 of the Service Level Agreement.

#### Memorandum of Understanding between Department of Roads and Transport (DRT) and Blouberg Local Municipality (BLM)

DRT is responsible for general motor vehicle registration and drivers' licenses in terms of applicable National and Provincial Road Traffic legislations. MOU formalizes the relationship between the two state organs and establishes the terms and conditions which the Municipality shall provide functions on behalf of DRT, in line with applicable legislations to the citizens of the republic and as envisaged by Batho Pele Principles. In terms of the MOU, BLM shall collect and retain monies as per annexure B and C of the MOU and pay to DRT a percentage agreed in the annexures, within a period of 30 days of each calendar month.

#### Memorandum of Understanding between Ontec (Pty) Ltd and Blouberg Local Municipality (BLM)

Ontec is contracted to the municipality, to provide on line vending service to pre paid customers. The agent manages pre paid meters and collects revenue on behalf of the municipality from third party vendors. The agent is paid (10,25%) based on commission of revenue collected on a monthly basis.

#### Entity as agent

##### Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (WSA) is R 341,007 (2020:R 362,884).

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal (DRT) is R4 389 161 (2020: R4 391 229 ).

#### Entity as principal

##### Fee paid

The aggregate amount of compensation fee that the entity recognised as fees for the transactions carried out on behalf of the agent is R1 379 709 (2020: R2 245 894).

# **CHAPTER 6:**

# **AUDITOR'S**

# **GENEREAL REPORT**

# Report of the auditor-general to Limpopo provincial legislature and council on Blouberg local municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Blouberg Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Blouberg Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No 4 of 2020) (DoRA).

### Basis for opinion

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

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

### **Material impairment**

8. As disclosed in notes 29 to the financial statements, material impairments to the amount of R8 188 217 were incurred as a result of debt impairment due to irrecoverable trade debtors.

### **Material losses**

9. As disclosed in note 48 to the financial statements, material electricity losses to the amount of R5 751 258 (2020: R3 696 940) was incurred which represents 15.77% (2020: 10.64%) of total electricity purchased.

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

10. With reference to note 35 to the financial statements, the municipality is the defendant in claims. The municipality is opposing these claims. The ultimate outcome of the matters could not presently be determined and no provision for any liability that may result has been made in the financial statements.

### **Other matters**

11. I draw attention to the matters 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.

### **Responsibilities of the party for the financial statements**

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP statements and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

16. 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.
17. 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

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA1-Basic services and infrastructure	x – x

21. 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.

22. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:

- KPA 1- Basic services and infrastructure

### **Other matters**

23. I draw attention to the matters below.

#### **Achievement of planned targets**

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

#### **Adjustment of material misstatements**

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic services and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

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

### **Introduction and scope**

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

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

#### **Financial statements, performance and annual reports**

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

#### **Supply chain management**

29. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).



30. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).
31. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the Construction Industry Development Board Act, 2000 (Act No 38 of 2000) (CIDB Act) and CIDB regulations 17 and 25(7A).

#### **Expenditure management**

32. Reasonable steps were not taken to prevent irregular expenditure amounting to R33 782 515 as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d). The majority of the irregular expenditure was caused by Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2)d.

#### **Other information**

33. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
34. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
35. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. 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**

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



38. The accounting officer did not exercise adequate oversight responsibility over the preparation of the financial statements, the annual performance report, compliance with laws and regulations.
39. Management did not implement adequate processes to ensure that reviews took place before information was submitted. This was evidenced by the material misstatements in the financial statements that were corrected, non-compliance with laws and regulations and internal control deficiencies noted throughout the audit process.

Auditor-General

Polokwane

30 November 2021



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

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

### **Financial statements**

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

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.