

# ANNUAL REPORT

## DR. KENNETH KAUNDA

DISTRICT MUNICIPALITY



### VISION:

**Exploring Prosperity through  
Sustainable Service Delivery For All**

### MISSION:

**To Provide An Integrated District  
Management Framework In  
Support Of Quality Service Delivery**



**2018/19**

EXPLORING PROSPERITY

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## LIST OF ABBREVIATIONS

<b>ABP</b>	Area Based Approach
<b>ACLA</b>	Advisory Commission Land Allocation
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ASGISA</b>	Accelerated Shared Growth Initiative of South Africa
<b>BEE</b>	Black Economic Empowerment
<b>BFHI</b>	Baby Friendly Hospital Initiative
<b>CASP</b>	Comprehensive Agricultural Support Programme
<b>CFO</b>	Chief Financial Officer
<b>CHC</b>	Community Health Centre
<b>CHS</b>	Community Health Service
<b>CHW</b>	Community Health Worker
<b>COGTA</b>	(Department of) Cooperative Governance and Traditional Affairs
<b>COHASA(COHSASA)</b>	Council for Health Service Accreditation of South Africa
<b>CSOs</b>	Civil Society Organizations
<b>DACE</b>	Department of Agriculture Conservation and Environment
<b>DBSA</b>	Development Bank of Southern Africa
<b>DLGHS</b>	Department of Local Government and Human Settlements
<b>DEAT</b>	Department of Environmental Affairs and Tourism
<b>DHP</b>	District Health Plan
<b>DLA</b>	Department of Land Affairs
<b>DMP</b>	Disaster Management Programme
<b>DOA</b>	Department of Agriculture/Dead on Arrival
<b>DOTS</b>	Directly Observed Treats
<b>DPW</b>	Department of Public Works
<b>DTI</b>	Department of Trade and Industry
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EAP</b>	Employee Assistance Programme
<b>ECD</b>	Early Childhood Development
<b>EDL</b>	Essential Drug List
<b>EDSC</b>	Environmental Data Standard System
<b>EPWP</b>	Extended Public Works Program
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GDP</b>	Gross Domestic Product
<b>GGP</b>	Gross Geographic Product
<b>GIS</b>	Geographic Information System
<b>GITO</b>	Government Information and Technology Office
<b>GNP</b>	Gross National Product
<b>GRAP</b>	General Recognized Accounting Practice
<b>GVA</b>	Gross Value Added
<b>GVA-R</b>	Gross Value Added by Region
<b>HIV</b>	Human Immune Virus
<b>HOD</b>	Head Of Department
<b>IDP</b>	Integrated Development Plan
<b>IDT</b>	Independent Development Trust
<b>IGR</b>	Inter-Governmental Relations
<b>IMCI</b>	Integrated Management of Childhood Illnesses
<b>INP</b>	Integrated Nutrition Programme
<b>ISRDP</b>	Integrated Sustainable Rural Development Programme
<b>IT</b>	Information Technology
<b>JDF</b>	Joint Development Forum
<b>JIPSA</b>	Joint Initiative on Priority Skills Acquisition
<b>KEDEP</b>	KOSH Early Development Programme
<b>KOSH</b>	Klerksdorp-Orkney-Stilfontein-Hartebeesfontein
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LA</b>	Local Authority
<b>LDO</b>	Land Development Objectives
<b>LED</b>	Local Economic Development
<b>LG</b>	Local Government
<b>LTS</b>	Land Tenure System
<b>LUMS</b>	Land Use Management System
<b>MFMA</b>	Municipal Finance Management Act



<b>MHS</b>	Municipal Health Services
<b>MIG</b>	Municipal Infrastructure Grant
<b>MMC</b>	Member of Mayoral Committee
<b>MSDF</b>	Municipal Spatial Development Framework
<b>MSIG</b>	Municipal Systems Improvement Grant
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTREF</b>	Medium Term Revenue and Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>NDA</b>	National Development Agency
<b>NGO</b>	Non-Governmental Organization
<b>NQF</b>	National Qualification Framework
<b>NSA</b>	National Skills Authority
<b>NSDP</b>	National Spatial Development Perspective
<b>OHSA</b>	Occupational Health and Safety Act
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PHC</b>	Primary Health Care
<b>PIMSS</b>	Planning Implementation Management Support System
<b>PMS</b>	Performance Management System
<b>PMTCT</b>	Prevention from Mother to Child Transmission
<b>PSC</b>	Public Service Commission
<b>PSDF</b>	Provincial Spatial Development Framework
<b>RLCC</b>	Regional Land Claims Commission
<b>RPL</b>	Recognition of Prior Learning
<b>SAPS</b>	South African Police Services
<b>SAQA</b>	South African Qualification Authority
<b>SASSA</b>	South African Social Services Agency
<b>SDF</b>	Spatial Development Framework
<b>SDL</b>	Skills Development Levy
<b>SDM</b>	Southern District Municipality
<b>SEA</b>	Strategic Environment Assessment
<b>SMME</b>	Small Medium and Micro Enterprise
<b>SOE</b>	State of the Environment
<b>SOP</b>	Standard Operating Procedure
<b>STI</b>	Sexually Transmitted Infection
<b>TADSA</b>	Technical Aid To The Disabled in South Africa
<b>TB</b>	Tuberculosis
<b>UNESCO</b>	United Nations Education, Science and Cultural Organization
<b>URP</b>	Urban Renewal Programme
<b>VIP</b>	Ventilated Improved Pit-latrine
<b>WSA</b>	Water Services Authority
<b>WSDP</b>	Water Services Development Programme

## 1. CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 1.1. COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



As the Executive Mayor of Dr Kenneth Kaunda District Municipality, I am honoured and humbled to present this draft report. It presents an opportunity to report back on the achievement of the identified developmental and service delivery goals, as adopted in terms of the previous Integrated Development Plan (IDP) and planned in the Service Delivery Budget Implementation Plan for the Dr Kenneth Kaunda District Municipality. The report therefore reflects on all efforts, to realize the goals of developmental government in the interest of our people including institutional development and good governance.

The Dr Kenneth Kaunda District Municipality has committed itself to a specific vision in terms of the adopted IDP. The stated vision of **“Exploring prosperity through sustainable service delivery for all”** is to be achieved through cooperation, coordination and participation of developmental stakeholder both in the public and private sector. Community participation has therefore been a driver working together with our local municipalities to allow for the identified needs of our people to be adequately and timely addressed with full focus on the district powers and functions.

The council adopted the following strategic objectives in 2018/19 financial year:

- To provide environmental health services
- To promote physical infrastructure development services
- To promote socio-economic development
- To ensure disaster risk management
- To promote integrated transport services
- To promote community safety
- To ensure internal municipal excellence

## **Key Policy Developments**

During the year under review council approved amendments to the Integrated Development Plan, the 2018/19 Service Delivery and Budget Implementation Plan was subsequently approved and aligned to the IDP and the Budget. Revision/adjustments were also affected on the Service Delivery and Budget Implementation Plan as well as the budget, to correctly close down on service delivery gaps during the first six months of the financial year.

## **Key Service Delivery Improvements**

The municipality through Municipal Health & Environmental Management Services Department has during the 2018/19 financial year executed its Constitutional Mandate to promote a safe, clean and healthy environment through environmental awareness campaigns. Between July 2018 and June 2019, good progress has been made with regard to the provision of Municipal Health Services to the residents of Dr Kenneth Kaunda District Municipality. During the period under review the municipality continued to perform its legislative mandate in the Municipal Health Services Department;

Local Economic Development, (LED) is about location marketing; attraction of investors; real estate development; entrepreneurship development and business start-ups; skills development; improvement of infrastructure; strengthening of local businesses by providing access to business and financial services; cluster, value chain or sector development; creating a business friendly environment and efficient public sector; fostering business linkages; or improving aspects of the quality of life and therefore attracting businesses and skilled workers and professionals.

Based on the above, the Dr Kenneth Kaunda District Municipality invested and supported several programmes and projects in various economic sectors such as agriculture, manufacturing, mining, sports, arts, culture as well as tourism. Herewith below is a summary of some programmes and projects that were supported:

- Provided skills and training for 50 Internet Service Providers in collaboration with the National Department of Telecommunications and Postal Services. The focus of the programme was on Domain Name Resellers Programme and Digital Skills through ZADNA and NEMISA.
- Hosted the Dr Kenneth Kaunda AgriBiz School Camp for 50 Learners and Farmers. The camp was mainly to expose school leaving learners and emerging farmers to opportunities with the agricultural sector, and practical commercial farming.
- Hosted the Inaugural Dr Kenneth Kaunda District Food and Wine Tasting Festival at Matlosana Mall.
- Assisted the North West Athletics South (Dr Kenneth Kaunda Region) to participate as event officials at the South African Youth Athletics Championships in Cape Town.
- Supported the annual Shinkyokushinkai Matlosana Karake Cup
- Assisted two (2) Theatre Productions in collaboration with Provincial Department of Culture, Arts, and Traditional Affairs to participate at the Grahamstown National Arts Festival. The groups are DikwenaTsa Matlosana Cultural Group and Baitsanape Arts Foundation.

With the high number of youth being unemployed within the country, the youth within the district has also suffered in terms of unemployment. The district has managed to create 204 opportunities during the 2018/19 financial year using the EPWP grant and internal funding through LED Initiatives, EPWP, and Capital project, Disaster Risk Volunteers, CBPs and Coordinators.

The district has assisted 162 students with bursaries to study in higher learning where an amount of 2,05 Million was spent, 5 more individuals were assisted with educational needs based on requests received where a total of R126 440, 00 was also spent. This program continues to open doors to many and increases the number of graduates who have potential to contribute in the corporate world and/or start SMMEs and Corporatives which the district also assists in improving the businesses.

### ***Future Actions***

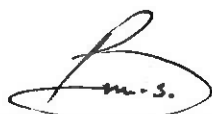
The municipality has set aside R2.6 Million for the assessment of paved roads within the district. The municipality has also set aside funds for the development of the district Spatial Development Framework. The district will also continue to offer financial assistance to deserving students. Funds have also been set aside for youth programs and the support of SMMEs and Cooperatives through the issuing of grants. The completion of the District Dolomite Strategy should be achieved in the near future.

### ***Agreements/ Partnerships***

The district has partnered with sector departments, local municipalities and SALGA (through the Back to Basics program), in an effort to ensure the efficient provision of services to our communities.

### ***Conclusion***

The journey in the provision of services to communities within the Dr Kenneth Kaunda District continues. It is the duty for all of us to embrace the realities and opportunities presented by the forth Industrial revolution. We are to make sure that communities in this district are counted amongst not only beneficiaries but to be also active participants. Thank you to the countless stakeholders that we partner with in the process, the committed politicians as in councillors and in different structures in the district municipality, our local municipalities, the administration and community at large, without your support and dedication this will have not been possible.



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**Alderman Barei Elizabeth Mosiane-Segotso**  
**Executive Mayor**

## 1.2. COMPONENT B: EXECUTIVE SUMMARY

### 1.2.1. MUNICIPAL MANAGER'S OVERVIEW



It is both an honour and a privilege to present the 2018/2019 Dr Kenneth Kaunda District Municipality's Annual Report. The annual report is developed according with the guidelines of Circular No. 63 of September 2012 as defined by the Municipal Finance Management Act (MFMA), No. 56 of 2003. Section 121 of the MFMA prescribes that Municipalities and their Entities (Dr Kenneth Kaunda District Economic Agency in this case) prepare Annual Reports and put forth the required contents thereof. It further states that;

(2) The purpose of the Annual Report is:

- (a) to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- (b) to provide a report on performance in service delivery and budget implementation for the financial year;
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity

Dr Kenneth Kaunda DM is a Category C municipality, with Executive Authority, and has three Category B municipalities (Maquassi Hills, Matlosana & JB Marks). The district coordinates service delivery in general, but all the local municipalities have Water Service Authority status. It stands to reason that the local municipalities also provide basic services (water, sanitation, electricity, waste removal and to a certain extent provision of housing) in collaboration with the four family of local municipalities.

The Dr Kenneth Kaunda District Economic Agency shares economic development functions with the DM, and has a Board of Directors and functional organizational personnel. The Agency is funded and reports directly to the DM within agreed upon structures and enjoys shared services like Internal Audit and Audit Committee. Provincial and National Sector Departments in the province have strong formal structural relations with the DM and have always been available to provide expert advice, assistance and material support wherever and whenever required.

The IDP Sector Departments Engagements, the IDP Representative Forum, Technical IGR, Disaster Advisory Forum, and the Municipal Manager's forum are just an example of some of the formal functional structures in the district.

### **Alignment of municipal services to the IDP and Council priorities**

The District Municipality has through Council adopted and approved a 5 year IDP with the main focus on their Powers & Functions. The district needs to finalise engagements with department of Cooperative Governance and Traditional Affairs in the province and COGTA National to reconcile the Powers and Functions that must be carried out by the district. This exercise will assist in implementing Council's objectives in the IDP.

We are proud that the 1st piloted implementation of Municipal Health and Environmental By-Law has been very successful in JB. This is one of the revenue enhancement strategic objectives were revenue opportunities were realised. Other identified PPP Projects were presented to National Treasury to source advice and guidance.

### **Service delivery performance**

All service delivery departments performed and delivered on most expectations. The development of the District Dolomite Strategy is at a stage where dolomatic risk areas in the district have been identified, this will contribute to avoiding dolomatic risk when planning infrastructure related projects are undertaken. Communities within the district continue to enjoy safe drinking water as water samples are taken from time to time to ensure compliance with the applicable standards. Food safety and environmental awareness campaigns received priority attention. Pollution control also received attention with mining houses having submitted their dust reduction plans. Ageing infrastructure at local municipalities and slow pace on maintenance have in some cases affected progress made with regard to dealing with sewage spillages and illegal dumping.

A number of challenges had to be faced over the past year under review. The municipality experienced management capacity constraints as a result of contracts for some senior managers coming to an end and some leaving the municipality for better opportunities elsewhere. The planned targets were to a large extent achieved by ensuring unity in effort and teamwork. The appointment of a new management team to join the Accounting Officer had it challenges but success was registered in appointing the Senior Manager Corporate Services. Interventions were put in place with acting Senior Managers in other positions. More noteworthy is the position of the Chief Financial Officer that ultimately saw the municipality having to resort to secondment from the Provincial treasury in the last quarter of the financial year.

Local Economic Development is the backbone of any economy. The district gave priority to exposing SMME's, Artists and Cooperatives to both provincial and national events. The exposure profiles the district and also opens new markets and opportunities. The municipality managed to place 85 learners on the Fire and Rescue Operations Learnership and 100 learners on the Local Economic Development Learnership, the municipality further managed to employ 5 Interns through the Financial Management Grant.

### **Financial sustainability as represented by financial health ratios**

The District Municipality is wholly grant dependent due to its powers and functions (Not a Water Services Authority). Good financial management and collaboration with other spheres in implementing some projects and programmes in an integrated manner has contributed to prudence in managing finances. There is total compliance regarding spending on grants. It would work better for the municipality if the National Treasury and Government could consider a different formula for allocating equitable shares as the present formula growth rate has normally been below the inflation rate. Cash flow management is critical to the municipality; the municipality has been able to ensure that enough cash is available to cover set objectives and or Council commitments.

## **Administration Policies**

Priority was also given to policies to govern not only our human resources which is our most valued asset but, our entire municipal area. The Placement policy, Danger allowance and the Staff Movement Policy are amongst the key human resources policies to can be highlighted.

Sector departments (COGTA, DLGHS) largely assisted during the 2018/19 financial year with the review of the organizational structure to improve the municipal transformation and organizational development function as our Key Performance Area. It is anticipated that the organizational structure will be approved by council in the 2019/20 financial year.

## **Shared Services**

The District Municipality has an Internal Audit shared services agreement with the Maquassi Hills Local Municipality and the District Economic Development Agency. The purpose is to assist the local Municipality and the Agency in improving their audit outcome through auditing of their financial and performance reports.

## **Conclusion**

I take this opportunity to appreciate and acknowledge the political leadership for their direction and active involvement in municipal activities and to the municipal officials for their service during the review period.

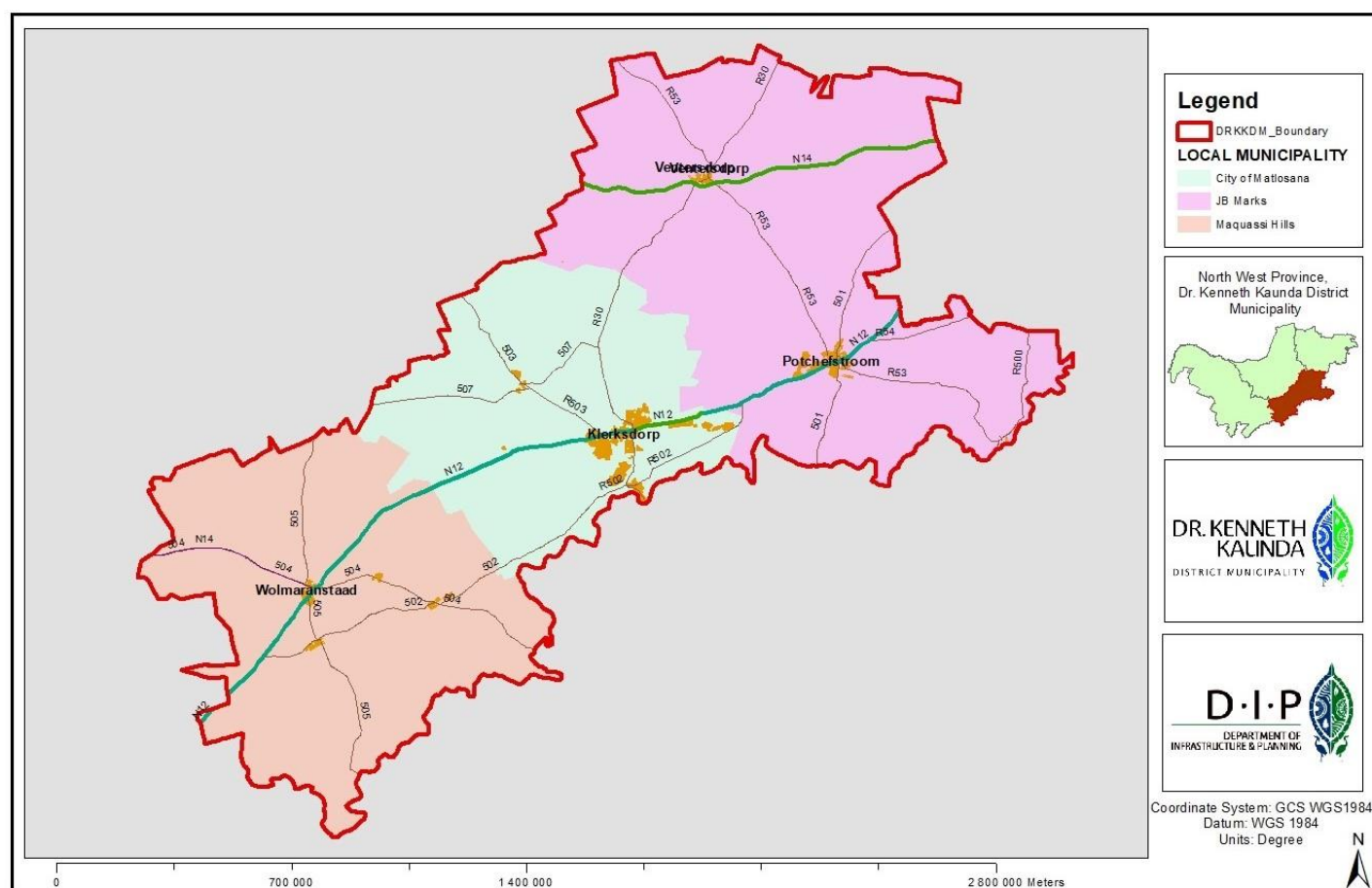
  
**SM LESUPI**  
**Municipal Manager**

## 1.2.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### • INTRODUCTION TO BACKGROUND DATA

The Dr Kenneth Kaunda DM consists of three local municipalities i.e. City of Matlosana Municipality, JB Marks Local Municipality and Maquassi Hills Local Municipality. The area covered by the District Municipality appears on the map below (**Figure 1**) and this is followed by the demographics. The statistical information is the combination of the Census 2011, the 2007 Community Survey by StatsSA, the Quantec Research of 2008, the Dr Kenneth Kaunda DM Spatial Development Framework of 2011 and other analyses described hereunder. The analyses are based upon demarcation boundaries as at 2010 provided by Statistics South Africa.

**Figure 1 Map of Dr Kenneth Kaunda District Municipality**



### Total Population

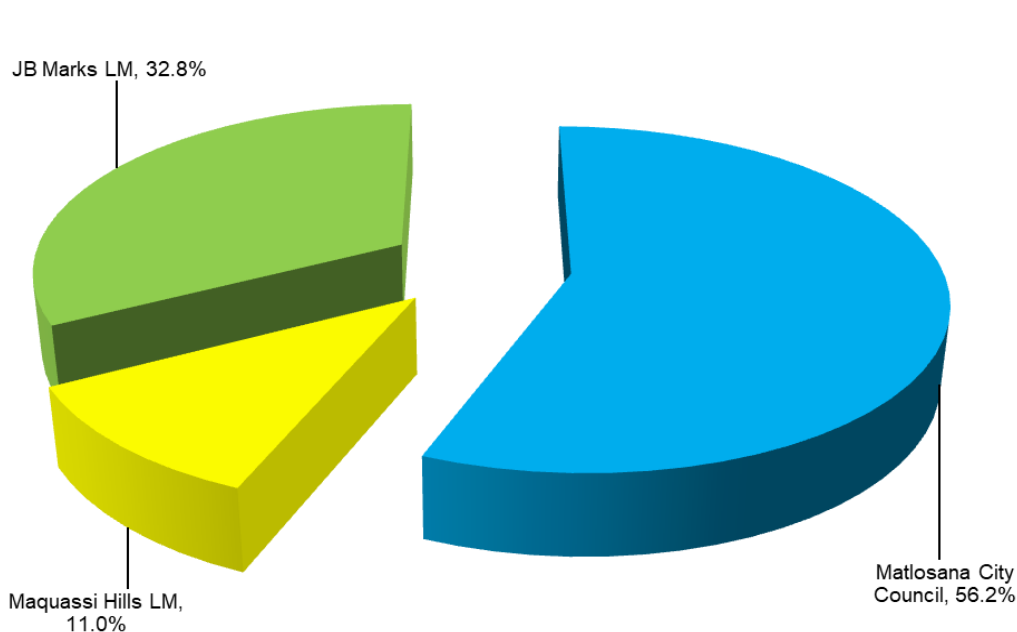
According to Statistics South Africa (*Census 2011*), the **population** of the Dr. Kenneth Kaunda District (based on 2010 boundaries) is **695 933**, increased from 599 670 in 2001 (Consider **Table 1.**). The population is unevenly distributed among the four Local Municipalities and the average annual growth rate of the district is 1.49%.



**Table 1: Population Figures**

Municipality	Total Population			Population (%)			Annual Growth (%)	
	2001	2011	2016	2001	2011	2016	2001-11	2011-16
JB Marks (NW405)	171431	219464	243528	28.59	31.54	32.78	1.28	1.11
City of Matlosana (NW 403)	359202	398676	417281	59.90	57.29	56.18	1.11	1.05
Maquassi Hills (NW 404)	69037	77794	82013	11.51	11.18	11.04	1.13	1.05
Dr Kenneth Kaunda (DC40)	599670	695934	742822	100	100	100	1.16	1.07

The majority of the Dr. Kenneth Kaunda District population reside within the City of Matlosana LM (56.18, down from 57.29% in 2011), followed by NW405 JB Marks (32.78, up from 31.54% in 2011). The Local Municipality with the lowest population in the Dr. Kenneth Kaunda District is Maquassi Hills (11.04, down from 11.18%). The number of wards per local municipality is Matlosana (39), JB Marks (34) and Maquassi Hills (11) for a total of 84 in the DM, as on September 2016 (*Statistics SA, Census 2011, Community Survey 2016*). The number of households within the Dr. Kenneth Kaunda District was estimated at about 221 400 in 2016, from 203 331 in 2011 (*IHS Markit Regional eXplorer Version 1160*).



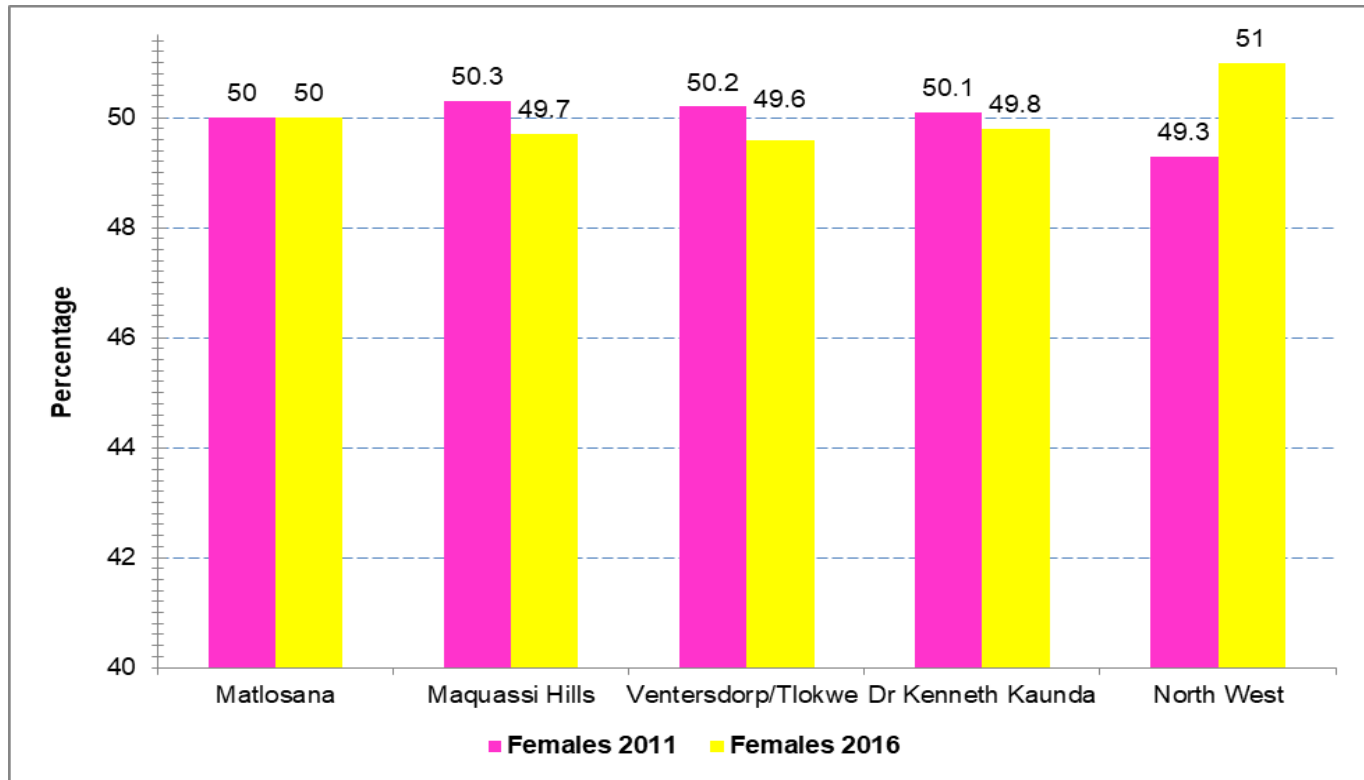
**Figure 2**  
Population  
Distribution of  
Dr Kenneth  
Kaunda DM

*Source: Statistics  
SA, Census 2011*

### Population by Gender

The gender structure of the North West Province, Dr Kenneth Kaunda DM and its constituent local municipalities is depicted in **Figure 2**. This information indicates a fairly equal distribution between male and female population in all constituent municipalities. The proportion of the female population is for NW405 JB Marks, 49.6%, Matlosana, 50%, Maquassi Hills, 49.7%, and Dr Kenneth Kaunda DM averages at 49.8%, while the NW Province sits at 51%.

There are no apparent significant changes that have occurred between 2011 and 2016 in terms of gender population. It would normally be expected that the gender structure of the population in an area dominated by the mining sector (such as Matlosana) is dominated by males due to the presence of migrant workers. The continuous closure of mines has seen the male:female population percentage ratio in Matlosana at almost 50:50 (percentage points). This is consistent with the Census of 2011 and the Community Survey of 2007 estimates.



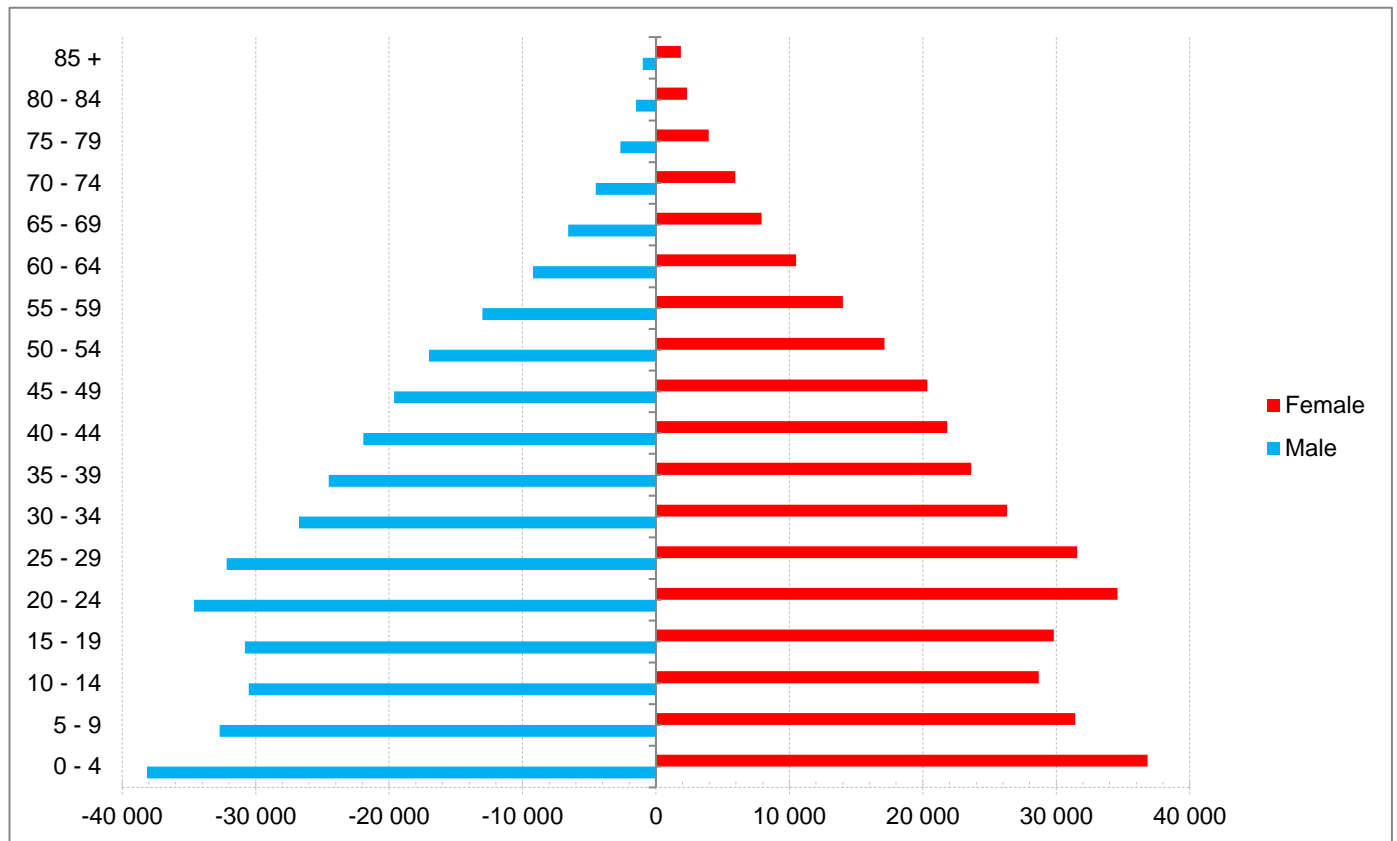
**Figure 3: Percentage Female Population**

*Source:* 1. Statistics SA, Census 2001  
2. Statistics SA, Census 2011

### Population by Age

The population pyramid (Figure 3) indicates that there were more people in younger ages, particularly in age groups 0–4 and 5–9, and less people in older ages, particularly from the ages 65 and older. A new cycle of the pyramid is being developed from the lower ages, barring some significant changes in the mortality rates. The graph explicitly indicates that from about ten (10) to twenty (20) years ago, infant mortality was high, hence the indentation in the pyramid. The population distribution has, however, followed a normal distribution for the past ten years. This may be attributed to the increasing quality of health care which contained the epidemic successfully. The department of Health is better positioned to explain the reasons for the high infant mortality which occurred in the past ten to twenty years timeframes.

**Figure 4: Population Pyramid**



*Source: Statistics SA, Census 2011*

### Population by Province of Previous Residence

According to **Table 2** the highest number of immigrants from outside the province come from the Gauteng Province, followed by the Free State, then those outside the Republic of South Africa, and then the Eastern Cape Province.

**Table 2: Population numbers by Province of Previous Province**

	Western Cape	Eastern Cape	Northern Cape	Free State	Kwazulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Outside SA	Do not know	Not Applicable	Unspecified	Total
City of Matlosana	310	1070	498	2589	446	30984	3477	361	750	1618	99	375013	69	417282
Maquassi Hills	20	19	49	350	-	6599	333	-	458	239	-	73944	-	82012
JB Marks	630	459	484	2017	425	15025	5081	474	834	617	75	217388	17	243527
Dr Kenneth Kaunda DM	960	1548	1031	4956	871	52608	8891	835	2042	2474	174	666345	86	742821

### Population Growth Rate

The **population growth** figures for the district between 2011 and 2016 are summarized in **Table 2** and **Figure 4**. According to the official Statistics SA data, the total population have increased from 695 933 in 2011 to 742822 in 2016. The average annual growth rate has declined from 1.18% between 2001 to 2011, to 1.07% between 2011 and 2016. This growth rate is significantly lower than 2.1% which is necessary to maintain the current population levels constant.

Various **population growth rates** are being utilized for the purpose of population projections in various existing policy documents and plans. Two alternative population projections, utilizing the base year figure in 2007 was provided by Statistic SA and is restated for the purpose of the SDF. The first scenario assumes a constant annual growth rate remaining at 1.3% per annum from 2007 to 2020. The second scenario assumes a decreasing growth rate estimating a figure of 1.3% per annum up to 2010, a figure of 1.1% per annum from 2011 to 2015, and 0.9% from 2016 to 2020. The projected 2020 population figures, based on these alternative scenarios will be 750 000 and 728 000 respectively by 2020.

### Population Education Levels

The status and changes in the education profile of the district population between 2001 and 2016 is given in Table 3 and depicted on Figures 5 (a) to (b). There has been a significant improvement in overall skills levels, most notably the decrease of adult illiteracy by 0.67 as a percentage of the population. In addition, the percentage of people without matric have decreased by 0.91%, with a corresponding increase in the proportion of population with matric 0.05%), matric and bachelor's degrees (or equivalent qualification(0.52%)) and matric plus postgraduate degrees (or equivalent qualification(0.08%)).

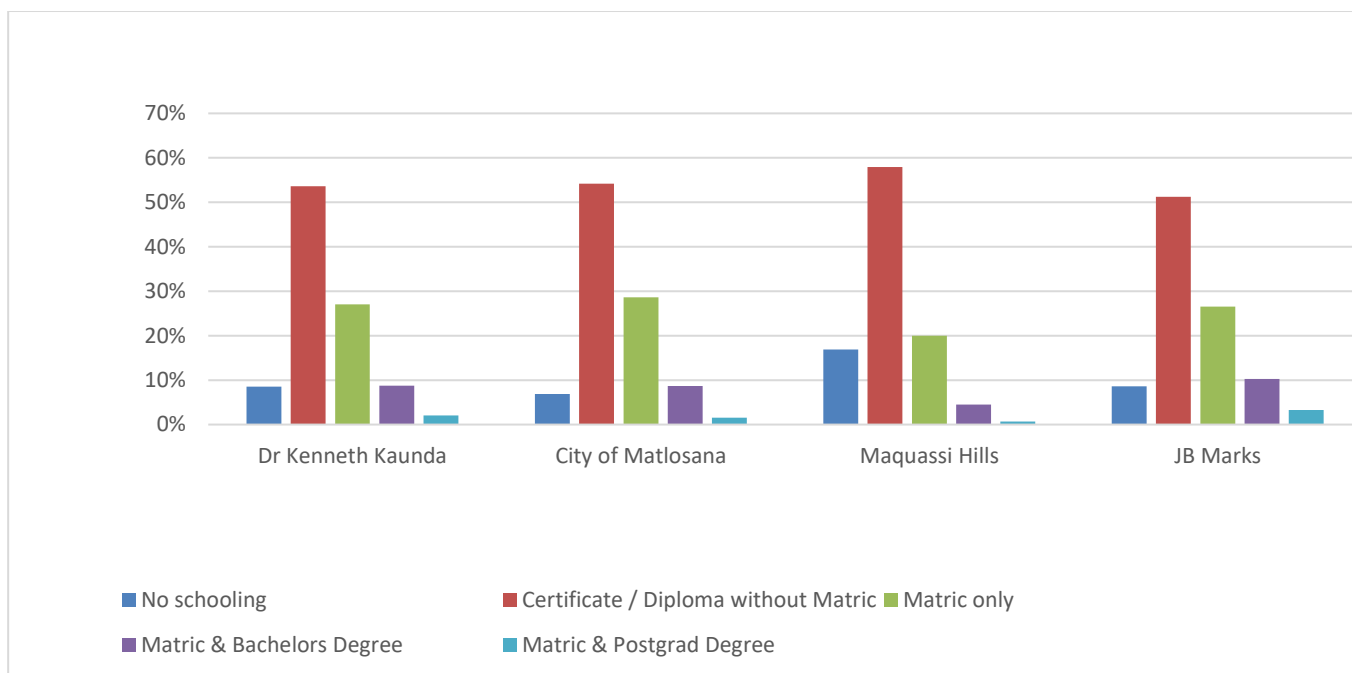
Matlosana has the highest proportion of the population with matric (51%), with the lowest proportion in Maquassi Hills (32%). Maquassi Hills has also a corresponding higher percentage of the population with a qualification of less than matric 48% (district average is 30%) and slightly higher percentage of the population without any schooling at 17% (just higher than the district average of 16%). The newly established (through a merger of Ventersdorp and Tlokwe) municipality has a higher percentage of the population with qualifications higher than matric at 9% to the district average of 7%.

**Table 3: Education Profile of Population older than 20 Years (2001-2016)**

	<b>Dr Kenneth Kaunda</b>			<b>City of Matlosana</b>			<b>Maquassi Hills</b>			<b>JB Marks</b>		
	<b>2001</b>	<b>2011</b>	<b>2016</b>	<b>2001</b>	<b>2011</b>	<b>2016</b>	<b>2001</b>	<b>2011</b>	<b>2016</b>	<b>2001</b>	<b>2011</b>	<b>2016</b>
No schooling	59968	41333	39545	30996	18836	18177	13084	10026	8143	15888	12471	13225
Certificate / Diploma without Matric	219753	237853	249438	138467	139604	142587	19814	24596	27906	61472	73653	78945
Matric only	74003	116527	125902	46846	70972	75369	4842	8566	9631	22315	36989	40902
Matric & Bachelors Degree	22563	34301	40855	12780	19731	22812	1268	1903	2182	8515	12667	15861
Matric & Postgrad Degree	3279	8259	9477	1147	3344	4044	94	290	332	2038	4625	5101

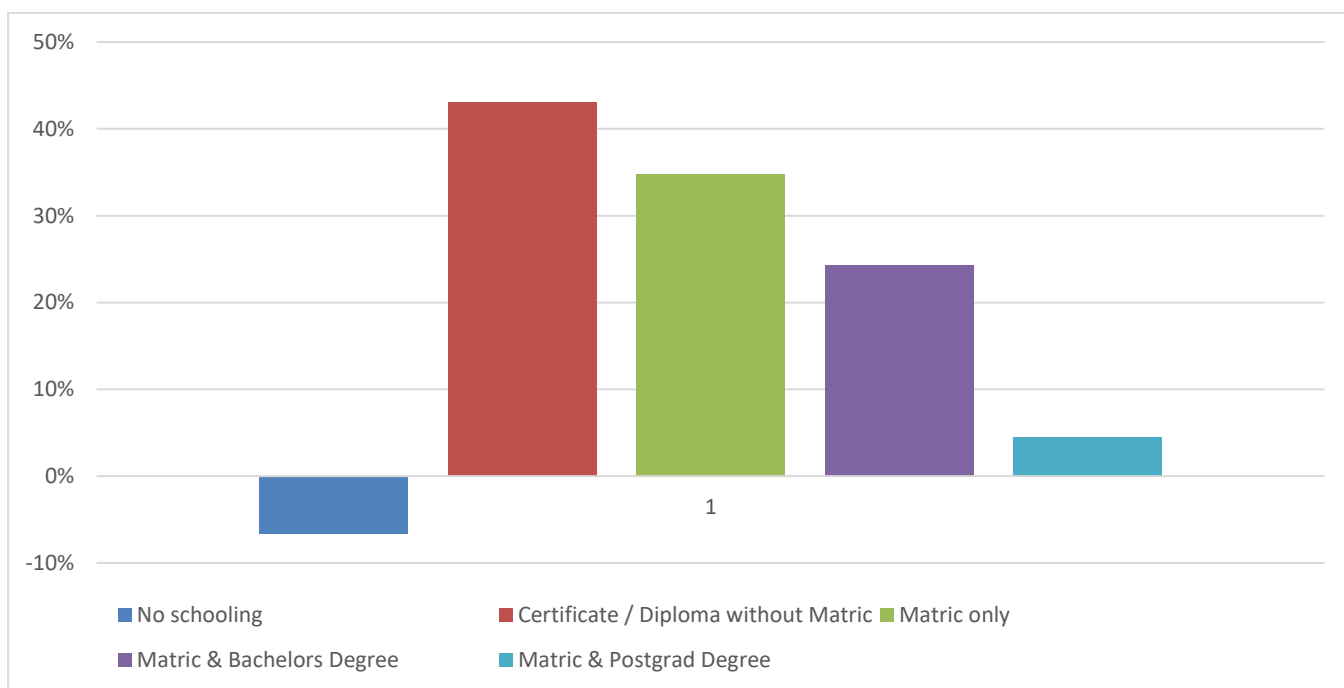
Source: Statistics SA, Community Survey 2016

**Figure 5 (a): Education Profile of Population Older than 20 Years (2016)**



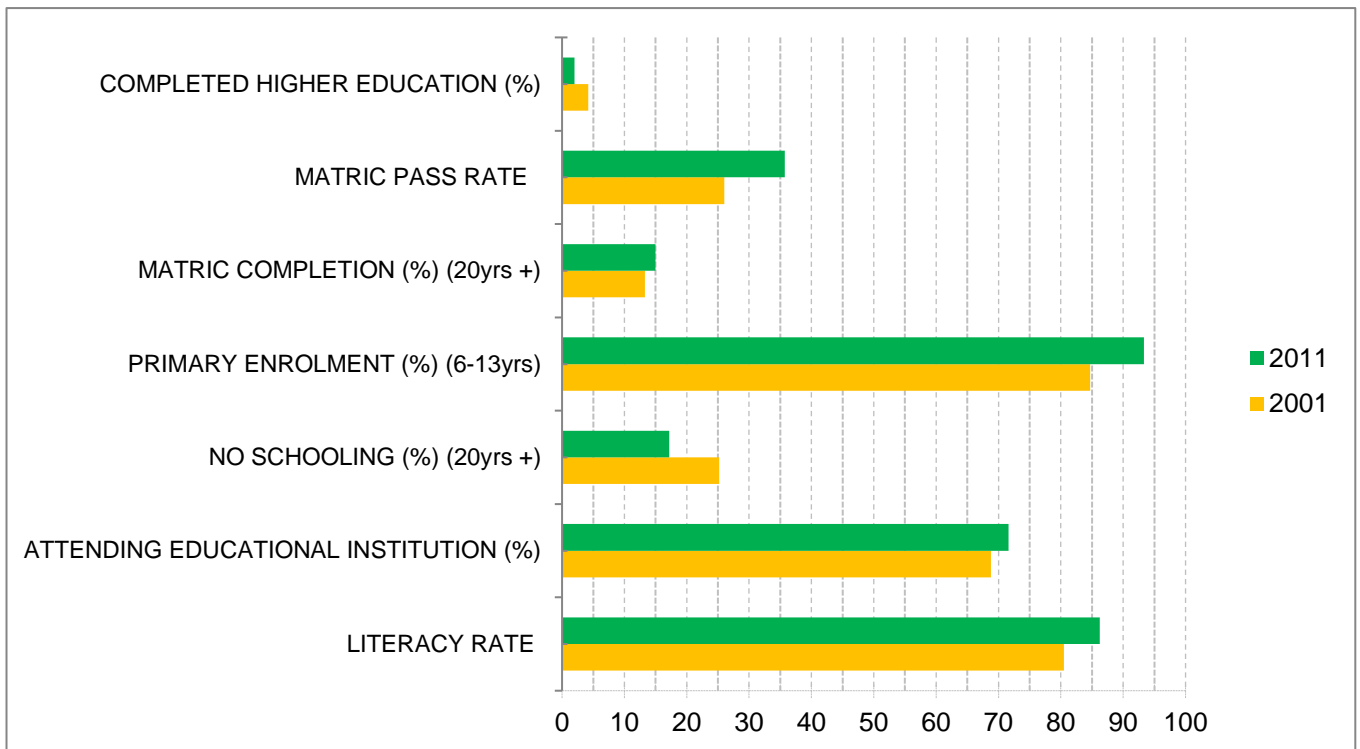
Source: Statistics SA, Community Survey 2016

**Figure 5(b): Change in the Education Profile of Population across Dr KKDM (2016)**



Source: Statistics SA, Community Survey 2016

Figure 6 Spatial Analysis



The spatial analysis of the Dr Kenneth Kaunda DM is given in the Spatial Development Framework (SDF) review document adopted in March 2011. The review, which started in 2009, was of the original 2004 document which had become outdated due to the many developments that had occurred since it was completed-including Merafong City Local Municipality being incorporated into and out of the District Municipality.

Analysis and additional information, including the Strategic proposals based on both the 2004 and the 2011 adopted documents, is given under **Chapter D** of this IDP. The 2011 SDF will be reviewed in the 2018/19 financial year.

### Social and Economic Analysis of Patterns, Trends and Risks

The analysis of patterns, trends and risks in the Dr Kenneth Kaunda DM are given in the Southern District Growth and Development Strategy (GDS) which was developed in 2005 and reviewed in February 2007.

During the 2008/09 Financial Year, the DTI collaborated with the Dr Kenneth Kaunda DM to develop the latter's Local Economic Development (LED) Strategy. The analyses that follow are mainly derived from statistical information provided by Statistics SA, 2016 Community Survey and IHS Markit Regional eXplorer:

## Access to Basic Services

The following table indicate the access to basic services for households within the DM, according to the Statistics SA, 2016 Community Survey.

**Table 4 (a): Access to Basic Services**

Municipality	Percentage Access to Basic Services								
	Electricity: Cooking	Electricity: Lighting	Electricity: Space Heating	Electricity: Water Heating	Electricity: General	Formal Refuse Removal	Access to Safe Drinking Water	Sanitation (Connected to a public sewerage system)	Formal Dwelling
City of Matlosana	90.9	95.7	69.6	91.5	96.0	95	85.4	95.4	91.6
Maquassi Hills	90.4	96.6	53.1	87.9	94.5	76.8	92.2	87.9	87.3
JB Marks	82.9	91.4	52.1	85.2	92.9	79.6	89.9	77	85.5
Dr Kenneth Kaunda	88.2	83.3	62	89	94.8	87.9	87.6	88.6	89.1

Source: Statistics SA, Community Survey 2016

The majority of households in the DM (87.6%) have access to piped water either inside the dwelling, inside the yard or from an access point outside the yard. About 87.9% have access to refuse removal for at least once a week, while almost 88.6% have sanitation that is connected to a formal sewage system. Almost 89.1% of the population stay in formal dwellings and about 95% have access to one or another form of access to electricity access.

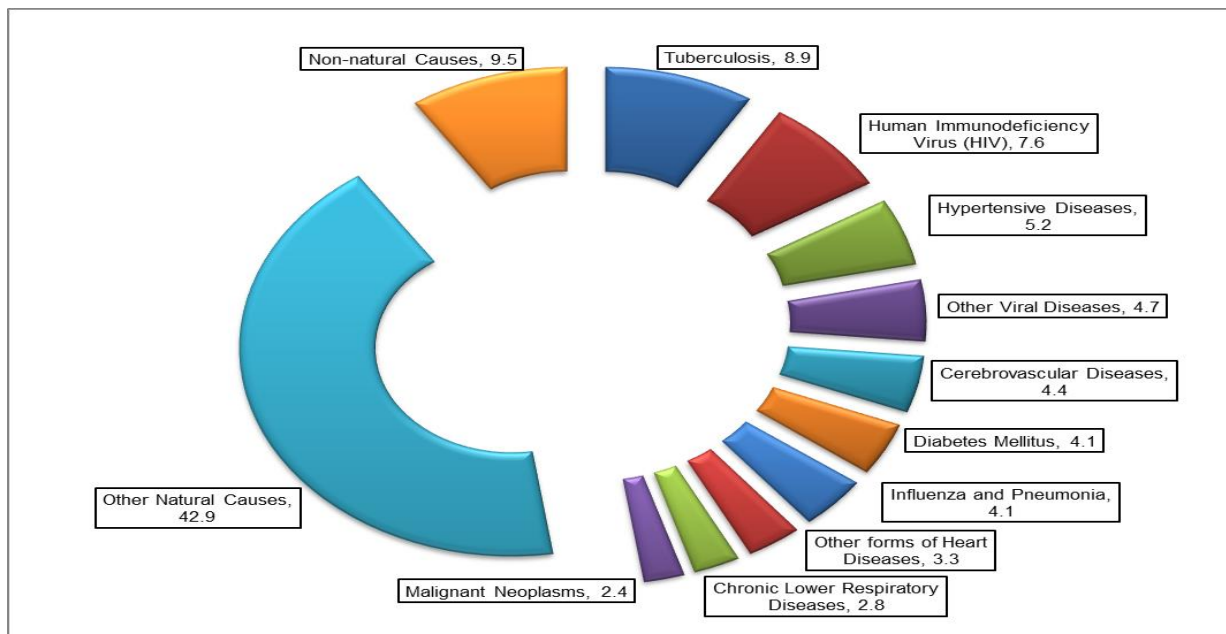
**Table 4 (b): Main Type of Dwelling in the DM**

	Formal dwelling/house or brick/concrete block structure on a	Traditional dwelling/hut/structure made of traditional mater	Flat or apartment in a block of flats	Cluster house in complex	Townhouse (semi-detached house in a complex)	Semi-detached house	Formal dwelling/house/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack not in backyard (e.g. in an informal	Room/flatlet on a property or larger dwelling/servants quart	Caravan/tent	Other	Unspecified	Total
City of Matlosana	345725	4024	8579	1483	5144	4244	11602	15220	16131	1313	-	3817	-	417282
Maquassi Hills	70783	169	199	20	54	64	239	2721	2486	94	-	5182	-	82012
JB Marks	175410	765	8463	1984	854	2673	16603	12439	20502	1463	54	2319	0	243527
Dr Kenneth Kaunda DM	591918	4958	17241	3487	6052	6981	28444	30380	39119	2870	54	11318	0	742821

Source: Statistics SA, Community Survey 2016

## Major Causes and Number of Deaths by Age Group

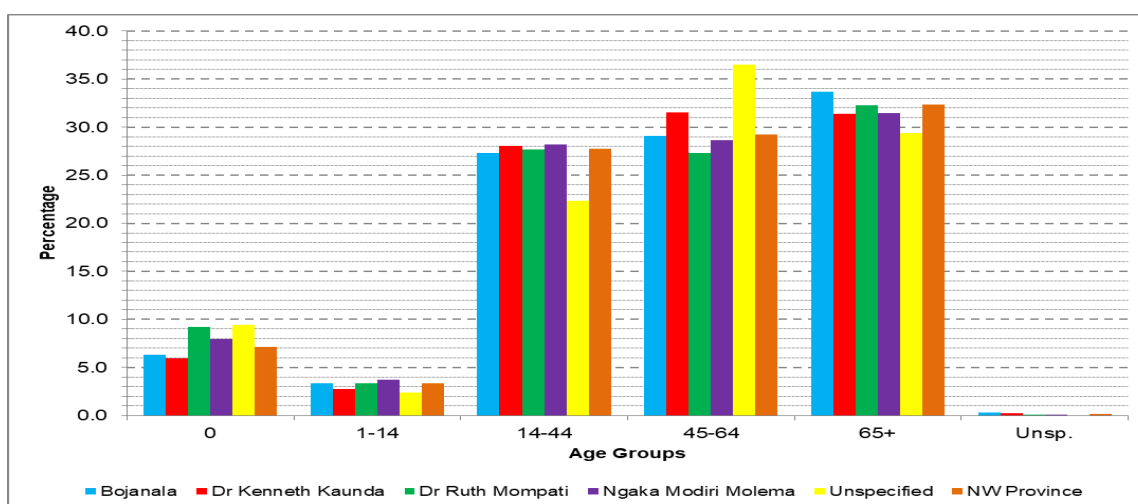
According to the Mortality and Causes of Death in SA, 2015, (a publication of Statistics SA) the major causes of death in the Dr Kenneth Kaunda district measured in 2015 were led by non-natural causes at 9.5%, followed by tuberculosis at 8.9%. The HIV infection rate was measured at 7.6% in the same period and the number of AIDS related deaths, as a percentage of the DM population is standing at 7.6% (Fig 7(a)).



**Figure 7 (a): Percentage of Major Causes of Death**

Source: Statistics SA, Mortality and Causes of Death in SA, 2015

In the same period, according to the same publication, the number of deaths per age group were almost similar across the district municipalities in the North West Province (consider **Figure B.4.2 (b)**). In the age group 45-64, the district municipality with more deaths as a percentage is Dr Kenneth Kaunda DM (at 30%), while Bojanala Platinum DM has the highest percentage of deaths per population in the age group above 65 years (close to 34%). Across the province, infant mortality rate is at 7%, while the lowest percentage of deaths per population in the province is in the age group of 1-14 years (about 3.3%)



**Figure 7(b): Percentage of Deaths by Age Groups**

Source: Statistics SA, Mortality and Causes of Death in SA, 2015

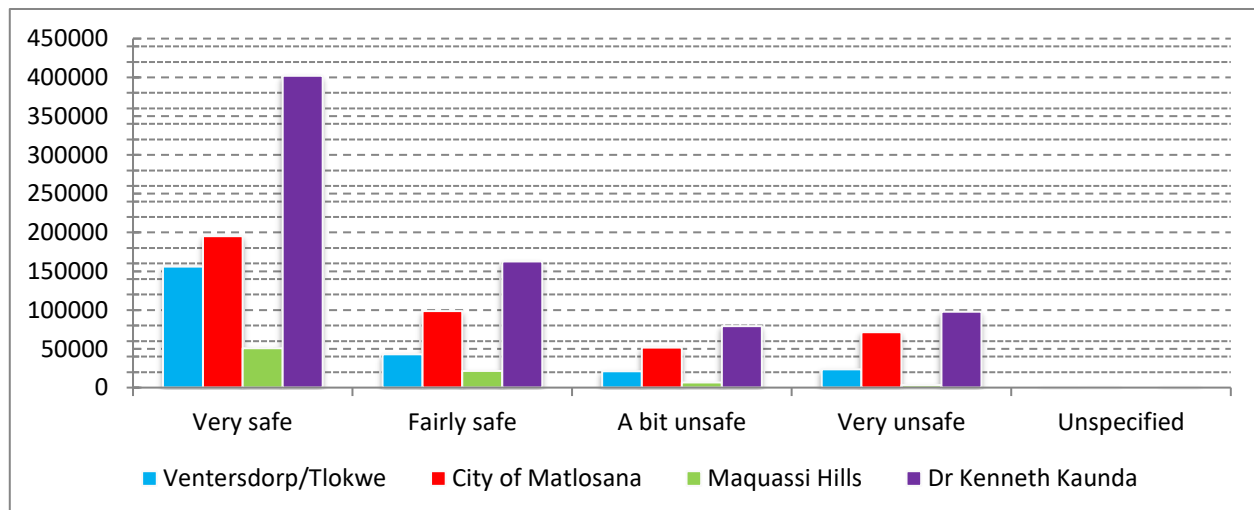


## Crime and Perception of Safety

The largest number of people who feel safe during the day the district (with 54%), is highest in JB Marks at about 64%, with less than 50% of people who feel safe are located in Matlosana (lowest at 47%). (Consider Fig B.4.3 (a)). The converse is also replicated where the highest number of people (17%) in Matlosana feel very unsafe during the day, followed by Ventersdorp/Tlokwe at 10% and the least at Maquassi Hills (4%).

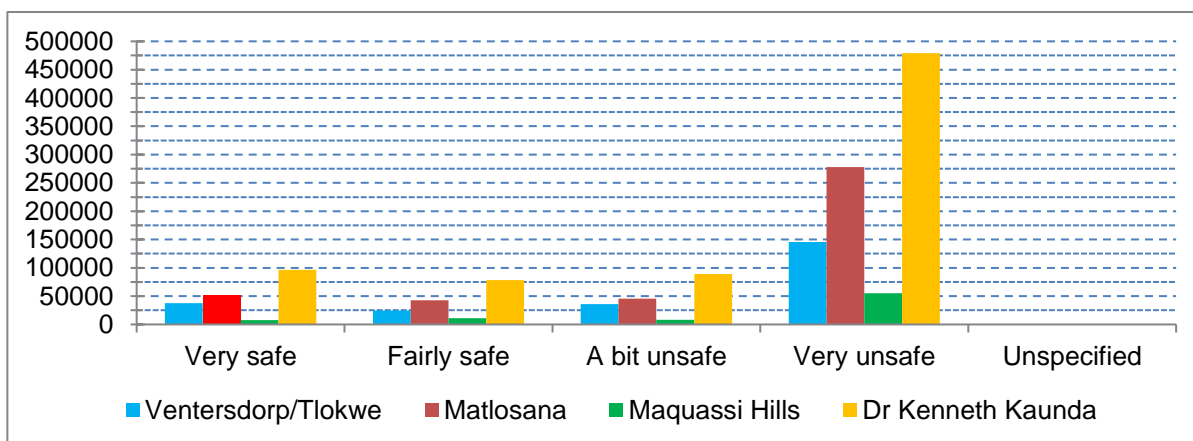
At least 60% of people feel very unsafe in the dark, with an average of 64% across the district. Maquassi Hills and Matlosana share the highest percentage, per population number of people who feel very unsafe in the dark at 67% and JB Marks at 60%. An average of people who feel very safe in the dark is 13% across the district, with 15% in Ventersdorp/Tlokwe and the lowest number being found in Maquassi Hills at 9% per total municipality population. (Consider Fig B.4.3(b))

**Figure 8(a): Perception of Safety during the Day**



*Source: Statistics SA, Community Survey, 2016*

**Figure 8(b) Perception of Safety in the Dark**



## Economic Performance and Trends

### Growth Domestic Product

Annual GDP growth in the DM broadly follows the national trend. DM GDP growth is generally lower than both the national and provincial averages. The next tables **(5 (a)-(c))** and graphs **(9)** indicates annual GDP growth rates for the local municipalities within the DM over the period 2006-2016.

**Table 5(a): Average Growth Rate for Dr Kenneth Kaunda Municipalities, 2006-2016**

		Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
Gross Domestic Product by Region (GDP-R)					
	Average annual growth (Constant 2010 Prices)				
	2006-2011	-0.8%	-2.5%	2.7%	2.1%
	2011-2016	-1.2%	-2.4%	-0.1%	0.7%

*Source: IHS Markit Regional eXplorer version 1181*

The average growth rate of the entire DM declined by 0,8% between 2006 and 2011. The decline continued to increase to 1.2% in the following five years. The main contributor to the decline in the economic growth was City of Matlosana, going down by 2.5 and 2.4 percentage points in the respective periods. The JB Marks Municipality grew by 2.1 and 0.7 percent in the same timeframes, indicating a steady decline across the board (Table 5(a)). Between 1997 and 2016 (Fig 9), the growth increased mostly in the years 1999-2001 and in 2006 at almost 6% to 8%. The DM economy declined mainly in 2009 (above 6%), followed by figures of between 2 and 3% in 2012 and 2014. The decline has been seemingly arrested because of smaller declines in 2015 and 2016, with the prospects of complete turnaround, albeit marginal, in 2017 and going forward.

**Table 5(b): Gross Domestic Product (GDP) for Dr KK Municipalities, Share and Change, 2006-16**

	2016 (Current prices)	Share of district municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
City of Matlosana	35.40	58.88%	26.15	20.40	-2.45%
Maquassi Hills	3.25	5.40%	1.78	2.02	1.29%
JB Marks	21.48	35.72%	12.08	13.84	1.37%
<b>Dr Kenneth Kaunda</b>	60.13		40.01	36.26	

*Source: IHS Markit Regional eXplorer version 1160*

The JB Marks Local Municipality had the highest average annual economic growth, averaging 1.37% between 2006 and 2016, when compared to the rest of the regions within the Dr Kenneth Kaunda District Municipality. The Maquassi Hills Local Municipality had the second highest average annual growth rate of 1.29%. City of Matlosana local municipality had the lowest average annual growth rate of -2.45% between 2006 and 2016.

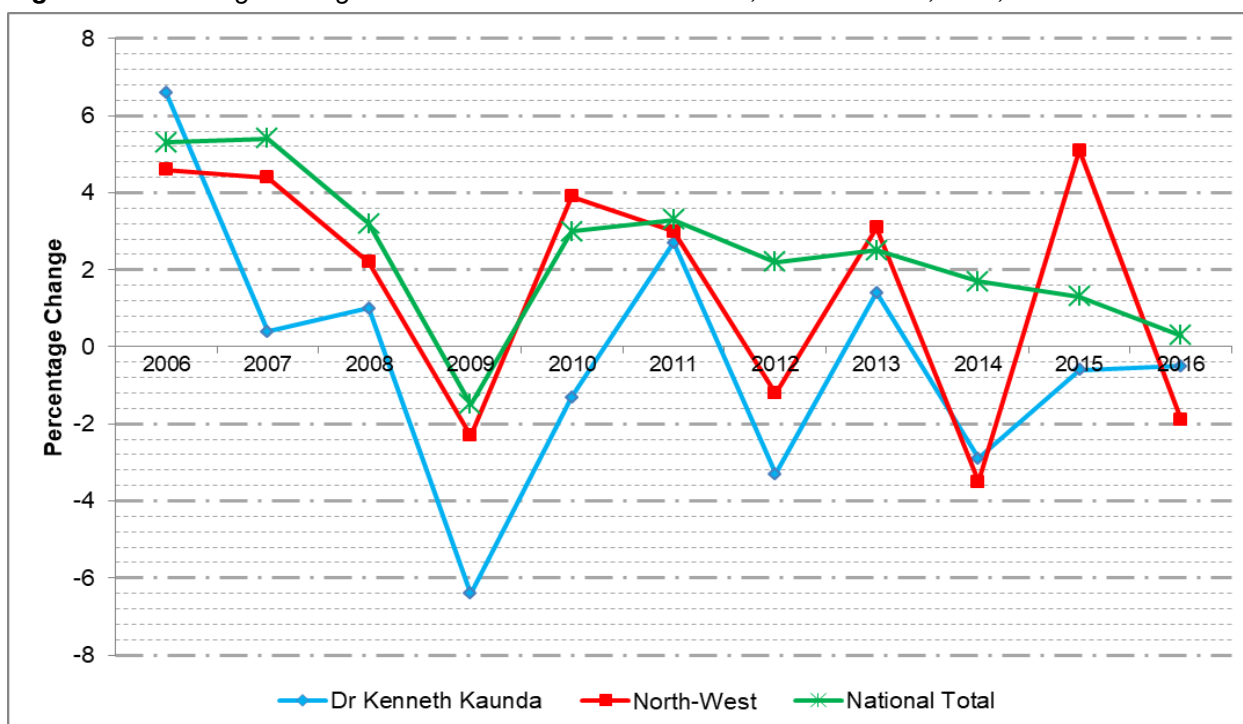
The greatest contributor to the Dr Kenneth Kaunda District Municipality economy is the City of Matlosana local municipality with a share of 58.88% or R 35.4 billion, increasing from R 17.1 billion in 2006. The economy with the lowest contribution is the Maquassi Hills local municipality with R 3.25 billion growing from R 1.3 billion in 2006.

**Table 5(c): Gross Domestic Product (GDP)-Dr KK DM, NW Province, RSA-2006-2016 (Billions)**

	Dr Kenneth Kaunda	North-West	National Total	Dr Kenneth Kaunda as % of province	Dr Kenneth Kaunda as % of national
2006	27.1	105.0	1,839.4	25.8%	1.47%
2007	29.9	120.7	2,109.5	24.8%	1.42%
2008	33.0	138.9	2,369.1	23.8%	1.39%
2009	34.5	147.9	2,507.7	23.3%	1.38%
2010	37.5	164.5	2,748.0	22.8%	1.37%
2011	43.0	185.8	3,023.7	23.2%	1.42%
2012	45.5	191.0	3,253.9	23.8%	1.40%
2013	50.4	222.1	3,539.8	22.7%	1.42%
2014	51.3	227.2	3,807.7	22.6%	1.35%
2015	54.7	243.2	4,049.8	22.5%	1.35%
2016	60.1	263.8	4,338.9	22.8%	1.39%

Source: IHS Markit Regional eXplorer version 1160

With a GDP of R 60.1 billion in 2016 (up from R 27.1 billion in 2006), the Dr Kenneth Kaunda District Municipality contributed 22.79% to the North-West Province GDP of R 264 billion in 2016: decreasing in the share of the North-West from 25.79% in 2006. The Dr Kenneth Kaunda DM contributes 1.39% to the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 1.47% to South Africa, but it is lower than the peak of 1.47% in 2016.

**Figure 9: Percentage Change in GDP-Dr Kenneth Kaunda DM, NW Province, RSA, 2006-2016**

Source: IHS Markit Regional eXplorer version 1181

## Sectoral Comparative Advantage

The **comparative advantage** of an area indicates a relatively more competitive production function for a product or service in that specific economy, than in the aggregate economy. The economy therefore produces the product or renders the service more efficiently. The location quotient is an

indication of the comparative advantage of an economy. A location quotient of larger than one (1) indicates a relative (favourable) comparative advantage in that sector.

**Table 6:** Location Quotients for Dr Kenneth Kaunda Municipalities, 2016

No	Economic Sector	Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
1.	<b>Agriculture</b>	1.3	0.5	5.5	2.0
2.	<b>Mining</b>	2.6	3.4	1.5	1.2
3.	<b>Manufacturing</b>	0.4	0.3	0.4	0.5
4.	<b>Electricity</b>	1.0	0.8	0.5	1.3
5.	<b>Construction</b>	0.9	0.8	1.3	0.9
6.	<b>Trade</b>	1.0	1.0	1.0	1.0
7.	<b>Transport</b>	0.8	0.8	0.8	0.7
8.	<b>Finance</b>	0.8	0.8	0.7	0.8
9.	<b>Community Services</b>	1.1	1.0	1.1	1.4

Source: IHS Markit Regional eXplorer Version 1160

## Household Income

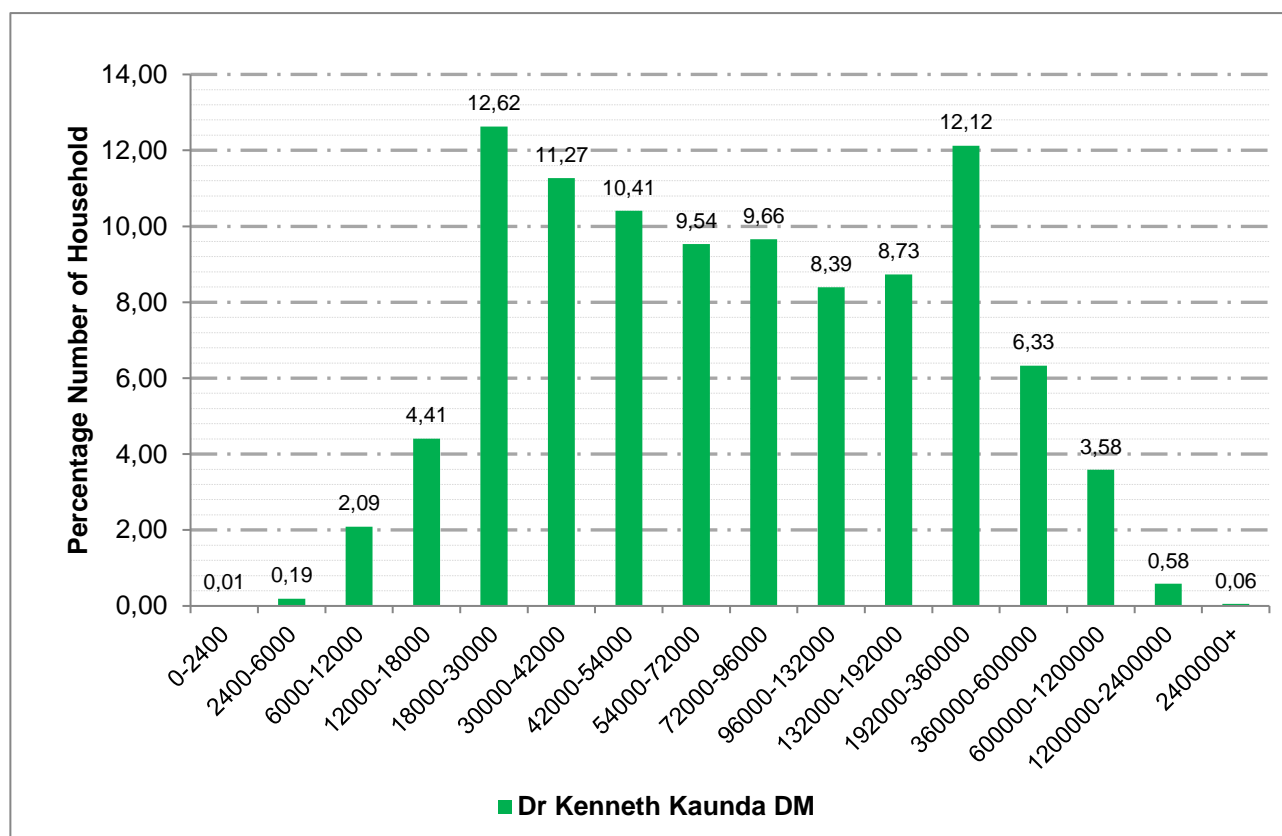
The income profiles (in Rands) of the municipalities within the district is depicted in **Table B.4.5** and illustrated in the accompanying graph (**Figure B.4.5**), showing the distribution of annual household income among the different income groups in the Dr. Kenneth Kaunda District Municipality, as measured in the 2016 StatsSA, Community Survey.

**Table 7:** Income Profiles for Households in Dr Kenneth Kaunda Municipalities, 2016

Total	Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
<b>2016</b>				
0-2400	18	10	2	6
2400-6000	428	250	51	126
6000-12000	4627	2839	548	1240
12000-18000	9759	5920	1110	2729
18000-30000	27947	16892	3226	7828
30000-42000	24957	14160	3035	7762
42000-54000	23041	12944	2834	7263
54000-72000	21111	11246	2481	7384
72000-96000	21388	11760	2219	7409
96000-132000	18585	10149	1591	6844
132000-192000	19336	11223	1482	6631
192000-360000	26831	15682	1839	9310
360000-600000	14016	8052	851	5114
600000-1200000	7937	4157	422	3357
1200000-2400000	1293	524	52	717
2400000+	126	40	4	82
<b>Total Households</b>	<b>221400</b>	<b>125847</b>	<b>21750</b>	<b>73802</b>

According to the table and graph, the highest number of households in the DM (12.62%) earn between R 18 000 - R 30 000 per annum, followed by those between R 132 000 - R 360 000 at 12.12%. The data also show that above 68.59% of households earned a monthly income of between R 96 000 and R 132 000 per annum (R8 000 – R11 000 pm) or less. Approximately 89.44% of the entire households across the district earn between R16 000 and R30 000 monthly or lower, indicating that only about 10.6% of the households earn above this income bracket.

**Figure 10:** Annual Households income in the Dr Kenneth Kaunda DM (as a percentage of the No of



households, 2016)

Source: IHS Markit Regional eXplorer Version 1160

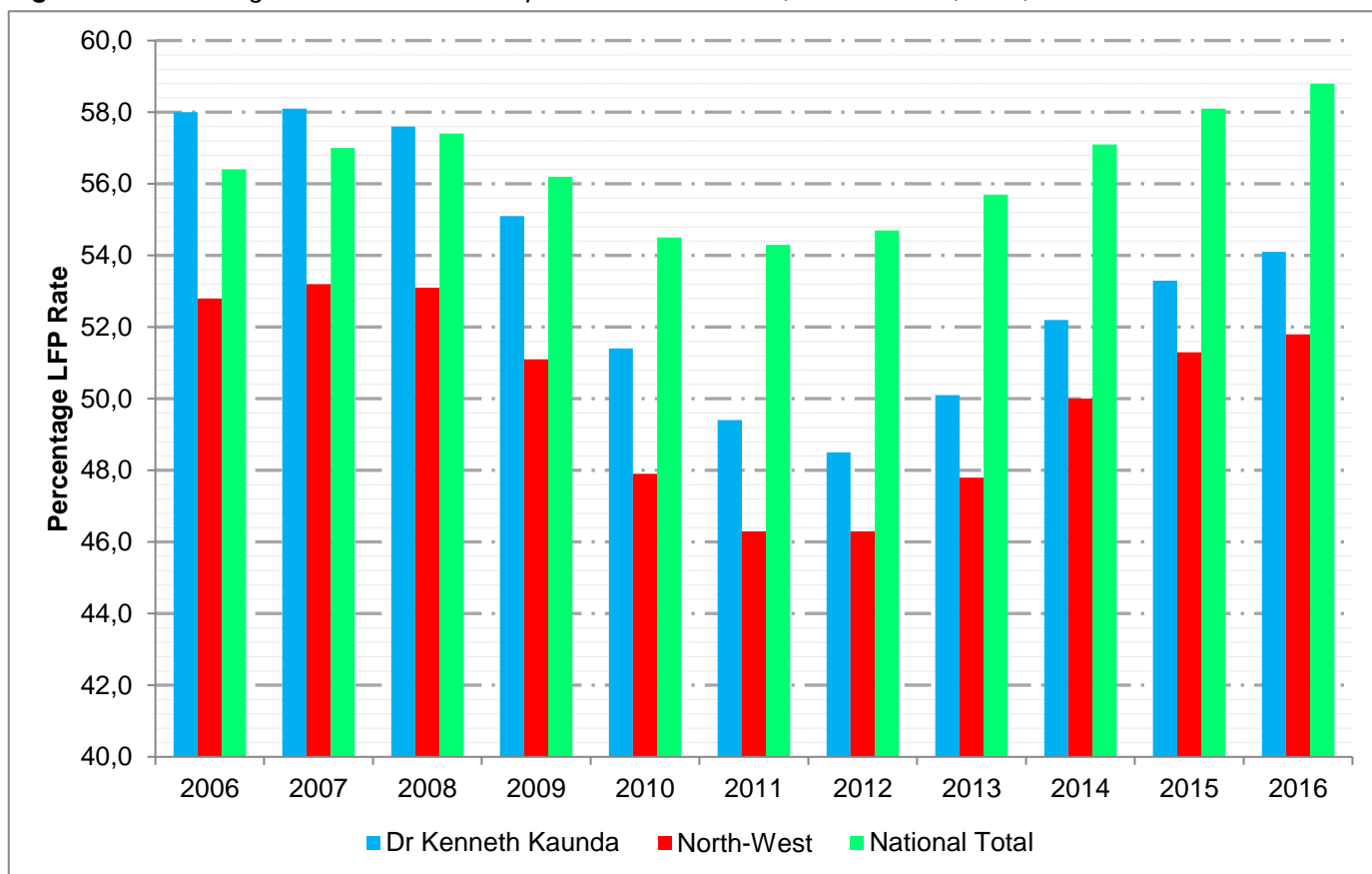
The figures also indicate a proportionally higher income profile in JB Marks LM compared to the other two local municipalities. More than 56% of the highest income earners, above R1 200 000 per annum come from this particular municipality. The Matlosana City Council, due to its high population size, accounts for about 56.8% of the income of the households in the district.

## Employment and Labour Profiles

### Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population. **Figure 11** depicts the labour participation rate of the Dr Kenneth Kaunda DM, North West Province and the National Total as a whole. The LFPR of the Dr Kenneth Kaunda DM has declined from 58% in 2006 to 54% in 2010

**Figure 11: Percentage Labour Force Participation Rate-Dr KKDM, NW Province, RSA, 2006-2016**



Source: IHS Markit Regional eXplorer Version 1160

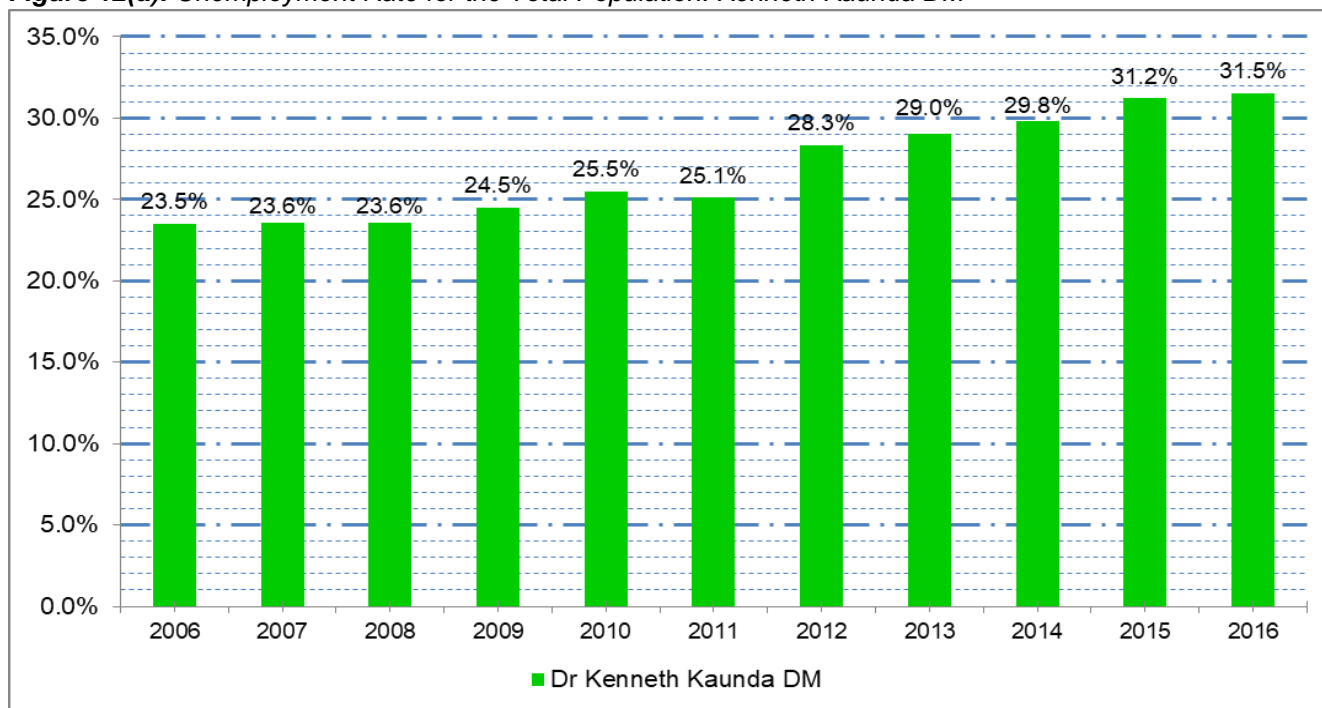
### Unemployment Rate

In 2016, the unemployment rate in Dr Kenneth Kaunda District Municipality (based on the official definition of unemployment) was 31.5%, which is an increase of 8.01 percentage points from 2006. The unemployment rate in Dr Kenneth Kaunda District Municipality is higher than that of North-West and the national governments. The unemployment rate for South Africa was 26.43% in 2016, which is an increase of -0.668 percentage points from 25.8% in 2006.

As outlined in **Figure 12 (a)** the largest in the sectoral contribution to total employment in 2016 was in the Community Services (28.7%) and Trade (23.2%) sectors. The largest proportional gains in employment was achieved in the Community Services (5.3%), Finance (3.1%) and Construction (2.6%), during the period 2011 to 2016 (**Figure 12(b)**)

The biggest and only decline in total employment was experienced in mining between 2011 and 2016, with a decline of 15.9% (i.e. from 30 528 to 9174 employees), while the Electricity Services employee percentage stayed stagnant (and still contributing the lowest in 2016 at 0.5%).

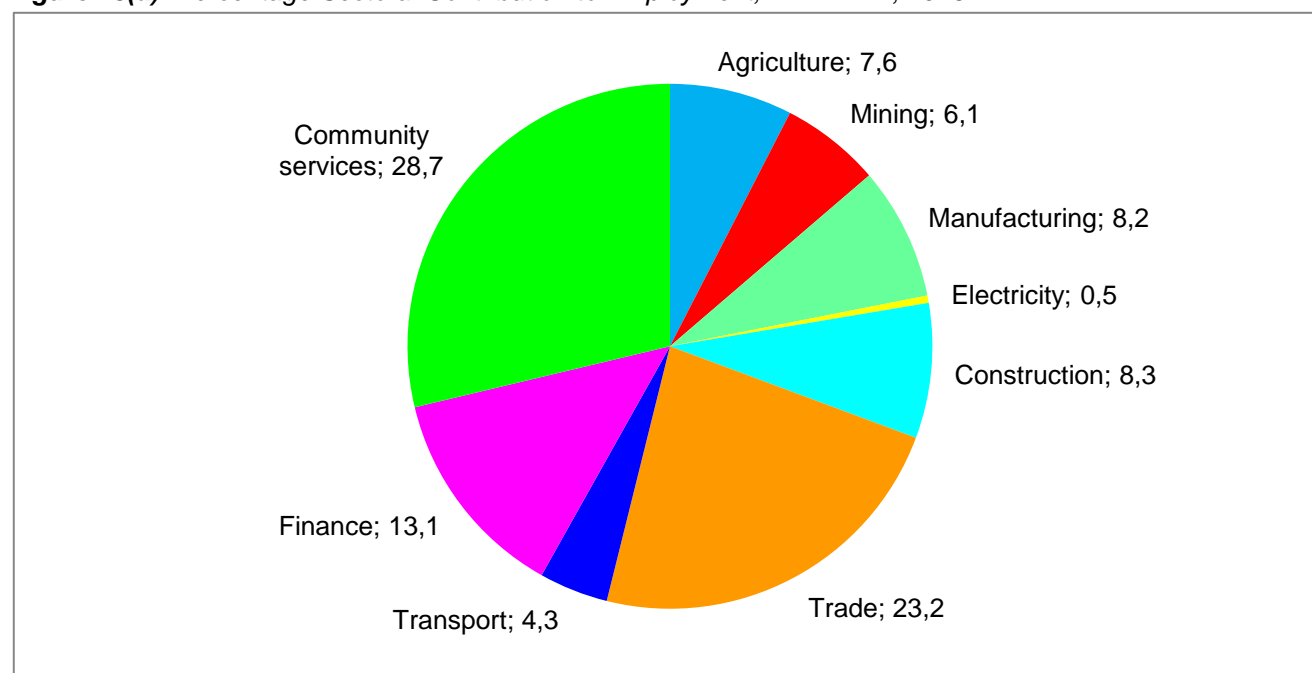
**Figure 12(a): Unemployment Rate for the Total Population: Kenneth Kaunda DM**



Source: IHS Markit Regional eXplorer

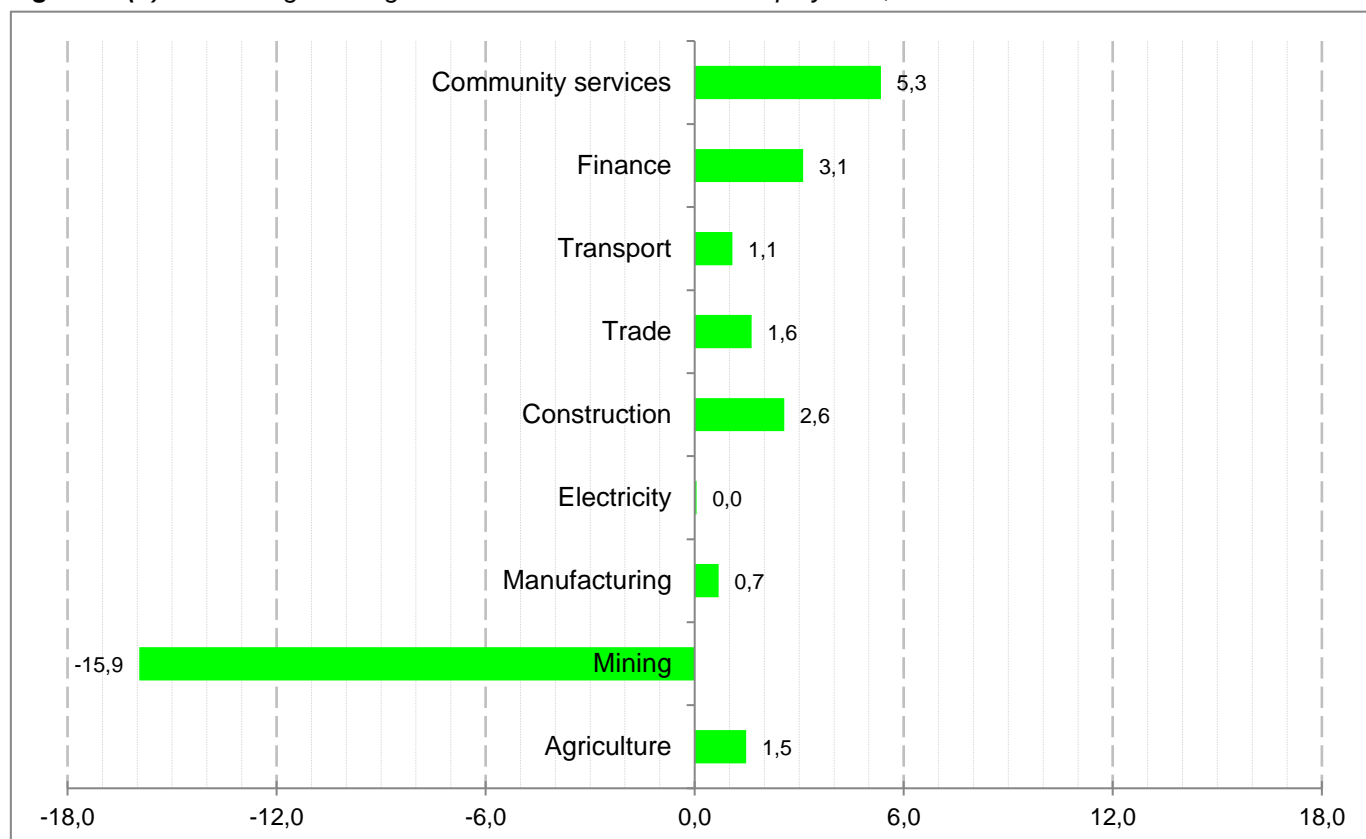
### Sectoral Contribution to Employment

**Figure 13(a): Percentage Sectoral Contribution to Employment, DR KKDM, 2016**



Source: IHS Markit Regional eXplorer

**Figure 13(b):** Percentage Change in Sectoral Contribution to Employment, DR KKDM: 2011 to 2016



Source: IHS Markit Regional eXplorer



### **1.2.3. SERVICE DELIVERY OVERVIEW-HIGHLIGHTS**

#### **MUNICIPAL HEALTH SERVICES HIGHLIGHTS**

##### **1. Introduction**

Environmental Health comprises of those aspects of human health, including quality of life, that are determined by chemical, physical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing those factors in the environment that can potentially affect adversely the health of present and future generation's (World Health Organisation).

##### **2. Overview**

Municipal Health & Environmental Management Services Department has for the period of review executed its Constitutional Mandate to promote a safe, clean and healthy environment through environmental awareness campaigns. As from the 1<sup>st</sup> July 2018 to 30 June 2019, good progress has been made with regard to the provision of Municipal Health Services to the residents of Dr Kenneth Kaunda District Municipality.

##### **3. Description of the Activities**

During the period of review the following activities were executed in terms of the functions of Municipal Health Services:

###### **a. Water Quality Monitoring**

- Monitoring of water quality/safety used for domestic purposes.
- Monitoring of water quality/safety used for recreational purposes.
- Monitoring of water quality/safety used from natural sources.
- Monitoring of water quality/safety used from sewage treatment plans.
- Complaints investigations (law enforcement and issuing of compliance notices).

###### **b. Food Control**

Includes the:

- Inspection of all food preparation premises.
- Certification of all food premises in terms of R962.
- Monitoring/control of food quality/safety.
- Condemnation of foodstuffs not fit for human consumption.
- Food safety during special events.
- Training of food handlers.
- Complaints investigation (law enforcement and issuing of compliance notices).

###### **c. Waste Management**

Includes the:

- Monitoring of refuse removal, solid waste disposal and waste disposal sites.
- Monitoring of health care risk waste

###### **d. Health Surveillance of Premises**

Includes the:

- Monitoring and inspection on all premises.
- Complaints investigation (law enforcement and issuing of compliance notices).

**e. Surveillance and Prevention of Communicable Diseases**

Includes the:

- Detection of outbreaks.
- Control of outbreak of diseases.

**f. Vector Control**

Includes the:

- Monitoring of infestation frequency.
- Pest control on Council premises.

**g. Environmental Pollution Control**

Includes the:

- Monitoring of air/noise/water/land pollution.

**h. Disposal of the Dead**

Includes the:

- Hygienic handling of corpses.
- Pauper/Indigent burials.
- Exhumations.

**i. Chemical Safety**

Includes the:

- Monitoring of chemical hazards.

#### **4. Environmental Management Functions**

Environmental management functions which include Air Quality, Climate Change, Environmental Planning, Biodiversity, Conservation, Enforcement and Compliance are mandated by the following legislation.

- Constitution of the Republic of South Africa (Act 108 of 1996)
- National Environmental Management Act (NEMA) (Act 107 of 1998)
- NEMA: Biodiversity Act (Act 10 of 2004)
- NEMA: Air Quality Act (Act 39 of 2004)
- NEMA: Protected Areas Act (Act 57 of 2003)
- NEMA: Waste Act (59 of 2008)
- NEMA: EIA Regulations
- Development Facilitation Act (Act 67 of 1995)
- Environmental Conservation Act – ECA (Act 73 of 1989)
- Minerals and Petroleum Resources Development Act (28 of 2002)

## 5. Environmental Awareness Campaigns

### **AWARENESS CAMPAIGNS**

These are the initiatives and campaigns which were embarked upon in order to educate and capacitate communities on Environmental Health issues. These campaigns included food safety, health and hygiene, chemical safety, air quality, noise pollution, waste management, sanitation, World Food day, World Environment day, climate change, water and Listeriosis awareness campaigns.

Food safety awareness campaign which was conducted at Choppies supermarket on 09 July 2018.



Listeriosis awareness in Kanana, on the 13 July 2018



Joint operation programme which was conducted at different food premises in Matlosana



World food day celebration at JB Marks clinic in Ventersdorp on 29 November 2018



Health and hygiene of Day Care Centres in Matlosana on 07 November 2018





World food awareness campaign in Maquassi on 07 December 2018



Water week celebration at Poelano in Ventersdorp on 30 April 2019

## **CAMPAIGNS**

AREA	ACTIVITY	DATE	WARD
Matlosana	Listeriosis awareness campaigns were	05 and 20 July 2018 at Choppies in Orkney and Shoprite in Kanana, Matlosana	Ward 28
Maquassi Hills	Listeriosis awareness campaign for Choppies' food handlers	09 July 2018 at Choppies supermarket in Wolmaransstad, Maquassi Hills	Ward 05
JB Marks	<ul style="list-style-type: none"> <li>Mandela day commemoration</li> <li>Health and hygiene awareness campaign</li> </ul>	<ul style="list-style-type: none"> <li>18 July 2018 at Bokamoso Farm School, JB Marks</li> <li>19 July 2018 at Babbelbakkie Kleuterskool, JB Marks (Ventersdorp)</li> </ul>	Ward 28  Ward 32
Matlosana	Food Safety Awareness	02 & 03 August 2018 at Wilkoppies Hospitals (Wilmed, Annecron & Sunningdale)	17
	Joint Operations Programme for food premises	01, 08, 15 & 22 August 2018 at Stilfontein, Klerksdorp CBD, Jouberton, Tigane	
Maquassi Hills	Health surveillance of premises for food premises	21 August 2018 at Lebaleng / Makwassie, Maquassi Hills.	09 and 11
JB Marks	Food safety and compliance workshop	07 August 2018	05
	Health surveillance of premises for food premises	24 August 2018	31
Matlosana	Food Safety Awareness	September 2018	30
Maquassi Hills	Arbor day event	20 September 2018 at Lebaleng, Maquassi Hills.	09 and 11
JB Marks	Health and Hygiene Awareness Campaign (Ventersdorp)	03 and 10 September 2018	30
	Health surveillance of premises for food premises	03, 04, 07 and 11 September 2018	05, 06 and 07

Matlosana	Food safety awareness campaign	04 & 06 October 2018	11 and 19
	Primary Schools competition on Environmental Health issues	19 October 2018	30
JB Marks	Arbor day celebration	04 October 2018	29 and 33
	Food safety awareness campaign	09 October 2018	4
<b>Matlosana</b>	-Health and Hygiene awareness for crèches -Food safety awareness for informal traders -Health and Hygiene awareness campaign for the community -Health and Hygiene for community and Day Care Centres	31 October and 07 November 2018 16 November 2018 09 and 22 November 2018 12 November 2018	7 and 9 19 4 and 35 19
<b>JB Marks</b>	-Paraffin safety awareness campaign -Health surveillance of premises -Meat safety awareness campaign -World food day celebration -Air Quality awareness campaign at Extension 6 and 7 taxi rank Tlokwe  Global Hand wash Awareness campaign in Ventersdorp at ThutoLesedi and Kristen Dutchrow	13 November 2018 16 November 2018 22 November 2018 29 November 2018 23 November 2018  04 December 2018	30 4 4 29 31
<b>Maquassi Hills</b>	Health and Hygiene awareness campaign at Tswelelang location, Wolmaransstad -Air Quality Awareness campaign at Wolmaranstad shopping complex -Health Surveillance of premises at Kgakala location -World Food day event at Tswelelang	31 October 2018 28 November 2018 06 December 2018 07 December 2018	6 5
<b>Matlosana</b>	<ul style="list-style-type: none"> <li>Food Safety Awareness (Flimieda Spar &amp; Alabama Clinic)</li> <li>Clean up Campaign</li> </ul>	08 & 12 February 2019 13 February 2019	4 and 15 4
<b>Maquassi Hills</b>	Cleaning Campaign at the old Kgakala landfill site, Kgakala location, Leeudoringstad	19 February 2019	8

<b>Ventersdorp</b>	Health and Hygiene at Kopanelo Early center at Tsetse	22 February 2019	33
<b>Matlosana</b>	NSNP Food Safety awareness campaign	14 February – 06 March 2019	All Wards
<b>Maquassi Hills</b>	Health Surveillance of premises of food premises (Joint operation) in Wolmaransstad and Witpoort	01 March 2019	5 & 8
<b>JB Marks</b>	Clean up campaign at Sarafina, Ikageng location	16 March 2019	18
<b>Ventersdorp</b>	Clean Up Campaign at Tshing location, Ventersdorp	14 March 2019	30
<b>Matlosana</b>	Educational Tour to Midvaal Water Company	05 April 2019	35
	Clean-up campaign, Dawkinsville	03 April 2019	19
	Climate Change and Air Quality Awareness campaign in Tigane	10 April 2019	2
<b>Maquassi Hills</b>	Health surveillance of premises for food premises (Joint operation) in Wolmaransstad CBD	12 April 2019	5
	Clean Up Campaign, Tshing Ventersdorp	25 April 2019	33
	Water week event - educational tour of Poelano School	30 April 2019	31
<b>Matlosana</b>	Food Safety Awareness	17 May 2019	11
<b>Maquassi Hills</b>	Health and hygiene awareness campaign	17 May 2019	9
<b>Matlosana</b>	Clean up campaign - Alabama	14 June 2019	4
<b>JB Marks (Ventersdorp region) JB Marks (Tlokwe region)</b>	Food safety awareness campaign	13 June 2019	33
	Workshop of funeral undertakers	27 June 2019	32



	Clean- up campaign - Ikageng	19 June 2019	10
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### **CLEAN-UP CAMPAIGNS**

AREA	DATE	WARD
Matlosana	13 February 2019 03 April 2019	4 19
Maquassi Hills	19 February 2019	8
Ventersdorp	14 March 2019 25 April 2019	30 33
Tlokwe	16 March 2019	18

### **PROJECTS**

#### **EPWP – ALL WARDS CLEANING**

##### **Matlosana and JB Marks**

##### **October 2018 – June 2019**

Eighty-one (81) EPWP beneficiaries were appointed for a period of months (10) months to assist with cleaning of illegal dumping and ensuring job creation. This project was a continuation from 2017/18 financial year.

##### **PEST CONTROL ACTIVITIES:**

The following pest control activities were conducted

#### **MATLOSANA**

TYPE OF ACTIVITY	ADDRESS	WARD	DATE
Rat control	8592 Lerutle street, Kanana	24	02 July 2018
Rat control	26459 Ext 24, Jouberton	05	03 July 2018
Rat control	<ul style="list-style-type: none"> <li>13132 Ext 12, Kanana</li> <li>13165 Ext 12, Kanana</li> </ul>	26	06 July 2018
Rat control	<ul style="list-style-type: none"> <li>394 Khuma</li> <li>396 Khuma</li> </ul>	32	10 July 2018
Rat control	Mokgopeng Village, Tigane	18	16 July 2018
Rat control	03 Landor Road, Orkney	26	20 July 2018
Rat control	<ul style="list-style-type: none"> <li>490 Kraai street Ext 2, Tigane</li> <li>2036 Ext 2, Tigane</li> <li>Municipal pay point, Tigane</li> </ul>	02	23 July 2018

Fumigation	James Motlatsi Stadium	21	13 July 2018
Fumigation	FaanMeintjies Nature reserve	16	21 July 2018
Rat control	13132 Ext 12 Kanana	26	13 August 2018
Rat control	774; 775 Ext 4 Kanana	04	14 August 2018
Rat control	8501 & 8426 Ext 7 Kanana	24	15 August 2018
Rat control	3413 & 3495 R. Mofokeng Street, Kanana	24	16 August 2018
Rat control	21 Dahlia street, Adamayview	35	20 August 2018
Rat control	11556 Phuthi Street, Kanana	26	23 August 2018
Rat control	23072 & 23073 Ext 14, Kanana	23	24 August 2018
Bee control	N12 Traffic light (Joubert Street, Freemanville)	19	02 August 2018
Rats control	2275 Ext 2, Jouberton 2286 Ext 2, Jouberton	02	04 September 2018
Rats control	Mpheqeke Stadium, Kanana	25	06 September 2018
Rats control	Pelokgale Primary School, Kanana	25	18 September 2018
Rats control	4311 & 4312 Tshepelang Street, Kanana	25	19 September 2018
Rats control	Pelokgale Primary School, Kanana	25	25 September 2018
Bee relocation	Dr KKDM, Patmore Road, Orkney, Records office	28	07 September 2018
Bee relocation	7 Janice Street, Flamwood	39	11 September 2018

Bee relocation	Connies Tyres and Wheels, Margaret Prinsloo street, Klerksdorp CBD	19	13 September 2018
Rat control	17695 Ext 6, Kanana	23	04 October 2018
Rat control	SegametsiMogaetsho Maquassi Clinic, Maquassi Hills	11	09 October 2018
Rat control	Maquassi Town Clinic	09	09 October 2018
Rat control	3854 Menthathise Street, Kanana	20	11 October 2018
Rat control	<u>Following addresses in Kanana:</u> 24889; 24955; 25177; 24880; 24879; GB 202; 24969; GB 90; GB 200; GB 201 & 24879	23	22 October 2018
Bee control	165 Ext 1, Kanana	4	23 October 2018
Meerkats control	Klerksdorp Cemetery	19	16 October 2018
Rat control	12944; 12945; 12946 Ext 11, Jouberton	05	04 November 2018
Rat control	13212 Ext 11 Mphoroto street, Jouberton	05	05 November 2018
Rat control	8095 Lee Tuck shop, Kanana		09 November 2018
Rat control	773 Ext 4 Mafohla street, Kanana	04	06 November 2018
Rat control	490, 491, 505, 506, 520 Kraai street Ext 2, Tigane	02	12 November 2018
Rat control	8740; 8741; 8742; 8743; 8750 Chaka Street, Kanana	24	20 November 2018
Bee relocation	67 Stilfontein Road	30	06 November 2018
Rat control	4311 Tshepelang Street, Kanana	25	04 December 2018
Rat control	Disaster Risk management Centre, Klerksdorp	39	07 December 2018
Rat control	05 Mollman Street, Irene park	39	09 November 2018

Meercats	Tigane Regional cemetery	2	01& 03 December 2018
Rat control	16954 Ext 6, Kanana	23	06 February 2018
Rat control	<u>Following addresses in Kanana Ext 7</u> <ul style="list-style-type: none"> <li>• 4311</li> <li>• 4310</li> <li>• 4309</li> <li>• 4307</li> </ul>	24	11 February 2019
Rat control	<u>Following addresses in Kanana Ext 12</u> <ul style="list-style-type: none"> <li>• 13188</li> <li>• 13187</li> <li>• 13189</li> <li>• 13197</li> <li>• 13180</li> <li>• 13190</li> <li>• 13197</li> </ul>	26	15 February 2019
Rat control	<u>Following addresses in Kanana Ext 8</u> <ul style="list-style-type: none"> <li>• 11556</li> <li>• 11557</li> <li>• 11559</li> <li>• 11558</li> <li>• 11553</li> </ul>	20	08 February 2019
Rat control	8592 Lerutle Street, Kanana	24	19 February 2019
Rat control	X 1820 Ext 2, Jouberton	10	20 February 2019
Bee control/relocation	3576 Molo Street Ext 2, Kanana	25	22 February 2019
Bee control/relocation	17 May Street Adamayview, Klerksdorp	39	23 February 2019
Bee control/relocation	04 Diabo Street Naserhof, Klerksdorp	19	24 February 2019
Rat control	394 Motjale Street, Khuma	32	15 March 2019
Rat control	5116 Ext 6, Khuma	33	15 March 2019
Rat control	<u>Following addresses in Jouberton Ext 1 &amp; 5</u> 349; 290; 817; 1096; 12469; 1097; X50;	11	19 March 2019

	1306; 1069; 710 262; 1823; 1915; 5074; 7403; 1488; 1334 & 913		
Rat control	<u>Following addresses in Jouberton Ext 2</u> 15639; 13981; 15010; 15894; 15915; 1287; 7044; 14089 & 7620	13	19 March 2019
Rat control	<u>Following addresses in Jouberton Ext 13</u> 14888; 17767; 17647; 16336; 1687 & 7383	14	19 March 2019
Rat control	<u>Following addresses in Jouberton Ext 14 &amp; 16</u>  12609; 2879; 16494 & 17649	15	19 March 2019
Bee control/relocation	Fire and Rescue Centre, Tigane	2	03 March 2019
Rat control	349 Ext 01, Jouberton	11	04 April 2019
Rat control	15639 Ext 13, Jouberton	13	05 April 2019
Rat control	1687 & 7383, Jouberton	14	09 April 2019
Rat control	1306 Ext 1, Jouberton	15	16 April 2019
Rat control	13212 Ext 11, Jouberton	24	18 April 2019
Bee control/relocation	15 May Street Adamayview	39	20 April 2019
Rat control	3854 Menthathise Street, Kanana	20	07 May 2019
Rat control	17695 Ext 06, Kanana	23	09 May 2019
Rat control	<u>The following addresses in Leeudoringstad</u> <ul style="list-style-type: none"> <li>• 487 Bophirima street</li> <li>• 1899 Phonyane street</li> <li>• 1108 Letsekwi street</li> <li>• 627 Moga street</li> </ul>	7	22 May 2019
Rat control	<u>The following addresses in Leeudoringstad</u> <ul style="list-style-type: none"> <li>• 1366 Moga street</li> <li>• 2326 Ext 05</li> <li>• 2298 Ext 05</li> <li>• 1154 Ext 04</li> <li>• 1133 Ext 04</li> <li>• 1086 Ext 04</li> <li>• 3242 Ext 04</li> </ul>	8	23 May 2019

Rat control	X1466 Kaibe Street, Jouberton	13	14 June 2019
Rat control	17695 Ext 06, Kanana	23	17 June 2019
Rat control	<ul style="list-style-type: none"> <li>• 424 Ext 11, Jouberton</li> <li>• 7787 Ext 11, Jouberton</li> </ul>	01	20 June 2019
Rat control	The following addresses in Jouberton: <ul style="list-style-type: none"> <li>• 13466 Ext 11</li> <li>• 5074 Ext 10</li> <li>• 13331 Ext 11</li> <li>• 5 Greefstreet</li> </ul>	05	20 June 2019
Bee control/relocation	53 De Walt street Orkney	28	01 June 2019
Fumigation	Orkney library	28	08 & 09 June 2019
Fumigation	Makwasssi Library	9	15 June 2019

#### JB MARKS

TYPE OF ACTIVITY	AREA/ADDRESS	WARD	DATE
Rat Control	7899 Phudumong Street 10226 Ext 6 10943 Ext 7 Ikageng	20 26	04/07/2018
Rat Control	18834 Sero Street Ext11 5862 Ikhutseng Street Ikageng	1	09/07/2018
Rat Control	18838 Sonderwater Ikageng	9	10/07/2018
Rat Control	5203 Kgololosego Street 9117 Kagisano Street 17595 Ext 7 Ikageng	16 26	11/07/2018
Rat Control	12739 Bathopele Ext 7 Ikageng	26	16/07/2018
Rat Control	578 Makao Street 4941-23 IkagengKanana	19	20/07/2018
Rat Control	16667 Ext 11 Ikageng 12814 Ext 11 Ikageng	27	23/07/2018
Bee Control	11 Aquarius Street Promosa	13	14/07/2018
Bee Control	15 Daisy Street Promosa	13	18/07/2018

Bee Control	7 Klein Street Potchefstroom	13	19/07/2018
Termite Control	7871 Sarafina	18	13/07/2018
Wasp	Potch Dam	28	17/07/2018
Rat control	1665 Mogwai street and 17863 Ext11, Ikageng	18	30/07/2018
Rat control	8323 Mere street and 2210 Kolobe street, Ikageng	12	31/07/2018
Rat control	1478 Mabuya street, 4078 Moduka street 13462 Luthuli street ext7MbuyiseloMakhubu street	10 5 12	06/08/2018
Rat control	Potchefstroom library	5	05/08/2018
Fumigation	Dr Kenneth Kaunda district municipality (JB Marks office)	5	10/08/2018
Termites	Industrial grave yard (inspection)	6	13/08/2018
Mie-cats	JB- Marks stores Potchefstroom industry (inspection)	6	15/08/2018
Bees	Buffelsvlei Intermediate school Boskop	28	17/08/2018
Bees	Ikageng 27 Pitso street (inspection)	4	21/08/2018
Rat control	Mohadin 10 First avenue Promosa 1231 Aquarius street Promosa 19 Libra street	10 13	22/08/2018
Rat Control	2490 Tlhapi Street, Ikageng	16	31/09/2018
Rat Control	7485 Baagi Street, Ikageng	18	03/09/2018
Rat Control	JB Marks Storage	19	10/09/2018
Termites	Berts Bricks Primary School, JB Marks	31	17/09/2018
Inspection	Ikageng Stadium	18	20/09/2018
Rat Control	380Mashawe Street, Ikageng	12	21/09/2018
Bees Control	1247 Mogoje Street, Ikageng	14	17/09/2018
Bees Control	7 Bengonia street, JB Marks	22	30/09/2018

Bees Control	34 Stoffel Street/JBMARKS	24	28/09/2018
RATS	20065 Ext 9 20066 Ext 9 20056 Ext 9 20073 Ext 9 20076 Ext 9 20098 Ext 9 6999 Kgollong	12      18	24/10/2018
RATS	14 Muntago Street Dassierand	6	24/10/2018
Termites Bees	14 Uitsing  Ventersdorp Boikhutso village Phiri secondary School	32	24/10/2018
General	MHS Summit, Banquet Hall, Potchefstroom day1	4	25/10/18
Rats	Wolmaranstad at the office of the municipal manager	4	30/10/18
Rats	11967 Nzo street 863 Moraladi street Ikageng	10	19/11/18
Rats Meerkats	4448 Matebele street 4449 Matebele street Ikageng Jouberton cemetery Matlosana	10	21/11/18
Work-shop	Meat safety workshop at JB Marks Old Town Hall	4	22/11/18
Ants	Disaster JB-Marks Municipality	7	03/12/2018
Rats Meerkats	17976 Ext 11 Ikageng Potchefstroom Dam Inspection	18	04/12/2018
Rats	17 John Mackay, Promosa	13	06/12/2018
Rats	3132 Tombane Street 2181 Promosa Bapei	9	10/12/2018
Fumigation	JB-Marks Municipality	4	11/12/2018
Fumigation	Trimpark	4	12/12/2018
Bees removal	6993 kgokong Street 7 Bengonia Street 34 Stoffel Street	19 22 24	14/02/2019
Weed control	Pest control Storage	19	22/02/2019



Meeting	Disaster center DR KK DM		22/02/2019
Fumigation	Promosa municipal office and Ikageng office	23	14/02/2019
<b>Meeting</b>	Tlokwe office MHS	36	20/02/2019
Bees Removal	Infrastructure JB-marks Potchefstroom Eland street Potchefstroom	Industrial Town	21/03/2019 01/03/2019
Wasp	Potchefstroom-dam JB marks municipality number of shalleys with wasp as follows: 53, 54, 59, 56, 57, 55, 58, 36, 37, 38, 52, 4, 5, 7	23	15/03/2019
Bee control/relocation	27 Pitso Street, Ikageng	04	Bee control/relocation
	08 Montana Street/ Promosa 11967 Nzo Street, Ikageng	13 20	
Fumigation	Disaster office CBD	36	Fumigation
Rat control	17 John Maky Street Promosa	13	22/05/2019
Bee control/relocation	14 Klerk Street	36	22/05/2019
	Museum Potchefstroom	42	22/05/2019
Bee control/relocation	11 Aquarious /Promosa Street	13	05/06/2019
	15 Daisy Street	21	17/06/2019

## **POLLUTION CONTROL ACTIVITIES**

### **Matlosana**

- Inspection conducted at Roadspan Asphalt on 05 July 2018
- Inspection was conducted at Klerksdorp landfill site on 05 July 2018
- Inspection conducted at Hartebeesfontein landfill site on 11 July 2018
- Inspection conducted at Buy back centers, Mega recycling, TJ Metals, Moletate Nate recycling on 18 July 2018
- Inspection was conducted on 11 July 2018 at tyre recycling
- Complaint investigated on 05 July 2018
- Inspection was conducted at Averda incinerator on 22 August 2018
- Inspection was conducted at Bokone meat abattoir on 07 September 2018
- Inspection was conducted at Klerksdorp crematorium, C & C crushers and Tau Milling on 09 and 18 October 2018
- Inspection was conducted at Kopano bricks on 23 November 2018
- Inspection was conducted at kraal construction and Orkney transfer stations on 08 and 28 February 2019

- Inspection was conducted at Technicrete, Roadspan and TJ metal recycling on 19 March, 02 April and 21 May 2019
- Inspection was conducted at Kimleigh, Triomf and Asphalt on 11 and 13 June 2019

### **JB Marks**

- An inspection was conducted at Jolimba panel beaters and Tlokwe youth center on 05 July 2018
- An inspection was conducted at Power coaters and Felophepa landfill site on 23 July 2018
- Inspection was conducted at Kimleigh on 13 August 2018
- Inspection was conducted at OMV on 17 September 2018
- Inspection conducted at unauthorised panel beaters on 08 November 2018
- Inspection conducted at poortjiedam on 12 November 2018
- Conducted an inspection at Deswalner recycling on 03 December 2018
- Inspection conducted at Glass and yster recycling on 05 December 2018
- Inspection conducted at JB Marks waste treatment plant and Triomf on 20 February and 14 May 2019
- Inspection conducted at Busy corner scrap metals on 20May 2019
- Inspection conducted at Berts Bricks, OMV, RVW scrap metal and Tlokwe Brouery on 03, 07, 21 and 24 June 2019.

### **INDIGENT BURIALS**

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
21 July 2018	Unknown bodies (6)	Amogelang Funerals	R21 000,00
17 August 2018	Nosisi Yvonne Sibanda	Mamokomane Funeral Parlour	R5 500,00
08 August 2018	Catherine Seleke	Lekabe Funerals	R5 500.00
08 August 2018	Martha SedieMotlhoki	Lekabe Funerals	R5 500.00
22 August 2018	Baby Mogwera	Lekabe Funerals	R3 500.00
18 September 2018	Neo Mitta Lentlofone	Eli Shamma	R5 500,00
09 September 2018	MolatlhegiKlaasMojafi	Eli Shamma	R5 500,00
18 September 2018	Neo Mitta Lentlofone	Eli Shamma	R5 500,00
03 September 2018	A.M MONGALE	MABASO FUNERALS	R5 500.00
03 October 2018	BABY B. S MATSHENG	MABASO FUNERALS	R1 800.00
03 October 2018	BABY M KOSYN	MABASO FUNERALS	R1 800.00
03 October 2018	S.B MADIRWANG	MABASO FUNERALS	R5 500.00
22 October	P.R BAHE	MABASO FUNERALS	R5 500.00

2018			
13 November 2018	O. B TLADI	MABASO FUNERALS	R1 800.00
13 November 2018	N. P MATHIBELA	THUSO FUND BURIAL SOCIETY FUNERALS	R2 500.00
13 November 2018	C. T MASILO	TAZZMANIA FUNERALS	R5 500.00
04 December 2018	M. I DIHETHO	THUSO FUND BURIAL SOCIETY FUNERALS	R5 500.00
04 December 2018	S. R MATSOGO	THUSO FUND BURIAL SOCIETY FUNERALS	R5 500.00
04 December 2018	J. MONCHO	THUSO FUND BURIAL SOCIETY FUNERALS	R5 500.00
11 February 2019	Baby Mpole	Mosaic Funerals	R3800.00
04 February 2019	O E THABE	S & K DINTWE	R5 500.00
05 February 2019	M S MOLATLHWA	MABASO FUNERAL PARLOUR	R5 500.00
22 February 2019	G A NDEMANDE	JACOBS FUNERAL HOME	R5 500.00
20 March 2019	T MOKGALAGADI	TFBS FUNERAL PARLOUR	R 2 500.00
20 March 2019	S K MPOELANG	TFBS FUNERAL PARLOUR	R 5 500.00
20 Marc 2019	E M MALESHANE	TFBS FUNERAL PARLOUR	R 5 500.00
14 May 2019	Nompie Margaret Letsholo	Eli Shamma Funerals	R5 500.00
15 May 2019	Keikanne Eva Seawa	Amogelang Funerals	R5 500.00
15 May 2019	Simon Sithole	Amogelang Funerals	R5 500.00
15 May 2019	Nicholas BenjaminMokwena	Amogelang Funerals	R5 500.00
20 May 2019	M Malgas	S&K Dintwe	R 5 500.00
20 May 2019	K Thwala	S&K Dintwe	R 2 150.00
20 May 2019	B E Mashoba	Mamokomane	R 5 500.00
18 June 2019	Baby Letlojane	Eli Shamma	R3 500.00
18 June 2019	Baby GoitseonaSeadira	Eli Shamma	R3 500.00
07 June 2019	N Diseko	Jacobs Funeral Home	R 1 500.00

## **TRANSPORT, ROADS & INFRASTRUCTURE DEVELOPMENT SERVICES HIGHLIGHTS**

- The Dr Kenneth Kaunda District Municipality's Integrated Transport Plans (ITP) for 2017 – 2021 had been reviewed and adopted by Council. These review process of the ITP was facilitated and paid for by the NW Dept. of Community Safety & Transport Management on behalf of Dr KKDM and the same happened for the other three district municipalities.
- The district municipality managed to assess 1215km of paved municipal roads within its jurisdiction through its RRAMS programme as follows:
  - Maquassi Hills – 116.07km
  - City of Matlosana – 989.82km
  - JB Marks (Ventersdorp area only) – 109.85km
- The three local municipalities received pavement management system reports which highlighted critical roads that require urgent attention in terms of maintenance and related estimated costs to achieve that.
- The district municipality created 30 employment opportunities in terms of the routine road maintenance programme it co-funded with Maquassi Hills Local Municipality from its EPWP conditional grant. Furthermore, a total of 84 employment opportunities in terms of the cleanup campaign programme. Annually the district municipality complement the EPWP conditional grant with its own internal funds for the two activities.

## **DISTRICT ECONOMIC DEVELOPMENT HIGHLIGHTS**

According to the World Bank, the purpose of local economic development (LED) is “to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.”

Depending from which angle you look at Local Economic Development, (LED) is about location marketing; attraction of investors; real estate development; entrepreneurship development and business start-ups; skills development; improvement of infrastructure; strengthening of local businesses by providing access to business and financial services; cluster, value chain or sector development; creating a business friendly environment and efficient public sector; fostering business linkages; or improving aspects of the quality of life and therefore attracting businesses and skilled workers and professionals.

Based on the above, the Dr Kenneth Kaunda District Municipality invested and supported several programmes and projects in various economic sectors such as agriculture, manufacturing, mining, sports, arts, culture as well as tourism. Herewith below is a summary of supported programmes and projects during 2018/19:

### **Agriculture**

- Hosted the Dr Kenneth Kaunda AgriBiz School Camp for 50 Learners and Farmers. The camp was mainly to expose school leaving learners and emerging farmers to opportunities with the agricultural sector, and practical commercial farming.

### **Tourism:**

- Created 116 temporary jobs with the Tourism Hospitality Industry in collaboration with the National Department of Tourism, local municipalities and VPK Business Venture Pty Ltd. The project is on-going in the 2019/20 financial year.
- Hosted the Inaugural Dr Kenneth Kaunda District Food and Wine Tasting Festival at Matlosana Mall in September 2019.

- Participated in three major National Tourism Trade, Marketing and Exhibitions in pursuance of Tourism development and place marketing (Destination Kenneth Kaunda District). These three events included Meetings Africa, World Trade Market and Durban Tourism Indaba.

### **Information and Communications Technology:**

- Provided skills and training for 50 Internet Service Providers in collaboration with the National Department of Telecommunications and Postal Services. The focus of the programme was on Domain Name Resellers Programme and Digital Skills through ZADNA and NEMISA.

### **Mining:**

- Provided skills and training for 50 ex-miners in collaboration with MINTEK and the District Economic Agency. Training focused on *“Introduction to Small Scale Mining”* aligned with the qualifications of the MQA, affording the small-scale miner the chance to build toward a nationally recognised and accredited qualification at a later stage. The areas that are covered in the training are as follows: (a) Elementary Geology - this includes a basic understanding of rocks, minerals and ore deposits, where the minerals are likely to be located and sampling. (b) South African Policy and Legislation - this includes the original acts, the new Mines and Minerals Act, Occupational Health and Safety Act, Mines Health and Safety Act. (c) Mineral processing - covers the theory needed for the recovery of minerals, metals and precious stones and is interspersed with practical training, using equipment and technologies appropriate for small-scale operations. (d) Basic Health and Safety requirements and procedures. (e) Environmental aspects of mining and rehabilitation with emphasis on benefits to the community

### **Sports, Arts, Culture and Heritage:**

- Hosted the Inaugural Dr Kenneth Kaunda Dance Masters in collaboration with South African Dance Foundation, a member of the World Dance Council as well as JB Marks Municipality. The competition incorporated all dance styles from Traditional, Contemporary, Hip Hop, Free Style, as well as Ballroom and Latin American.
- Hosted the IguguLombhoxo Easter Rugby Tournament in collaboration with JB Marks Municipality, Ikageng Rugby Development Club, South African Defence Force and Score Energy Drink Company.
- Hosted the District Easter Soccer Tournament in collaboration with Gert Schalk Wyk and National Department of Sports and Recreation.
- Assisted the North West Athletics South (Dr Kenneth Kaunda region) to participate as event officials at the South African Youth Athletics Championships in Cape Town.
- Hosted the Annual Shinkyokushinkai Matlosana Karake Cup in collaboration with
- Assisted two (2) Theatre Productions in collaboration with Provincial Department of Culture, Arts, and Traditional Affairs to participate at the Grahamstown National Arts Festival. The groups are DikwenaTsa Matlosana Cultural Group and Baitsanape Arts Foundation.
- Supported the Reconciliation Music Concert in collaboration with Sir God Projects & Development, Thuto Development Foundation, as well as JB Marks Municipality.

### **DISASTER RISK MANAGEMENT HIGHLIGHTS**

The Dr Kenneth Kaunda District Disaster Risk Management Centre is located at 2 Chris Hani Rd Irene Park Klerksdorp. The Centre is responsible for Disaster Risk Management throughout the District and Fire Services in Maquassi Hills. The services are further subdivided into the following sub sections.

- Fire and Rescue Services
- Disaster Risk Management
- Public Information Education and Relations

Below are some of the highlights of the activities conducted throughout the year.

## Fire Services

The District is responsible for the delivery of Fire Services in Maquassi Hills. The fire station operates on a four-shift system which enables the provision of services on a 24-hour basis.



The NWP Disaster Management Centre assisted the District with rescue training for staff members which greatly contributes to preparedness along the N12 highway that runs through Maquassi Hills. This training has helped the Fire Service to be available at all times to attend to rescues in the Local Municipality. Furthermore, the self-sacrificing spirit of the Fire Protection Association members has lightened the load during the 2018/2019 veldfire season.



## Disaster Risk Management

The JB Marks and Matlosana local municipalities are underlaid by large dolomite deposits that are affecting the planning and implementation of development. The District Municipality has embarked on a District wide Dolomite Risk Management Strategy to mitigate and address the impact that dolomite is having on the community. The first year of the three-year dolomite study has been completed.

The Disaster Risk Section also conducted four Community Based Disaster Risk Assessments during the year. During this process the community is actively involved in the risk assessment and are encouraged to make inputs and comment on the relevance of the assessment. The assessments were conducted in:

- 11 – 13 September 2018 Kanana, Ward 23, City of Matlosana
- 11 – 13 December 2018 Laveen, Ward 5, MHLM
- 6 – 8 March 2019 Palmietfontein, Ward 18, City of Matlosana
- 4 – 6 June 2019 Witpoort, Ward 8, MHLM





## Public Information Education and Relations

*"We estimate that for each dollar spent on disaster preparedness, an average of four dollars is saved on disaster response and recovery" says Alberto Monguzzi, Disaster Management Coordinator in the IFRC Europe*

As the above quote states vast amounts of resources can be saved by being prepared for disasters also the impact on human lives is incalculable as no price can be placed on a life. This is why the Centre places so much emphasis on educating the community.

These are some of the activities that were conducted:

- BESAFE Sessions
- IDDR Day Celebrations
- District Wide Winter Awareness Campaign

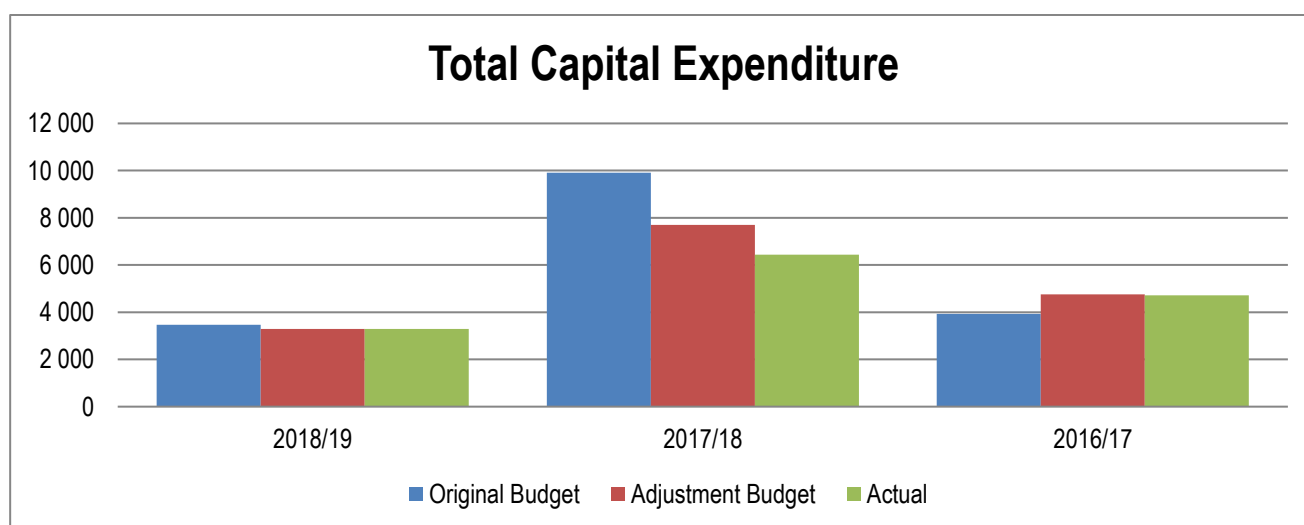


#### 1.2.4. FINANCIAL HEALTH OVERVIEW

Financial Overview: Year 2018/2019			
			R' 000
Details	Original budget	Adjustment Budget	Actual
<b>Income:</b>			
Grants	184 644	185 140	185 179
Taxes, Levies and tariffs	-	-	-
Other	2 488	3 308	4 048
Sub Total	187 132	188 448	189 227
Less: Expenditure	178 663	189 964	170 777
Net Total*	531	1 516	18 450
* Note: surplus/(deficit)			

Operating Ratios: 2018/2019		
Detail	Actuals	%
Employee Cost	90 647 860	53%
Repairs & Maintenance	36 133	00,2%
Finance Charges & Impairment	-	-

Total Capital Expenditure: Year 2016/17 to Year 2018/19			
			R'000
Detail	2018/2019	2017/2018	2016/2017
Original Budget	3 472	9 905	3 925
Adjustment Budget	3 297	7 705	4 755
Actual	3 290	6 436	4 717





### 1.3. AUDITOR GENERAL'S REPORT SUMMARY

The Dr Kenneth Kaunda District Municipality has received a Qualified Audit Opinion on the consolidated and separate Annual Financial Statements for the 2018/2019 financial year.

### 1.4. ANNUAL REPORT PROCESSES

No .	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2019
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for 2018/19 (previous financial year)	
4	Submit draft 2019/19 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2019
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September–October 2019
12	Municipalities receive and start to address the Auditor General's comments	November to December 2019
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January to April 2020
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	March 2020
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

## 2. CHAPTER 2: GOVERNANCE

### 2.1. COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

#### 2.1.1. POLITICAL GOVERNANCE

MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

##### Political Leadership

The following is the political leadership of the Dr Kenneth Kaunda DM:

PORTFOLIO	NAME
Executive Mayor	Alderman Cllr. B.E. Mosiane -Segotso
Speaker	Cllr. D.P. Masiu
Single Whip	Cllr N. Koloti
MMC Corporate Services	Cllr. M. Mojahi
MMC District Economic Development and Tourism	Cllr. H. Mbele
MMC Sports, Arts and Culture	Cllr. Z Mphafudi
MMC Financial Services	Cllr. M. Zephe
MMC Infrastructure & Development	Cllr. S. Valipathwa
MMC Community Services	Alderman Cllr. R. Martins

#### 2.1.2. ADMINISTRATIVE GOVERNANCE

##### Introduction to Administrative Governance

MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

##### Administrative Leadership

The following senior management positions are on the basis of fixed-term performance-based contracts and presently the status is as indicated:

POSITION	NAME
Municipal Manager	SM. Lesupi
Director: Corporate Services	S. Abrams

Chief Financial Officer (Acting)	T. Ngqobe
Director: Roads and Infrastructure Development (Acting)	T. Tshukudu
Director: District Economic Development and Tourism (Acting)	M. Rampedi
Director: Disaster Risk Management (Acting)	R. Lesar
Director: Municipal Health Services (Acting)	T. Mosebi

The following managers' report administratively to the Municipal Manager;

POSITION	NAME
Manager: Office of the Executive Mayor (Acting)	N. Mosiane
Manager: Office of the Speaker	F. Canga
Manager: Single Whip	G. Qhele
Manager: MPAC	BJ. Roberts-Tebejane
Manager: Strategic and Integrated Development Planning	T. Mokatsane
Manager: Performance Management Systems	O. Baloyi
Manager: Internal Audit	R. Seremo
Manager: Municipal Information Security Standards	L. Kalolo
Manager: Communications (Acting)	P. Mohalaleloa

## 2.2. COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.2.1. INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41. The District participates in Provincial Government Information and Technology Office Council (PGITO) as full members every month. The Office of the Premier and the Department of Local Government and Human Settlement also participates in the Dr Kenneth Kaunda District ICT Forum as members.

The District also participates at the Provincial and District Back to Basics reporting forums. The Provincial and District Back to Basics reporting forums are coordinated by the Provincial Department of Cooperative Governance and Traditional Affairs (COGTA). The forum is constituted by COGTA, District Municipality, Local Municipalities, SALGA and other sector departments.

### 2.2.2. NATIONAL INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality participates in the Consultative National Forums that are initiated by the following Department and Associations: Department of Telecommunications and Postal Forum, Department of Communications, SALGA and SITA GovTech.

The benefit is to make inputs into National Policies and Frameworks. Assist in the implementation of the National Programmes at the District level using vehicles such as the District Steering Committee for Broadband and Digital Migration.

The benefit is to ensure the implementation of local economic development projects that benefits local SMMEs.

However, there are still many challenges regarding the proper execution of National Policies at the District and Local levels by the National Entities because of their lack of understanding of how the

third sphere of government functions. This problem undermines service delivery but also creates tension between citizens and the District in terms of its social compact.

### **2.2.3. PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The District represents the three (3) Local Municipalities on the following committees:

- NW Provincial PGITO Council
- The NW Broadband Steering Committee
- The NW Security Sub Committee
- The NW System and Development Sub Committee

The Value of the Provincial Intergovernmental Structures assists in resolutions of potential areas of strategic interest between the Province and the District.

The structure identifies potential operational risks and mitigates these on time. The Province has been able to develop a Broadband Strategy that is now been implemented with the participation of the District Municipality. The District has rolled out Free Wi-Fi Programme and a District Integrated Community Call Centre that the Province is using as part of its service delivery infrastructure to avoid duplications of scarce resources. The Province has also made some Policy interventions relating to SA Connect Implementation issues.

### **2.2.4. DISTRICT INTERGOVERNMENTAL STRUCTURES**

The Dr Kenneth Kaunda District has established an ICT Forum that meets quarterly. The Forum is constituted by the following Local Municipalities: JB Marks, City of Matlosana and Maquassi-Hills and its purpose;

- Coordinate transversal information technology related issues.
- Define shared services programmes
- Issues such as sharing of IT Infrastructure
- Transversal applications
- IT resources

There are IGR Structures that involve all role players relevant to Disaster Risk Management that help to coordinate activities around Disaster Risk Management.

The following IGR for IDP were held within the district:

IDP Coordinating Committee Meetings: 16 August 2018 and 07 February 2019

Technical IGR Meeting: 14 February 2019 and 12 April 2019

IDP Representative Forum Meeting: 20 May 2019

The District municipality also plans to resuscitate the following IGR structures in the 2019/2020 financial year

- District PMS Forum
- District LED Forum
- District CFO's Forum

## **2.3. COMPONENT C: PUBLIC ACCOUNTABILITY AND GOVERNANCE**

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

MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

### **COMMUNICATION, PARTICIPATION AND FORUMS**

#### **2.3.1. OFFICE OF THE SPEAKER**

The Local Government Municipal Systems Act, 2000 has participation as a central concept of Integrated Development Planning. Chapter 4 of the MSA outlines processes, mechanisms and procedures for community participation. For example, section 16(1) states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance' including report-back to the local community. Therefore, the District Municipality introduced the Community Based Planning System since 2007 to create a culture of participatory democracy. Community Based Planners were recruited in Local Municipalities within the District.

#### **2.3.2. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

The Municipal Public Accounts Committee of the Municipality fulfils their oversight role envisaged in Section 129 of the MFMA and Circular number 32 of the MFMA by advising Council. The mandate of the Municipal Public Accounts Committee includes an analysis of the institution's Annual Report and the development of appropriate recommendations to Council.

The Municipal Public Accounts Committee values the interdependence and interrelatedness on other external and internal committees of council and community participation in the oversight process. In this regard initiatives were made to advertisement of Local Newspapers and Public Notice at Government buildings to alert the community of the Oversight process to be undertaken on the Annual Report.

#### **2.3.3. MPAC PREPARATION OF THE OVERSIGHT REPORT**

<b>DATE</b>	<b>PURPOSE</b>
05 February 2019	Briefing with the AG
07 February 2019	Formulation of questions for the District Municipality and the Agency
14 February 2019	Checking the contents of the annual report
15 February 2019	Project visits
18 February 2019	Project Visits
26 February 2019	Public participation built up program- Maquassi Hills
27 February 2019	Public participation built up program- Matlosana
04 March 2019	Public participation built up program – JB Marks
08 March 2019	Public Participation
14 March 2019	Going through Legislative and compliance information
20 March 2019	Committee meeting to finalize the report and adopt it before council sitting
28 March 2019	Council Adoption of the report

### 2.3.4. PUBLIC MEETINGS

Name of municipality	Date of visit	Venue
Maquassi Hills Local Municipality	26/02/2019	Lebaleng
City of Matlosana	27/02/2019	Tigane
JB Marks Local Municipality	04/03/2019	Boskop Village

### 2.3.5. IDP PROCESSES, PUBLIC PARTICIPATION AND ALIGNMENT

Section 28 of the Local Government: Municipal Systems Act states that “Each Municipal Council within a prescribed period after the start of its elected term must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

IDP Participation and Alignment Criteria*
Does the municipality have impact, outcome, input, output indicators?
Does the IDP have priorities, objectives, KPIs, development strategies?
Does the IDP have multi-year targets?
Are the above aligned and can they calculate into a score?
Does the budget align directly to the KPIs in the strategic plan?
Do the IDP KPIs align to the section 57 Managers
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?
Were the indicators communicated to the public?
Were the four quarter aligned reports submitted within stipulated time frames?

## 2.4. COMPONENT D: CORPORATE GOVERNANCE

### 2.4.1. RISK MANAGEMENT

Risk Management in the municipality remains as a key area that has low maturity level. The functional area has no focal person directly charged with coordinating and facilitating implementation and reporting. It is however important to note that in order to address this key area, the municipality was in 2018/19 able to receive support from one of the local municipalities. The experts facilitated the process for the development of both the strategic and departmental risk registers working with senior managers and middle management.

The risk registers implementation and reporting were owned by senior managers. The revision of the organisational structure is at an advance stage, it is thus envisaged that the appointment of the Chief Risk Officer will be concluded in 2019/20.

### 2.4.2. ANTI-CORRUPTION AND FRAUD

The Provincial Anti-Corruption Forum (PACF) was established and launched in 2007 with a core mandate to develop a holistic and integrated approach to the fight against fraud and corruption, to build a framework for the Provincial integrity and to ensure a continued awareness to prevent and combat fraud and corruption, in order to embed and deepen the fight against corruption. The above mandate cascades to District Anti-Corruption Forums and further to Local Anti-Corruption Forums.

As it is the mission of PACF, DACF's and the LACF's to reduce the incidences of fraud and white collar crime, hundreds of organizations worldwide have partnered with the Association of Certified

fraud examiners (ACFE) to participate in international fraud awareness week, in order to promote anti-fraud awareness and education.

### 2.4.3. SUPPLY CHAIN MANAGEMENT

The municipality has a fully functional Supply Chain Management Unit. The Supply Chain Management Policy of Dr Kenneth Kaunda District Municipality is deemed to be fair, transparent, and competitive as required and complies with Section 112 of the MFMA as well as the Supply Chain Management Regulation. The Bid committees were appointed, and efforts were made to capacitate, the Bid Committee and the personnel in the Supply Chain Management Unit. Capacity building was funded and coordinated by the Provincial Treasury, a gesture that added much value and is appreciated.

### 2.4.4. BY-LAWS

BY-LAWS					
Newly Developed	Revised	Public Participation conducted prior to adoption of By-laws (YES/NO)	Dates of public participation	By-Law Gazetted (YES/NO)	Date of publication
Existing bylaw: Municipal Health By-law, Noise Control By-law and Air Quality Management By-law. No new by-laws were developed in 2016/17 financial year.	None	Yes (for existing bylaws)	16-19 August 2011	Yes	29/06/2012

### 2.4.5. WEBSITES

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2017/2018)	Yes
The annual report (2017/18) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/18) and resulting scorecards	Yes
All service delivery agreements (2018/2019)	Yes
All long-term borrowing contracts (2018/2019)	No
All supply chain management contracts above a prescribed value (give value) for 2018/2019	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/17	No
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2018/2019	Yes

### **3. CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)**

Dr Kenneth Kaunda District Municipality Annual Performance Report is compiled in terms of Section 46 of Municipal Systems Act No. 32 of 2000 which states that:

- (1) A municipality must prepare for each financial year a performance report reflecting:
  - a. The performance of the municipality and of each external service provider during that financial year;
  - b. A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - c. Measure taken to improve performance
- (2) An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the Municipal Finance Management Act.

The following are the Key Performance Areas (KPA) for the year under review:

KPA 1: Basic Service Delivery and Infrastructure Development

KPA 2: Municipal Transformation and Organizational Development

KPA 3: District Economic Development

KPA 4: Municipal Financial Viability and Management

KPA 5: Good Governance & Public Participation

KPA 6: Spatial Rationale



### 3.1. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

#### KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

MUNICIPAL HEALTH SERVICES, TECHNICAL INFRASTRUCTURE SERVICES AND DISASTER RISK MANAGEMENT



THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	53 environmental campaigns	40 environmental campaigns	Nil	KPI 1 Number of environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2019 MH&EMS	Activity	44 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2018	Achieved 53 environmental awareness campaigns conducted by June 2018	40 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2019	R840 000			Achieved 51 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2019	11 Extra /additional Environmental awareness campaign had to be conducted because there was an instruction from the Minister of Health that EHPs must conduct awareness camping to deal with fake foods. In	None	Campaign reports with pictures
											R 340 000	37052300 120FLP43 ZZWD	R 281 575, 50				
											R 200 000	37052300 140FLP43 ZZWD	R 199 017, 00				
											R 300 000	37052301 870FLP43 ZZWD	R 153 451,0 0				

THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
															certain areas were illegal dumping sites were discovered.		
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	12 compliance reports on drinking water samples taken tested	12 compliance reports on drinking water samples taken tested	Nil	<b>KPI 2</b> Number of compliance reports on drinking water samples taken tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by June 2019 MH&EMS	Output	12 compliance reports on drinking water samples taken tested from Tlokwe, Matlosana, Ventersdorp and Maquassi Hills Local Municipalities submitted by June 2018	<b>Achieved</b> 12 compliance reports on drinking water samples taken by June 2018	12 compliance reports on drinking water samples taken tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by June 2019	R 450 000  Shared Vote	37052273 330FLP94 ZZWD	R 406 965,00	<b>Achieved</b> 12 compliance reports on drinking water samples taken tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities by June 2019	None	None	Compliance reports, Sampling points list, Sample analysis results

THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2018	48 water samples taken tested at the reservoirs	Nil	KPI 3 Number of water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2019 MH&EMS	Output	48 water samples taken tested at the reservoirs in Tlokwe, Ventersdorp , Matlosana and Maquassi Hills Local Municipality by June 2018	Achieved 48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2018	48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2019	R 450 000  Shared Vote	37052273 330FLP94 ZZWD	R 406 965,00	Achieved  57 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2019	9 more/additional water samples were taken as other reservoirs had noncompliance water results (follow up needed to take place).	None	Sampling point list, sample analysis results

THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Municipal Health and Environmental Management Services	To provide environmental health services	Environmental Management Services	2 activities on Air Quality Management	2 activities on Air Quality Management	Nil	KPI 4 Number of activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by June 2019 MH&EMS	Activity	2 activities conducted on Air Quality Management by June 2018	Achieved 2 activities conducted on Air Quality Management by June 2018	2 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by June 2019	R90 000	37052270310FLP02ZZWD	R 66 820,00	Achieved  3 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by June 2019	1 extra activity conducted due to demand for air quality awareness. Climate change challenges activists demand more attention on air quality.	None	Air Quality Activity report with pictures
Technical Services	To promote physical infrastructure development services	Municipal Planning	3 draft RRAMS Pavement Management System Reports produced	1215.63 km of Paved Roads Assessed	Nil	KPI 5 Total kilometres of Paved Roads Assessed by June 2019 TIS	Output	-	-	1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019	R2 460 000  Shared Vote	35052272560RRP34ZZWD	R 2 348 369, 00	Achieved  1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019	None	None	4 Quarterly Report on the km of assessed paved roads.

THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Technical Services	To promote physical infrastructure	Municipal Planning	2011 District Spatial Development Framework	1 x District Spatial Development Framework	Nil	KPI 6 Number of Draft District Spatial Development Framework developed by June 2019	Output	-	-	1 Draft District Spatial Development Framework covering Maquassi Hills Local Municipality developed by June 2019	R490 000	35052 27256 0FLP9 6ZZWD	R 110 000.00	Achieved  1 Draft District Spatial Development Framework covering Maquassi Hills Local Municipality developed by June 2019	None	None	Appointment letter and SLA Progress report Progress Report 1 Draft District Spatial Development Framework developed for Maquassi Hills Local Municipality by June 2019

KPA 1	
Number of Targets Achieved	Number of Targets Not Achieved
	
6 out of 6	0 out of 6
The following departments contributed towards Basic Service Delivery and Infrastructure Development KPA	
Municipal Health and Environmental Management Services	4
Transport, Roads and Infrastructure	2



## KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

NATIONAL LG PRIORITIES		LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT															
KPA		MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT															
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Human Resources	To ensure municipal excellence	Municipal Planning	83% posts advertised filled as per the approved funded structure	100% of posts advertised, filled as per the approved funded structure	17%	KPI 7 Percentage of posts advertised filled as per the approved funded structure by June 2019 CS	Output	100% of posts advertised filled as per the approved funded structure by June 2018	<b>Not Achieved</b>  83% (10 out of 12) posts advertised filled. FMG Interns  MPAC Manager posts filled  Appointed Aide Camp Appointed 5 Audit Committees CFO position and Disability on recruitment process	100% of posts advertised filled as per the approved funded structure by June 2019	OPEX	-	OPEX	<b>Not achieved</b>  The following positions were not filled:  Committee Officer Creditors Controller Admin Officer Internal Audit  <b>Only 8/11 Positions were filled</b>  -Director Corporate Services -Deputy CFO -HR Officer -IT Officer -Assistant IT Officer	None availability of some panel members (not forming a quorum) due to other work related commitments	Propose review of panel members, new ones to be appointed and the process up to interviews to be finalized in the 1 <sup>st</sup> month of in the 1 <sup>st</sup> quarter of 2019/20	Reports on posts advertised filled as per the approved funded structure



NATIONAL LG PRIORITIES	LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
														-CFO -PMS Manager -Disability Coordinat or			
Human Resources	To ensure municipal excellenc e	Municipal Planning	18 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality' s approved employment equity plan	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality' s approved employment equity plan	11 vacant three highest levels of managem ent	<b>KPI 8</b> Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2019 CS	Output	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018	<b>Not Achieved</b> MM appointed on 31 September 2017 Advertised for the CFO posts and currently at recruitment and selection processes	06 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2019	OPEX	-	OPEX	<b>Not Achieved</b>  Only one person were appointed in those categories : -Director Corporate Services (Black Female)	The proposa l for re- configur ation of the Top Structur e took time for Council to approve .	1 senior managem ent position already advertised , 1 awaiting confirmati on/verifica tion of requireme nts by Provincial Cogta of the advert to be published .Planned for 1 <sup>st</sup> quarter of 2019/20	Report on employeme nt equity target groups employed in the three highest levels of managem ent in complianc e with a municipalit y's approved employeme nt equity plan

<b>NATIONAL LG PRIORITIES</b>	<b>LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT</b>																
<b>KPA</b>	<b>MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT</b>																
<b>OUTCOME 9</b>	<b>OUTPUT 1</b>	<b>IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT</b>															
	<b>OUTPUT 6</b>	<b>ADMINISTRATIVE AND FINANCIAL CAPABILITY</b>															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 Actual Performance								
Human Resources	To ensure municipal excellence	Municipal Planning	Timeous submission report on the workplace skills plan submitted to LGSETA	Timeous submission report on the workplace skills plan submitted to LGSETA	Nil	<b>KPI 9</b> Number of workplace skills plan submitted to LGSETA by 30 April 2019)	Output	Report on the workplace skills plan submitted to LGSETA by 30 April 2019	<b>Achieved</b> Report on the workplace skills plan submitted to LGSETA	(1) Report on the workplace skills plan submitted to LGSETA by 30 April 2019	OPEX	-	OPEX	<b>Achieved</b> (1) Report on the workplace skills plan submitted to LGSETA by 30 April 2019	None	None	Report on the Workplace Skills Plan
Legal Services	To ensure municipal excellence	Municipal Planning	2017/18 Contract registers updated	2018/19 Contract registers updated	Nil	<b>KPI 10</b> Number of updated Contract registers submitted to Accounting Officer by June 2019 CSBTO	Output	4 updated Contract registers submitted to Accounting Officer by June 2018	<b>Achieved</b> 4 contract registers updated	4 updated Contract registers submitted to Accounting Officer by June 2019	OPEX	-	OPEX	<b>Achieved</b> 4 updated Contract registers submitted to Accounting Officer by June 2019	None	None	Contract register updated

KPA 2	
Number of Targets Achieved	Number of Targets Not Achieved
	
2	2
The following department contributed towards MunicipalTransformation and Institutional Development	
Corporate Services	4

### KPA 3: DISTRICT ECONOMIC DEVELOPMENT



NATIONAL LG PRIORITIES	LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
District Economic Development and Tourism	To promote socio-economic development	Regional Tourism	242 Jobs created through LED Initiatives, EPWP, CBP and Capital projects	130 Jobs created through LED Initiatives,	Nil	KPI 11 Number of Jobs created through LED Initiatives, EPWP and CBPs within the Dr Kenneth Kaunda District by June 2019 TIS MH&EMSSP K	Output	300 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by June 2019	Achieved 335 jobs created: 42 LED Initiatives 142 EPWP 30 Capital Projects 28 DRM Jobs created 84 coordinators and 9 CBPs	204 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by June 2019	R 3 171 000			Achieved 204 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by June 2019 EPWP 81 Infrastructure 30 CBPs 93	None	None	Report on Jobs created through EPWP and CBPs  Signed employment contracts and appointment letters.
		Municipal Planning									R 1 820 000 (MH&ES)						
		Municipal Health Services									R 1 700 000	3705226 4500FLP 44ZZWD	R1 387 230,00				
		Disaster Management									R 70 000	3705227 2420FLP 44ZZWD	R 69 004,00				
											R 50 000	3705228 0050FLP 44ZZWD	R 0				
											R 1 151 000 (TIS)						
		R 1 151 000	3505259121 0FLP47ZZWD	R 1 051 757,00													
District Economic Development: Tourism	To promote socio-economic development	Regional Tourism	5 tourism marketing exhibitions hosted/attended	4 tourism marketing exhibitions hosted/attended	1 tourism marketing exhibitions not attended	KPI 12 Number of tourism marketing exhibitions attended by June 2019 DED	Activity	1 tourism marketing exhibitions not attended by June 2018	Achieved 5 Tourism marketing exhibitions attended and supported  High tea event Supported the hosting of the	4 tourism marketing exhibitions hosted/attended by June 2019	R210 000	3605228 0030FLP 71ZZWD	R 193 038,00	Achieved 4 tourism marketing exhibitions hosted/attended by June	None	None	Report on the exhibition

NATIONAL LG PRIORITIES	LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
									Matlosana Arts and Culture Exchange Festival Supported the hosting of Highveld Heritage and Lebelelang fun walk Supported the hosting of the indoor cricket					2019			
District Economic Development: sports and recreation	To promote socio-economic development	Regional Tourism	5 sports and recreation initiatives	4 sports and recreation initiatives	NIL	KPI 13 Number of sports and recreation initiatives within Dr. Kenneth Kaunda District supported by June 2019 DED	Activity	5 sports and recreation initiatives supported by June 2018	Achieved  5 sports and recreation initiative supported	4 sports and recreation initiative within Dr. Kenneth Kaunda District supported by June 2019	R227 900  Shared Vote	3605228 0030FLP 82ZZWD	R 249 389,00  (there was a virement which increased the budget to R 292 900.00)	Achieved  4 sports and recreation initiative within Dr. Kenneth Kaunda District supported by June 2019	None	None	Report on sports and recreation initiative supported

NATIONAL LG PRIORITIES	LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
District Economic Development: Arts, Culture and Heritage	To promote socio-economic development	Regional Tourism	2 Arts, culture and heritage initiatives supported	3 Arts, Culture and Heritage initiatives	1 Arts, Culture and Heritage initiatives	<b>KPI 14</b> Number of Arts, Culture and Heritage initiatives within Dr. Kenneth Kaunda District supported by June 2019 DED	Activity	3 Arts, Culture and Heritage initiatives supported by June 2018	<b>Achieved</b>  3 Arts, Culture and Heritage initiatives supported	3 Arts, Culture and Heritage initiatives within Dr. Kenneth Kaunda District supported by June 2019	R227 900  Shared Vote	3605228 0030FLP 82ZZWD	R 249 381,00  (there was a virement which increased the budget to R 292 900.00)	<b>Achieved</b>  3 Arts, Culture and Heritage initiatives within Dr. Kenneth Kaunda District supported by June 2019	None	None	Reports on Arts & Culture initiative supported
District Economic Development	To promote socio-economic development	Regional economic development	25 SMME / Cooperatives Businesses supported through Community Conditional Grants	25 SMME / Cooperatives Businesses supported	Nil	<b>KPI 15</b> Number of SMME, Cooperatives Businesses and rural development initiatives supported within Dr. Kenneth Kaunda District by June 2019 KPI 13, 17 & 19 Merged DED	Output	-	-	Support 30 SMME / Cooperatives Business and (1) rural development initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by June 2018	R 1 200 000	3605269 0840FLP 77ZZWD	R 366 644,00	<b>Not Achieved</b>  Assisted 3 SMMEs / Cooperatives by end June 2019	Internal control deficiencies were identified and the process was halted to address the deficiencies	Restart the process based on improved internal controls in the 2019/2020 1 <sup>st</sup> quarter	Report on SMME / Cooperatives Businesses initiatives supported.  Note that this KPI was merged with KPI 13 and KPI 19.

NATIONAL LG PRIORITIES	LABOUR MATTERS, FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
District economic development :ACT	To promote socio-economic development	Regional economic development	3 economic development initiatives implemented	5 Economic development initiatives programs	Nil	<b>KPI 16</b> Number of Economic Development initiatives supported / implemented within Dr. Kenneth Kaunda District by June 2019 DED	Output	2 economic development initiatives implemented by June 2018	<b>Achieved</b> 4 district economic development initiatives supported	5 district economic development initiative supported / implemented within Dr. Kenneth Kaunda District by June 2019	R650 000	3605230 0120FLP 28ZZR3	R 386 062,00	<b>Not Achieved</b> 4 district economic development initiative supported / implemented within Dr. Kenneth Kaunda District by June 2019	The 5 <sup>th</sup> initiative was that for developing the district LED strategy, it was discovered late that all local municipalities (3) LED Strategies were outdated and a bottom up approach needed to be pursued	Advertise for the review of LED strategy for locals and the district by end Sep 2019	Report on Economic Development initiatives supported / implemented



KPA 3	
Number of Targets Achieved	Number of Targets Not Achieved
	
4	2
The following departments contributed towards District Economic Development KPA	
District Economic Development	5
Office of the Speaker	1

## KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	12 MFMA section 71 reports submitted	12 MFMA section 71 reports	Nil	KPI 17 Number of MFMA section 71 reports submitted by June 2019 BTO	Output	12 MFMA section 71 reports submitted within 10 working days by June 2018	Achieved MFMA section 71 reports submitted	12 MFMA section 71 reports submitted by June 2019	OPEX	-	OPEX	Achieved 12 MFMA section 71 reports submitted by end June 2019	None	None	12 Monthly budget statements (section 71 reports) signed off by the CFO
Budget and Treasury PMS	To ensure internal municipal excellence	Municipal Planning	4 MFMA section 52 reports submitted	4 MFMA section 52 reports	Nil	KPI 18 Number of MFMA section 52 reports submitted by June 2019 BTO	Output	-	-	4 MFMA section 52 reports submitted by June 2019	OPEX	-	OPEX	Achieved 4 MFMA section 52 reports submitted by end June 2019	None	None	4 MFMA Sec 52d Reports
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 adjustment budget tabled by February 2018	2018/19 adjustment budget developed approved	Nil	KPI 19 2018/19 adjustment budget developed approved by February 2019 BTO	Output	2017/18 adjustment budget developed approved by February 2018	Achieved 2017/18 adjustment budget developed approved	2018/19 adjustment budget developed approved by February 2019	OPEX	-	OPEX	Not Achieved 2018/19 adjustment budget developed approved in March 2019	Due to New Acting CFO secondment only rectified by Council in March	None	Council resolution and 2018/19 Adjustment Budget



NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2018/19 budget compiled approved (MFMA, Sec 25)	2019/20 budget compiled approved	Nil	KPI 20 2019/20 budget compiled approved by May 2019 BTO	Output	Compiled 2018/19 budget approved by May 2018	Not Achieved  2018/19 budget tabled for approval deferred back	Compiled 2019/20 budget compiled approved by May 2019	OPEX	-	OPEX	Achieved  2019/20 Budget approved 30 May 2019	None	None	2019/20 budget
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2016/17 Annual Financial Statements submitted to AGSA by August 2017	2017/18 Annual Financial Statements submitted to AGSA by August 2018	Nil	KPI 21 2017/18 Annual Financial Statements approved by council submitted to AGSA by August 2018 BTO	Output	Approved 2016/17 Annual Financial Statements by council submitted to AGSA by August 2017	Achieved  Approved 2016/17 Annual Financial Statements by council	Approved 2017/18 Annual Financial Statements by council submitted to AGSA by August 2018	OPEX	-	OPEX	Achieved  Approved 2017/18 Annual Financial Statements by council by end August 2018	None	None	Council Resolution and 2017/18 Annual Financial Statements

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED														
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Corporate Services	To ensure internal municipal excellence	Municipal planning	100% of municipality's budget actually spent on implementing its workplace skills plan	100% of municipality's budget actually spent on implementing its workplace skills	Nil	KPI 22 Percentage of municipality's budget actually spent on implementing its workplace skills plan by June 2019 BTOCS	Output	100% of municipality 's budget actually spent on implementi ng its workplace skills plan by June 2018	Achieved  101% of the municipality 's budget spent on WSP	100% of municipa lity's budget actuall y spent on implem enting its workpl ace skills plan by June 2019	R350 000	33052303300FLP78ZZHO	R 134 013 ,00	Not Achieved  38.28% 3 interns were appointed	Delays in recruiting the interns.	2 interns to be appoi nted in the 2019/ 2020 1 <sup>st</sup> quart er.	Workplace skills plan detailed Report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED														
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Budget and Treasury  District Economic Development	To ensure internal municipal excellence	Municipal Planning	R3,000,000 transferred to District Economic Agency and R100,000 to Secondary Co-operatives	R 3,100,000 of funds transferred to District Economic Agency, Tourism Association and Secondary Co-operatives	R90,000 transfer to Tourism association	KPI 23 Total Amount of funds transferred to District Economic Agency, Tourism Association and Secondary Cooperatives by March 2019 DEDBTO	Output	R 3,100,000 of funds transferred to District Economic Agency, Tourism Association and Secondary Co-operatives by March 2018	Achieved 3,150,000 of funds transferred to District Economic Agency, Tourism Information Centre and Secondary Cooperatives	R 3,100,000 of funds transferred to District Economic Agency, Tourism Association and Secondary Co-operatives by March 2019	R3 100 000		Not achieved 3,000,000 of funds transferred to District Economic Agency,  No payment claimed for Tourism Association and Secondary Co Operative from DED	Cooperative registration matters were still being addressed	Transfer once Cooperative registration matters have been addressed	Proof of transfer made to District Economic Agency, Tourism Association and Secondary Co-operatives	
										R3 000 000	360523 07010F LP33ZZ WD	R 3 000 000					
										R50 000	360525 92830F LP31ZZ WD	R 0					
										R50 000	360525 93000F LP32ZZ WD	R 0					

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Acceptable norm of financial viability as expressed by the ratios 2018	Acceptable norm of financial viability as expressed by the ratios 2019	Nil	KPI 24 Financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2019 BTO	Output	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2018	Achieved Acceptable norm of financial viability as expressed	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2019	OPEX	-	OPEX	Achieved Financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) within the norm by end June 2019	None	None	financial viability ratios report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED														
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED														
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Information, Communications and Technology	To ensure internal municipal excellence	None	92 sites provided with access to WIFI within the district	92 areas provided with access to WIFI within the district	Nil	KPI 25 Number of sites provided with access to WIFI within the Dr. Kenneth Kaunda District by June 2019 ICT	Output	92 sites provided with access to WIFI within the Dr. Kenneth Kaunda District by June 2018	Achieved 92 areas provided with access to WIFI	92 sites provided with access to WIFI within the Dr. Kenneth Kaunda District by June 2019	R 2 250 000	340522 60340F LQ04ZZ WD	R 2 226 424,00	Achieved 120 sites provided with access to WIFI within the Dr. Kenneth Kaunda District by end June 2019	The demand for Free Wi-Fi connectivity into wards by Councillors became an external factor that exerted pressure on the project to expand the Infrastructure to areas outside the scope of the project	None	Report WIFI hotspots throughout the district
Information, Communications and Technology	To ensure internal municipal excellence	Municipal Planning	12 reports from operating call center submitted	12 reports from operating call center submitted	Nil	KPI 26 Number of reports from operating call center submitted by June 2019 ICT	Output	12 reports from operating call center submitted by June 2018	Achieved 12 reports from operating call centre	12 reports from operating call centre submitted by June 2019	R10 080 000	340 522 606 10F LP2 7ZZ WD	R 10 121 616,00 (there was a virement which increased the budget to R 10 122 576)	Achieved 12 reports from operating call centre submitted by end June 2019	None	None	Call Center reports

KPA 4	
Number of Targets Achieved	Number of Targets Not Achieved
	
7	3
The following departments contributed towards Municipal Financial Viability and Management KPA	
Finance	6
Corporate Service	1
District Economic Development	1
Information Technology	2



## KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Municipal Manager's Office: Internal Audit, Corporate Communications, Strategic Planning, Performance Management System, MISS- Municipal Information Security Standards, Speakers Office and Executive Mayor's Office

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 (8) budget related policies developed and reviewed	2018/19 (8) budget related policies developed and reviewed	Nil	KPI 27 Number of budget related policies workshoppe d adopted by May 2019 BTO	Output	8 Budget related policies workshoppe d adopted by May 2018	Achieved  Budget related policies workshoped adopted	8 Budget related policies workshop ped adopted by May 2019	OPEX	-	OPEX	Achieved  8 Budget related policies workshoppe d adopted by end May 2019	None	None	Cou ncil Res oluti ons and bud get relat ed polic ies
District Economic Development	To promote socio-economic development	Municipal Planning	Draft Sport and Recreation strategy	Approval of Tourism, Sport and Recreation strategy	Approved of Tourism, Sport and Recreation strategy	KPI 28 Number of Sport and Recreation strategy workshoppe d adopted by June 2019 DED	Output	1 Sport and Recreation strategy workshoppe d adopted by June 2018	Not Achieved  Draft Sport and Recreation strategy compiled	1 Sport and Recreation strategy workshop ped adopted by June 2019	OPEX	-	OPEX	Not Achieved  Draft Sport and Recreation strategy compiled	Change in Senior Manage ment affected prioritiz ation regardin g consult ations with Local municip alities.	Local municip alities' consulta tions session on the sports and recreati on strategy to start in the 1 <sup>st</sup> quarter of	Coun cil Resol ution and Sport and Recre ation Strate gy in 2019/ 20

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
																2019/20 . Worksh op and adoptio n in the 2019/20 .	
District Economic Development	To promote socio- economic development	Municipal Planning	2009 DED Strategy	Approval of DED Strategy	Approved DED Strategy	KPI 29 Number of DED strategy work- shopped adopted by June 2019 DED	Output	-	-	1 DED strategy workshop ped adopted by June 2019	OPEX	-	OPEX	Not Achieved  Draft DED strategy compiled	Local Municip alities LED strategi es not reviewe d thus the district to not run ahead as consolid ation of the local strategi es is a prerequi site.	Advertis e for the reviewe d of LED strategy for local and the district by end Sep 2019	Coun cil Resol ution and DED strate gy

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OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
															Bottom up approach needed to be pursued		
Disaster Risk Management	To ensure disaster risk management	Municipal Planning	Draft District Disaster Management Plan Reviewed	Approval of District Disaster Management Plan	Approved District Disaster Management Plan	KPI 30 District Disaster Management Plan workshoppe d adopted by June 2019 DRM	Output	District Disaster Management Plan workshoppe d adopted by June 2018	Achieved Disaster Management Plan work-shopped adopted	District Disaster Managem ent Plan workshop ped adopted by June 2019	OPEX	-	OPEX	Achieved District Disaster Manageme nt Plan workshopp ed adopted by June 2019	None	None	Adopt ed Distric t Disast er Mana geme nt Plan  Coun cil Resol ution  Atten dance regist er of the works hop

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	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure internal municipal excellence	Fire Services	Draft fire services By-Law developed	Development of fire services By-Law	Developed fire services By-Law	KPI 31 Number of Fire Services By-Law workshoped adopted by Council by June 2019 DRM	Output	1 draft Fire Services By-Law workshoped adopted by Council by June 2018	Achieved  Draft fire services By-Law workshoped	1 Fire Services By-Law workshop adopted by Council by June 2019	OPEX	-	OPEX	Achieved  1 Fire Services By-Law workshoped adopted by Council by June 2019	None	None	Adopted draft fire services By-Law  Council Resolution  Attendance register of the workshop
Corporate Services	To ensure internal municipal excellence	Municipal Planning	25 HR Policies reviewed adopted	42 HR Policies Reviewed workshoped	20 HR Policies outstanding	KPI 32 Number of HR Policies workshoped adopted by June 2019 CS	Output	42 Policies workshopped adopted by June 2018	Not Achieved  25 HR Policies workshopped and adopted by council	05 HR Policies workshoped adopted by June 2019	OPEX	-	OPEX	Achieved  7 Policies Workshoped by June 2019 viz; Subsistence, Accommodation and 1. Travelling Allowance 2. Danger Allowance Policy 3.Placement Policy	None	None	Council Resolution and HR Policies adopted

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
														4.Access Control Policy 5.Email Policy 6.Password Protection Policy 7.Internet Policy			
Strategic Planning  Internal Audit	To ensure internal municipal excellence	Municipal Planning	2016/17 Risk Assessment	risk assessme nt conducted for DRKKDM and District Economic Agency	Nil	KPI 33 Number of risk assessment conducted for DRKKDM September 2017 RC	Output	2 risk assessment conducted for DTTDM and District Economic Agency by September 2017	Achieved  2 risk assessment conducted for DTTDM and District Economic Agency	1 Risk Assessme nt conducted for DRKKDM Septembe r 2018	OPEX	-	OPEX	Achieved  1 Risk Assessment conducted for DRKKDM by September 2018	None	None	Risk assess ment register & AC minutes

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Internal Audit	To ensure internal municipal excellence	Municipal Planning	2 risk management polices reviewed for DRKKDM and District Economic Agency	Approval of 2 reviewed risk managem policies for DRKKDM and District Economic Agency	Approved 2 risk management policies for DRKKDM and District Economic Agency	KPI 34 Number of risk management policies reviewed for DRKKDM approved by June 2019 RC	Output	2 risk management policies reviewed for DRKKDM approved by June 2018	Not Achieved	2 risk managem ent policies reviewed for DRKKDM approved by June 2019	OPEX	-	OPEX	Not Achieved	Policy not reviewe d. Shortag e of actual warm body to manage the process .	Fill the vacant position of Chief Risk Officer once the structur e is approve d and review the policies.	2 risk manage ment policies reviewe d for DRKKD M.

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Internal Audit	To ensure internal municipal excellence	Municipal Planning	3 approved Audit Plans 2016/17 (District, District Agency & Maquassi Hills Local Municipality)	3 approved risk-based audit plans for the shared IA service	Nil	KPI 35 Number of approved risk-based audit plans for the shared IA service by April 2019 IA	Output	3 approved risk based plans for the shared IA service by September 2017	Achieved Approved risk based audit plans	2 approved risk-based audit plans for DRKKDM and the District Agency by April 2019.	OPEX	-	OPEX	Achieved  3 year Strategic risk based Internal Audit Plan for the District was developed  1 year risk based operational plan for the Agency was developed	None	None	2 Approved Audit Plans

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Communications	To ensure internal municipal excellence	Municipal Planning	Reviewed Communications Strategy workshop held to council	Approval of reviewed Communications Strategy	Approved reviewed Communications Strategy	KPI 36 Number of reviewed Communications Strategy adopted by December 2018 COMM	Output	-	-	1 reviewed Communications Strategy adopted by December 2018	OPEX	-	OPEX	Not Achieved  Communication strategy not reviewed	Oversight and project not budgeted for during the budget adjustment in February 2018/19	Budgeted for 2019/2020 and plan to review the Communication strategy in the 1 <sup>st</sup> quarter.	Council resolution and approved Communications Strategy
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	1IDP Rep Representative Forum Meeting held	1 IDP Rep Representative Forum Meeting	Nil	KPI 37 Number of IDP Rep Representative Forum Meetings conducted by June 2019 STRP	Output	-	-	1 IDP Rep Representative Forum Meetings conducted by June 2019	OPEX	-	OPEX	Achieved  1 IDP Rep Representative Forum Meeting conducted by June 2019	None	None	Report on IDP Rep Representative Forum



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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	5-year plan IDP Document for approved	2018/19 IDP Reviewed	Nil	KPI 38 Number of 2018/19 IDP reviewed adopted by Council by June 2019 STRP	Output	-	-	(1) 2018/19 IDP reviewed adopted by Council by June 2019	OPEX	-	OPEX	Achieved  1) 2018/19 IDP reviewed adopted by June 2019	None	None	Council Resolution and 2018/19 IDP reviewed
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	Draft PMS Policy Framework reviewed	Workshop and approval of PMS Policy Framework for 2017/18	Approved PMS Policy Framework	KPI 39 Number PMS Policy Framework reviewed adopted by December 2018 PMS	Output	-	-	1 PMS Policy Framework reviewed adopted by December 2018	OPEX	-	OPEX	Achieved  1 PMS Policy Framework reviewed adopted in February 2019	None	None	1 PMS Policy Framework reviewed

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	2017/18 Top layer SDBIP approved	2019/20 Top layer SDBIP	Nil	KPI 40 Number of 2019/20 Top layer SDBIP approved by Executive Mayor by June 2019 PMS	Output	-	-	(1) 2019/20 Top layer SDBIP approved by Executive Mayor by June 2019	OPEX	-	OPEX	Achieved  (1) 2019/20 Top layer SDBIP approved by Executive Mayor by June 2019	None	None	2019/20 Top layer SDBIP approved
Performance Management Systems	To ensure internal municipal excellence	Municipal planning ng	2017/18 Mid-Year Term Performance Reports compiled	2018/19 Mid-Year Performance Assessment Report	Nil	KPI 41 Number of Mid-Year Performance Assessment Report compiled approved by January 2019 BTO PMS	Output	-	-	(1) 2018/19 Mid-Year Performance Assessment Report compiled approved by January 2019	OPEX	-	OPEX	Achieved  (1) 2018/19 Mid-Year Performance Assessment Report compiled approved by January 2019	None	None	Council Resolution and 2018/19 Mid-Year Performance Assessment Report compiled

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	Approved 2016/17 municipal annual performance report (sec 46) and Annual Report	2017/18 annual performance report compiled	Nil	KPI 42 Number of 2017/18 annual performance reports compiled submitted by August 2018 PMS	Output	-	-	(1) 2017/18 annual performance report compiled submitted by August 2018	OPEX	-	OPEX	Achieved  (1) 2017/18 annual performance report compiled submitted by August 2018	None	None	2017/2018 Annual performance report

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Municipal Information Security Standards	To ensure internal municipal excellence	Municipal Planning	Approved Security policy by November 2018	Review of Security policy	Nil	KPI 43 Number of Security policy workshoped to officials by June 2019 MISS	Output	-	-	1 Security policy workshoped to officials June 2019	OPEX	-	OPEX	Not achieved	The target was overtaken by events as the MISS Manager has to assist with safety Coordination for the elections related activities in municipalities.	The workshop/engagement will be done in the 2019/2020 1st quarter	Attendance register of officials on Security Policy workshop conducted

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Speaker	To ensure internal municipal excellence	Municipal Planning	council meetings coordinate	8 council meetings	Nil	<b>KPI 44</b> Number of council meetings coordinate by June 2019 SP	Output	-	-	8 council meetings coordinate d by June 2019	OPEX	-	OPEX	<b>Achieved</b>  13 Meetings coordinate d by June 2019 #6 Special # 7 Ordinary	Urgen t matter s needi ng the attend ing of Coun cil	None	Coun cil minut es
Speaker	To ensure internal municipal excellence	Municipal Planning	1 MPAC Public Participation meeting held at Madiba Banquet Hall	1 MPAC Public Participati on meeting	Nil	<b>KPI 45</b> Number of MPAC Public Participation meetings held by March 2019 SP	Output	1 MPAC Public Participation meeting held by March 2018	<b>Achieved</b>  1 MPAC Public Participation meeting held	1 MPAC Public Participati on meeting held by March 2019	OPEX	-	Opex	<b>Achieved</b>  1 MPAC Public Participation meeting by March 2019	None	None	Public Particip ation minutes & Attenda nce Registe rs

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	Actively held at Saultul Islamic Orphanage at JB Marks Municipality during Mandela Day	Support orphanage house	Nil	KPI 46 Number ofcelebrations with elderly during Mandela Day to be held in Matlosana recreational Hall by July 2018 EM	Activity	-	-	1 celebration with elderly during Mandela Day to be held in Matlosana recreation al Hall by July 2018	R150 000	31052280 030FLP61 ZZWD	R 86 400,00	Achieved  1 celebration with elderly during Mandela Day held in Matlosana recreational Hall by July 2018.	None	None	Report on Mandela a Activity held

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	168 Students benefited	300 students	50	KPI 47 Number of students within Dr. Kenneth Kaunda District awarded with financial assistance for registration in Higher learning institutions by March 2019 EM	Output	135 awarded with financial assistance for registration in Higher learning institutions by March 2018	Achieved 168 students awarded with financial assistance	250 students within Dr. Kenneth Kaunda District awarded with financial assistance for registratio n in Higher learning institutions by March 2019	R3 000 000	31052 59065 0FLP6 3ZZWD	R 2 261 866.00	Not Achieved  162 students within Dr. Kenneth Kaunda District awarded with financial assistance for registration in Higher learning institutions by June 2019	The require ment to conduct verificati on for purpose s of not funding those benefiti ng from NSFAS. Universi ties taking long to confirm NSFAS funded student s.	To physical ly go to Universi ties in the Februar y March to verify with Universi ties, VET and College s.	Report on student s awarde d financial

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	10 Supported students that applied for financial assistance	Support of 5 educational request	5 Students offered financial assistance	KPI 48 Number of educational request supported by March 2019  EM	Output	5 educational requests supported by March 2018	Achieved 10 students offered financial support	5 educational requests supported by March 2019	R200,000	31052540650FLP36ZZWD	R 126 440,00	Achieved 5 educational requests supported	None	None	Report on students offered financial assistance/support



NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	500 food parcels supplied to distressed families identified	Supply of 200 food parcels to distressed families identified	100 food parcels Supply to distressed families identified 135	KPI 49 Number of food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by June 2019 EM	Output	200 food parcels supplied to distressed families identified by June 2018	Achieved 200 food parcels supplied to distressed families identified parcels. 50 food parcels supplied to 3 NGOs.	200 food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by June 2019	R300 000	31052 69064 0FLP6 9ZZW D	R 250 000,00	Achieved  200 food parcels supplied to distressed families within Dr. Kenneth Kaunda District by June 2019	None	None	List of Beneficiaries  Signed beneficiary recipient register  Report on food parcels supplied.

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANC E INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANC E	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio- economic development	None	None	Host 1 Africa Day activity	1 Africa Day activity	KPI 50 Number of Africa Day activity hosted by May 2019 EM	Activity	1 Africa Day activity hosted by May 2018	Not Achieved The budget was used to transport 198 youth to attend the Youth summit held in JB Marks	1 Africa Day activity hosted at Maquassi Hills by May 2019	R150 000	31052 28003 0FLP0 1ZZW D	R 0	Not Achieved	The office decid ed to parti cipate in provin cial organi zed event.	The progr am has been disco ntinue d in 2019/ 20 with a view for conce ntratio n to be on the provin cial event.	Repor t on Africa Day activit y

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANC E INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANC E	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio- economic development	None	Nil	1 Mayoral Golf Day	Nil	KPI 51 Number of Mayoral Golf Day hosted by December 2018 EM	Activity	1 Mayoral Golf Day hosted by June 2018	Not Achieved	1 Mayoral Golf Day hosted in Matlosana by December 2018	R60 000	31052 28003 0FLP6 2ZZW D	R 58 760	Not Achieved	The Dance Master progra m that involved youth was then support ed as Expecte d particip ation from Golfers did not material ize making the actual project not possible	The project to be disconti nued in the 2019/20 financial year	Report on Mayoral Golf Day hosted.

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANC E INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANC E	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio- economic development	None	4 gender workshops held	Hold 4 Gender workshops	2 gender workshops	KPI 52 Number of Gender activity programs held within Dr. Kenneth Kaunda District by June 2019 EM	Activity	5 Gender activity programs held within Dr. Kenneth Kaunda District by June 2018	Achieved 5 Gender activity program held	5 Gender activity programs held within Dr. Kenneth Kaunda District by June 2019	R300 000	31052 28003 0FLP5 3ZZW D	R 113 610,00	Achieved 5 Gender activity programs within Dr. Kenneth Kaunda District by June 2019	None	None	Repor t on Gend er works hops held

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANC E INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANC E	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio- economic development	None	30 girls exposed to a working environment	20 boys and 20 girls exposed to a working environme nt	Nil	KPI 53 Number of girls and Boys within Dr. Kenneth Kaunda District exposed to a working environment by May 2019 EM	Output	20 boys and 20 girls within Dr. Kenneth Kaunda District exposed to a working environment by May 2018	Achieved 20 boys and 20 girls exposed to a working environment	20 boys and 20 girls within Dr. Kenneth Kaunda District exposed to a working environme nt by May 2019	R200 000	3105228 0030FL P11ZZ WD	R 46 600	Achieved 20 boys and 20 girls within Dr. Kenneth Kaunda District exposed to a working environment by May 2019	None	None	Report on boys and girls expos ed to a worki ng enviro nment & attend ance regis ter



NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	New	Provide 2 assistive devices provided or fixed to identified disabled individuals	Nil	KPI 54 Number of assistive devices provided or fixed to identified disabled individual within Dr. Kenneth Kaunda District by June 2019 EM	Output	1 assistive devices provided to identified disabled individual by June 2018	Not Achieved Transported learners with Special Needs to participate in Soccer tournament held in Cape Town	4 assistive devices provided to identified disabled individual within Dr. Kenneth Kaunda District by June 2019	R200 000	31052280 030FLP21 ZZWD	R 150 240,00	Achieved 4 Wheelchairs donated to beneficiaries by June 2019	None	None	Report on proof of assistive devices provided to identified disabled individuals

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	District Older persons activity at the district and provincially supported	4 recreational Activities held for Elderly	Nil	KPI 55 Number of recreational and development al Activities held for Elderly by December 2018 EM	Activity	1 recreational and development al Activity held for the Elderly by June 2018	Achieved 1 recreational and developmental Activity held for the Elderly in Sep with Provincial Directive. We procured T-Shirts and Caps	1 recreation al and developm ental Activities held for Elderly by December 2018	R10 000	3105228 0030FL P37ZZ WD	R 10 000	Achieved  1 recreationa l and developme ntal activity held for Elderly held where a donation of sporting equipment to elderly sports was done	None	None	Report on recreationa l Activit ies held for Elderly

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	New	Conduct 2 RHR programs	Nil	KPI 56 Number of moral regeneration program conducted within Dr. Kenneth Kaunda District by June 2019 EM	Activity	-	-	4 moral regeneration programs conducted within Dr. Kenneth Kaunda District by June 2019	R150 000	3105230 0120FL P66ZZ WD	R 69 500,00	<b>Not Achieved</b>  1 Anti-Gang Working Session Held  1 Omama Besxaxa festival to mentally stimulate the elderly	2 collaborative planned events planned with the province could not take place due to refocus on different projects at provincial level.	District only to include projects it has total control on in the SDBIP.	Report on moral regeneration programmes conducted
Executive Mayor	To promote socio-economic development	None	3 youth programs or projects supported	12 youth programs or projects	12 youth programs or projects	KPI 57 Number of youth projects within Dr. Kenneth Kaunda District supported by June 2019 EM	Activity	3 youth council established supported by June 2018	Achieved  Matlosana youth council established	12 youth projects within Dr. Kenneth Kaunda District supported by June 2019	R480 000		<b>Not Achieved.</b> *Achievers Book Club assisted *Creative Minds Fashion Show*Supported SABC High School Career Expo *Youth Dialogue	Changes at provincial level affected implementation	Include this KPI to all programme managers. To be implemented jointly by Gender, Disability & Youth	Report on moral regeneration programmes conducted	
										R0	31052280 030FLQ07 ZZWD	R 0					
										R0	31052280 050FLQ07 ZZWD	R 0					
										R0	31052280 610FLQ07 ZZWD	R 0					
											R0	31052281 220FLQ07 ZZWD	R 0				



NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2017/18			KEY PERFORMANC E INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANC E	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
											R0	31052300 120FLQ07 ZZWD	R 0				
											R0	31052300 140FLQ07 ZZWD	R 0				
											R0	31052301 870FLQ07 ZZWD	R 0				
											R0	31052300 120FLQ06 ZZWD	R 0				
											R25 000	31052300 140FLQ06 ZZWD	R 19 565				
											R125 000	31052280 610FLQ06 ZZWD	R 41 500				
											R25 000	31052281 220FLQ06 ZZWD	R 0				
											R0	31052300 120FLQ06 ZZWD	R 0				
											R140 000	31052305 730FLQ06 ZZWD	R 55 500				
											R100 000	31052301 870FLQ06 ZZWD	R 90 470				

KPA 5	
Number of Targets Achieved	Number of Targets Not Achieved
	
21	10
The following departments contributed towards Good Governance and Public Participation	
Disaster Risk Management	2
Finance	1
Corporate Services	1
District Economic Development	2
Office of the Executive Mayor	12
Office of the Speaker	2
Office of the Municipal Manager	2
Internal Audit	1
Strategic Planning	2
Performance Management System	4
Communications	1
Minimum Information Security Standards	1

## KPA 6: SPATIAL RATIONALE



### DISASTER RISK MANAGEMENT

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
Functional Area	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	Phase 1 of 3 for the District Dolomite Strategy conducted	Phase 2 of 3 phases for the District Dolomite Strategy	1 Draft Emergency Response Plan. 1 Draft Dolomite By-Law	KPI 58 Number of Draft Emergency Response Plan & Draft Dolomite By-Laws DRM	Output	-	-	1 Draft Emergency Response Plan & 1 Draft Dolomite By- Law	R2,000,000	3805 2272 540F LP75 ZZR3	R2,000,000	Achieved  Draft Emergency Response Plan & 1 Draft Dolomite By- Law by June 2019	None	None	1 Draft Emergency Response Plan. 1 Draft Dolomite By- Law
Disaster Risk Management	To ensure fire services	Fire Services	New Project	60 Fire Safety Inspections conducted	Nil	KPI 59 Number of Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by June 2019 DRM	Activity	-	-	60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by June 2019	OPEX	-	OPEX	Achieved  60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by June 2019	None	None	Fire Inspection Reports

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
Functional Area	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	1 International; Disaster Risk Reduction event conducted	Nil	KPI 60 Number of International; Disaster Risk Reduction events held within Dr. Kenneth Kaunda District conducted by June 2019 DRM	Output	-	-	1 International; Disaster Risk Reduction event conducted by June 2019	R20 000	3805 2318 70FL P23Z ZWD	R 20 000	Achieved  1 International; Disaster Risk Reduction event on 15 November 2018	None	None	Report and Attendance Registers

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
Functional Area	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	BESAFE Centre Activities conducted	Nil	KPI 61 Number of BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted by March 2019 DRM	Activity	-	-	6 BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted by March 2019	OPEX	-	OPEX	Achieved  6 BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted by March 2019.  3/8/18 4/8/18 12/10/18 12/12/18 15/2/19 22/2/19	None	None	Reports and Attendance Registers
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	Winter Awareness Campaign conducted	Nil	KPI 62 Number of Winter Awareness campaigns within Dr.	Activity	-	-	1 Winter Awareness Campaign within Dr.	R50,000	3805 2280 030F LP76 ZZWD	R 28 500,00	Achieved 1 Winter Awareness Campaign within Dr. Kenneth	None	None	1 Report and Attendance Registers

NATIONAL LG PRIORITIES	BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
Functional Area	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2017/18			KEY PERFORMANCE INDICATOR	KPI TYPE	2017/18 Financial Year Comparison		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2018/19 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2017/18 Target	2017/18 ACTUAL PERFORMANCE								
				d		Kenneth Kaunda District conducted by June 2019 DRM		-		Kenneth Kaunda District conducted by June 2019	R220,000	38052280030FLP23ZZWD	R 239 238,00  (there was a virement which increased the budget to R 260 000.00)	Kaunda District conducted in May 2019			
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	Contingency Plans updated	Nil	<b>KPI 63</b> Number of Contingency Plans updated by June 2019 DRM	Output	-	-	12 Contingency Plans updated by June 2019	OPEX	-	OPEX	<b>Achieved</b>  12 Contingency Plans updated by June 2019	None	None	12 Contingency Plans
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	Community Based Disaster Risk Assessment conducted	Nil	<b>KPI 64</b> Number of Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by June 2019 DRM	Output	-	-	4 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by June 2019	R50,000 R220,000	38052280030FLP76ZZWD 38052280030FLP23ZZWD	R 28 500 R 239 238  (there was a virement which increased the budget to R 260 000.00 )	<b>Achieved</b>  4 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by June 2019	None	None	4 Reports on CBDRA conducted

KPA 6	
Number of Targets Achieved	Number of Targets Not Achieved
	
7	0
Spatial Rationale KPA	
Disaster Risk Management	7

### 3.2. SERVICE PROVIDER ASSESSMENT FOR THE 2018/2019 FINANCIAL YEAR

POLITICAL OFFICE: OFFICE OF THE SPEAKER

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor Good 2 - Fair 3 -Average 4 - 5 – Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
Spec & Ord Council (28&30/05/19)	RED- BINDI Investment	OPEX	28&30/05/2019	28&30/05/2019	Once off	None/First time provider	None				Good	
CBP Closeup Session (29/05/19)	Thabonathi	OPEX	29/05/2019	29/05/2019	Once off	None/First time provider	None				Good	
Integrated Public Participation & Anti-Corruption And Fraud Event	Motshabi Enterprise (PTY) Ltd	OPEX	31/05/2019	31/05/2019	Once off	None/First time provider	None				Good	
	Lead Time 121 Trading & Projects				Once off	Late arrival	None				Average	
	Moorosi Zile Enterprise (PTY) Ltd				Once off	None/First time provider	None				Good	
3 Colour Printers (Spk Off)	Batho Bagagwe IT CC	OPEX	10/06/2019	10/06/2019	Once off	First time provider						
Integrated Public Participation & Anti-Corruption And Fraud Event	Lithila Roots	OPEX	04/06/2019	04/06/2019	Once off	First time provider	None				Good	
DLG&HS Compliance Meeting	SSS Projects (PTY) Ltd	OPEX	05/06/2019	05/06/2019	Once off	First time provider	None				Good	
Integrated Public Participation & Anti-Corruption And Fraud Event	Kwenamore	OPEX	06/06/2019	06/06/2019	Once off	First time provider	None				Good	



**OFFICE OF THE EXECUTIVE MAYOR**

**POLITICAL OFFICE  
ANNUAL PERFORMANCE ASSESSMENT FOR SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project Name	Name of Service Provider	Source of funding	Start Date	Completion Date	Challenges and Interventions	Assessment of Service Provider (Scale 1-5) 1-Poor 2-Fair 3-Average 4-Good 5-Excellent				Assessment Comments
						Q 1	Q 2	Q 3	Q 4	
Catering	Patjale Catering	Own Revenue	23/08/2018	23/08/2018	None	4				Well done
Catering	Joshtha Trading	Own revenue	17/10/2018	17/10/2018	None		4			Well done
Catering	Kgosithato Trading Enterprise	Own Revenue	16/11/2018	16/11/2018	None		4			Well done
Catering	Thata Consultant	Own Revenue	27/11/2018	27/11/2018	None		4			Well done
Gift Vouchers	Game Stores	Own Revenue	4/12/2018	4/12/2018	None		4			Well done
Clothing Rails	LebogangThuto Trading Enterprise	Own Revenue	04/12/2018	05/12/2018	None		4			Well done
Clothing Rails	Ponya Holding Ent	Own Revenue	04/12/2018	05/12/2018	None		4			Well done
Transport	Good Example	Own Revenue	29/09/2018	29/09/2018	None		4			Well done
Catering	RuangBarui	Own Revenue	29/09/2018	29/09/2018			4			Well done
Catering	Usingitha Trading Enterprise	Own Revenue	17/02/2019	20/02/2019	None			4		Well done
Catering	KoBontleng Trading Enterprise	Own Revenue	05/02/2019	08/02/2019	None			4		Well done
Catering	The Key	Own Revenue	30/01/2019	30/02/2019	None			4		Well done
Venue & Catering	Ngwenya Hotel	Own Revenue	28/01/2019	28/02/2019	None			4		Well done
Catering	Chezz Trading	Own Revenue	8/03/2019	8/03/2019	None			4		Well done
Wheel Chairs	Boitshoko Medical	Own	12/04/2019	12/04/2019	None				4	Well done

	& Surgical Suppliers	Revenue								
Catering	Telke Projects	Own Revenue	04/06/2019	04/06/2019	None			4		Well done
Catering	Mathata a Fedile	Own Revenue	21/06/2019	21/06/2019	None				4	Well done
Catering	Appropriate Minds	Own Revenue	26/06/2019	26/06/2019	None				4	Well done
Stationary	Ketiro& Project	Own Revenue	27/06/2019	27/06/2019	None				4	Well done
Elderly Sports Equipment	Mulato Investment	Own Revenue	28/06/2019	28/06/2019	None				2	Need to improve quality
Transport	Raletlotlo transport	Own Revenue	27/07/2019	27/07/2019	None				4	
Transport	Moorosi Trading	Own Revenue	27/07/2019	27/07/2019	Didn't deliver				1	Need to engage
Transport	Fiasco Tradingh	Own Revenue	27/07/2019	27/07/2019	None				4	Well done

**POLITICAL OFFICE: MPAC**

OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor    2 - Fair    3 -Average    4 - Good    5 – Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
Tracking of MPAC Resolutions sent to council	The key	Municipal Budget: Equitable Share	12 July 2018	12 July 2018	Goods Delivered and received	None		5				The goods were delivered on time in a specified manner
MPAC Meeting on UIFW 16/17	Kasi movement Project and Construction	Municipal Budget: Equitable Share	21 Aug 2018	21 Aug 2018	Goods Delivered and received	None		5				The goods were delivered on time in a specified manner
MPAC Meeting on APR and Q2	Mokgefatso Construction	Municipal Budget:	11 Sep 2018	11 Sep 2018	Goods received	None		5				The goods were delivered on time in a specified

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
and Q3 performance report		Equitable Share										manner
MPAC Meeting on APR of the Agency	Tradefast 5(PTY)LDT TA the Key	Municipal Budget: Equitable Share	16 Oct 2018	16 Oct 2018	Goods Delivered and received	None			5			The goods were delivered on time in a specified manner
MPAC District forum	O Lorato construction	Municipal Budget: Equitable Share	23 Nov 2018	23 Nov 2018	Goods Delivered and received	The food was delivered very late and people had to drive far as it was a district forum. When the food finally arrived they were not well done			2			Environmental health should visit this service provider kitchen as assess it
Bags for the committee members to carry the committee documents since they have no laptops	Siks Entertainment	Municipal Budget: Equitable Share	24 October 2018	22 November 2018	Goods Delivered and received	None			5			The goods were delivered on time in a better specification for the same amount
MPAC Meeting on Briefing with the AG	TR o Deon	Municipal Budget: Equitable Share	05 Feb 2019	05 Feb 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting Project visits on	Sss Project(PTY)LTD	Municipal Budget: Equitable	15 Feb 2019	15 Feb 2019	Goods Delivered and	No challenges				5		The goods were delivered on time in a specified manner

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
		Share			received							
MPAC Meeting on Project Visits	Mamnkabane traiding	Municipal Budget: Equitable Share	18 Feb 2019	18 Feb 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting on Interviews with the executive and administration	The key	Municipal Budget: Equitable Share	19 Feb 2019	19 Feb 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting on interviews the executive and administration	ANT mo trading	Municipal Budget: Equitable Share	21 Feb 2019		Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	Zamacuna Catering 150 participants	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	MTBT catering 150 participants	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	Mamnkabane catering 150 participants	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The goods were delivered on time in a specified manner

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
MPAC Meeting on Public Participation for the entire district in one place	Gorileng Transporting people from maquassie hills	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The people were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	Balebabedi Transporting people from Potchefstroom	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The people were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	Japs Transporting people from vetersdorp	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The people were delivered on time in a specified manner
MPAC Meeting on Public Participation for the entire district in one place	Mtshepana Transporting people from matlosana	Municipal Budget: Equitable Share	08 March 2019	08 March 2019	Goods Delivered and received	No challenges				5		The people were delivered on time in a specified manner
MPAC meeting going through Legislative and compliance information Annual Report	Mr salad	Municipal Budget: Equitable Share	14 March 2019	14 March 2019	Goods Delivered and received	The food was not fresh				2		The service provider should not be used for the committee meetings again

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
Recording device	Ronmar office equipment	Municipal Budget: Equitable Share	30 January 2019	30 March 2019	Goods Delivered and received	The service provider did not deliver the recorder according to the specifications given. The municipality requested a bigger memory recording device but instead a small one was delivered with a different brand than as requested. The matter was discussed with SCM and the service provider explained that other brands were more expensive than the quoted amount. A memory card was later then delivered to make up for the small memory of				2		The service provider should have specified the challenges faced. Continued contact between SCM and service providers is encouraged during procurement process

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 – Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
						the recorder.						
Printing of Oversight reports	Jet Line	Municipal Budget: Equitable Share	31 January 2019	08 April 2019	Goods Delivered and received	The service provider did not deliver the oversight books according to the specifications given. The municipality requested book binding and a ring binding was delivered 15 days late. The challenges were discussed with the service provider who admitted that he normally send the documents to Johannesburg for a better quality.					2	The service provider should have specified the challenges faced. Continued contact between SCM and service providers is encouraged during procurement process

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					Assessment Comments
							2018/19	Q 1	Q 2	Q 3	Q 4	
MPAC Meeting on UIF&W and Legal report	Kele G creations (PTY) LTD	Municipal Budge: Equitable Share	06 June 2019	06 June 2019	Goods Delivered and received	None					5	Good
MPAC Meeting on UIF&W and Legal report	MTBT	Municipal Budget: Equitable Share	19 June 2019	19 June 2019	Goods Delivered and received	The food was badly prepared. The matter was reported to SCM and they informed the service provider who since then improved since the catering was for two days					2	The service provider should not be used again for the committee as 3 services were procured from them in one year other providers to be given an opportunity
MPAC Meeting on UIF&W and Legal report	MTBT	Municipal Budget: Equitable Share	20 June 2019	20 June 2019	Goods Delivered and received	The food was fresh					5	

**OFFICE OF THE MUNICIPAL MANAGER**

**OFFICE OF THE MUNICIPAL MANAGER  
ANNUAL ASSESSMENT OF SERVICE PROVIDERS  
2018/2019 FINANCIAL YEAR**

Project name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1- Poor 2- Fair 3- Average 5- Good 6- Excellent					Assessment Comments
							2018/19	Q1	Q2	Q3	Q4	
Provision for	Diphethogo	Internal	01 August	01 August	99.9% to the	Risk	5					



24 hours Security Services	Security Services	funding	2017	2019	contract to expired	assessment not implemented						
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#### BUDGET AND TREASURY OFFICE

BUDGET AND TREASURY OFFICE ANNUAL ASSESSMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1- Poor 2- Fair 3- Average 5- Good 6- Excellent					Assessment Comments
							2018/19	Q1	Q2	Q3	Q4	
Financial System (SOLAR )	BCX	Own	1 July 2018	30 June 2019	System functional	None	6	6	6	6	6	
Insurance	BLaq- M Holdings	Own	1 October 2018	30 September 2021		None	6	6	6	6	6	
DSTV	Multi Choice	Own	5 November 2018	4 November 2019	Good	None	6	6	6	6	6	

#### TRANSPORT, ROADS AND TECHNICAL INFRASTRUCTURE DEVELOPMENT

TRANSPORT, ROADS AND TECHNICAL INFRASTRUCTURE DEVELOPMENT ANNUAL ASSESSMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1- Poor 2- Fair 3- Average 5- Good 6- Excellent					Assessment Comments
							2018/19	Q1	Q2	Q3	Q4	
Review of Dr KKDM SDF	Maxim Planning Solution	Internal funding	November 2018	June 2020	Signed agreements with Matlosana & JB Marks for Dr KKDM to facilitate the updating / consolidation of their SDF's	SDF's of Matlosana & JB Marks are not updated and therefore this affects the finalization of the district one, project rolled over to 2019/2020	5	n/a	5	5	5	

Rural Roads Asset Management Systems	Aganang Consulting Engineers	Conditional grant - RRAMS	August 2017	June 2019	Completed planned RRAMS activities for 2018/2019	Contract terminated due to Reg. 32 procurement challenges. Original contract of Service provider ended in June 2019 and that affected the contract of Dr KKDM with Aganang	2018/19 5	Q1 n/a	Q2 5	Q3 5	Q4 5	
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#### INFORMATION TECHNOLOGY

<b>INFORMATION TECHNOLOGY ANNUAL ASSESSMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR</b>												
Project name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1- Poor 2- Fair 3- Average 5- Good 6- Excellent					
							2018/19	Q1	Q2	Q3	Q4	
VPN	Telkom SOC	Internal Funding	June 2016	July 2019	Contract to be renewed for 12 months	None	5	5	5	5	5	Contract is to be extended for another twelve months due to the nature of the service. The service form the backbone from which all the IT service are provided, including security of the municipal informational assets.
PABX System	North West Telecoms	Internal Funding	24 Jan 2011	24 Jan 2014	None	Service needs to be integrated into VOIP/Data	3	3	3	3	3	Contract is on a month-to-month

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## CORPORATE SERVICES

CORPORATE SERVICES ANNUAL ASSESSMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1- Poor 2- Fair 3- Average 5- Good 6- Excellent					Assessment Comments
							2018/19	Q1	Q2	Q3	Q4	
Printing Machines	Seartech Trading PTY LTD	Own Revenue	17/03/14			Month to Month (The regional office closed down in Klerksdorp). The is difficulty and challenges in doing maintenance	3	3	3	3	3	

## DISASTER RISK MANAGEMENT

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2018/2019 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Dolomite Risk Management Strategy	Kgoma Africa	Own Revenue	July 2018	June 2021	Ongoing. Fourth quarter targets met.	None		4	4	4	4	None

## 4. CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1. COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

#### INTRODUCTION

Corporate Service strategic intent is to provide outstanding administrative support services to the entire municipality by ensuring effective records management, efficient committee management in all council meetings excellent human resource function and overall good governance. There are 3 units within the department, Administration, Legal and Human Resources.

#### TOTAL NUMBER OF EMPLOYEES, STAFF TURNOVER AND VACANCIES

Human Resources Unit is a division that falls under the Corporate Services Department. It plays a critical role in the Organisation in respect of talent attraction, terminations, declaration of employees to UIF, leave administration, Employment Equity, HR Resources information management system, employee benefits, Long service recognition and HR policy development. It largely reinforces the white paper in HRM which requires Human resources in Public Sector (including Local Government) to be managed, utilized and maintained efficiently and effectively. This approach would allow Dr. Kenneth Kaunda District Municipality to manage within nationally defined parameters its own employee.

#### TOTAL NUMBER OF EMPLOYEES

Department	Total No 2017/18	Total No 2018/19	Males 2017/18	Males 2018/19	Females 2017/18	Females 2018/19
Office of the Executive Mayor	13	13	6	6	7	7
Office of the Speaker	8	8	4	4	5	4
Office of the Single Whip	6	5	2	3	3	3
MPAC Office	2	2	0	2	2	2
Office of the Municipal Manager	15	14	8	8	6	7
Corporate Services	23	23	5	9	18	14
Budget and Treasury Office	14	12	4	5	10	7
Technical Services	6	6	4	4	2	2
Environmental Health	39	39	13	14	26	25
District Economic Development	8	6	4	4	4	2
Disaster Risk Management	9	8	5	5	4	3
TOTAL	143	136	66		77	76

Total Appointments during Financial Year 2018/19 = 9

Resignations during Financial Year 2018/19 = 6

Terminations during Financial Year 2018/19 = 1

## STATUS OF SENIOR MANAGERS APPOINTMENTS

Designation	Status
Municipal Manager	Filled
Corporate Services	Filled
Chief Financial Officer	Vacant
Director: District Economic Development	Vacant
Director: Transport Roads and Infrastructure Services	Vacant
Director: Municipal Environment and Health Services	Vacant
Director: Disaster Risk Management	Vacant

## 4.2. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The current workforce is 136 employees, the municipality has approved policies on which employees are inducted

### POLICIES

#### POLICY REGISTER

NO	POLICY	STATUS	DATE OF ADOPTION	REVIEW
1	Subsistence Accommodation and Travelling Allowance Policy	Workshopped ( 20/07/2018)	ITEM A.313/11/2018	Annually
2	Danger Allowance Policy	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	Annually
3	Draft Access Control Policy	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	Bi Annually
4	South African Broadband Policy	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	Bi Annually
5	Emergency Relief Minor Incidents Procedural Guidelines	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	Annually
6	Draft Fire Services By- Laws		ITEM A. 179/08/2018	Annually
7	Placement Policy	22/10/2018	ITEM A.335/11/2018	Bi-Annually
8	Student Financial Aid Policy	22/10/2018	ITEM A.335/10/2018	Annually
9	Assessment Management Policy	22/10/2018	ITEM A.335/10/2018	Annually
11	Assets Management Policy	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
12	Cash Management & Investment Policy	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
13	Funding & Reserves Policy	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
14	Municipal Budget Policy	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
15	Policy On Borrowing	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
16	SCM Policy	Workshopped 20 March 2019	ITEM A. 171/05/2019	Annually
17	Proposed Revised Grant in Aid Policy	Workshopped ( 18/05/2018)	ITEM A. 313/11/2018	Annually
18	Community Projects Technical Support Conditional Grant and	Workshopped ( 18/05/2018)	ITEM A. 313/11/2018	Annually

	Tourism Policy			
19	Security Plan Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
20	Security & Procedure Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
21	Draft Internal and External Communication Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
22	Draft Performance Management Policy Framework	22//10/2018	ITEM A. 313/11/2018	Bi Annually
23	User Account Management Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
24	Workstation Security Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
25	Software Installation Services Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
26	Back-Up Management Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
27	Corporate Governance of Information and Communication Technology Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
28	Draft E-mail use Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
29	Servers Security Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
30	Remote Access Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
31	Internet Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
32	Password Protection Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
33	Information Technology (IT) Support Services Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
34	Information Security Policy	22//10/2018	ITEM A. 313/11/2018	Bi Annually
35	Election Contingency Plan	36/05/2019	ITEM A.143/05/209	6 Months Before Election
36	Events Contingency Plan	36/05/2019	ITEM A.143/05/209	Annually
37	Easter Season Contingency Plan	36/05/2019	ITEM A.143/05/209	Annually
38	Draft Donation Sponsorship Policy	20 March 2019		Annually
39	Festive Season Contingency Plan	20 March 2019	ITEM A.56/03/2019	Annually
40	Dolomite/Sinkhole Contingency	20 March 2019	ITEM A.56/03/2019	Annually
41	Xenophobia Attacks Contingency Plan	20 March 2019	ITEM A.56/03/2019	Annually
42	Drought Contingency Plan	20 March 2019	ITEM A.92/03/2019	Annually
43	Weather /Severe Condition Plan	20 March 2019	ITEM A.92/03/2019	Annually
44	Winter Season Contingency Plan	20 March 2019	ITEM A.92/03/2019	Annually
45	Recovery Plan	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	
46	Draft Disaster Risk Management Plan	Workshopped ( 20/07/2018)	ITEM A. 313/11/2018	Annually
47	Integrated Waste Management	Workshopped	ITEM A.	Annually

	Plan	( 20/07/2018)	215/08/2018	
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## INJURIES, SICKNESS AND SUSPENSIONS

In terms of Section 8 of the Occupational Health and Safety Act, 85 of 1993 (OHS Act) the employer has a responsibility to provide and maintain, as far as reasonably practicable, a working environment that is safe and without risk to the health of employees. Regular inspections, assessments surveys and audits must also be conducted on buildings and equipment to ensure the environment stays healthy, safe and without risk for all employees within the Municipality as well as to ensure legal compliance with the Occupational Health and Safety Act.

Number and Cost of Injuries on Duty				
Type of Injury	Injury Leave Taken	Employees Using Injury Leave	Avarage Injury Leave per Employee	Total Estimated Costs
Required basic medical attention	49	3	16.4	-
Temporary disablement	0	-	0	
Permanent disablement	0	-	0	
Fatal	0		0	
Total	49	3	16.4	-

Salary band	Total sick leave days	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post
Municipal Manager and Directors	0	0	0	3
Managers	88	6	12	18
Coordinators and Senior Officers	259	8	36	50
Officials and Clerks	144	16	21	38
Secretaries and/ or Pas	78	0	2	6
Pest Controllers, Fire-fighters, Drivers and Cleaners	129	6	18	23

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 Finalised	Date Finalised
Human Resource Manager	Misconduct	07 January 2019	Case to sit October 2019	Not yet

## PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary Profile				
	Gender	Total Number of Employees in Group	Number of Beneficiaries	Expenditure on Rewards 2018/19	Proportion of Beneficiaries within Group
No performance rewards paid during the financial year under review					



#### 4.3. COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

##### SKILLS DEVELOPMENT AND TRAINING:

Reporting on Training Expenditure						
Funding Source	Planned Training Budget - Employed	Planned Training Budget - Unemployed	Actual Expenditure - Employed	Actual Expenditure - Unemployed	Committed Expenditure - Employed	Committed Expenditure - Unemployed
Mandatory Grant Funds	150000	0	150000	0	0	0
Outstanding Mandatory Grant funds from previous year	50000	0	100000	0	30000	0
Discretionary Grants funds	1500000	2000000	1700000	2305000	1700000	2305000
Additional funding (Municipality/entity, donor funds, ...)	500000	3000000	850000	3000000	850000	1500000
<b>Totals</b>	<b>2200000</b>	<b>5000000</b>	<b>2800000</b>	<b>5305000</b>	<b>2580000</b>	<b>3805000</b>

##### Total Actual Training Beneficiaries from 2018/2019

Total Actual Training Beneficiaries								
LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Good Governance and Institutional Leadership and Development	Good Governance and the linking of Municipal Transformation and Institutional	To ensure internal Municipal excellence	24	10	34	23	34	57
Financial Management	Municipal Financial Viability and	To ensure financial excellence	20	20	40	10	5	15
Infrastructure Development Basic	Basic Service Delivery and	To promote physical infrastructure development	30	25	55	4	7	11
Municipal Planning	Sustainable Local Economic	To promote socio-economic development	15	12	27	41	56	97
			14	11	25	16	7	23
<b>Totals</b>			<b>103</b>	<b>78</b>	<b>181</b>	<b>94</b>	<b>109</b>	<b>203</b>

**NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE as at 1 May 2018 - 30 April 2019 – EMPLOYED**

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE -																					
Occupation	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non
LEGISLATORS	2017-111102-3	Chief Whip	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0
LEGISLATORS	2017-111101-8	Councillor	12	0	0	3	10	0	0	6	31	0	0	0	0	0	2	23	6	31	0
LEGISLATORS	2017-111101	Local or Provincial Government	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0
LEGISLATORS	2017-111101-1	Member of Mayoral Committee	3	0	0	0	3	0	0	0	6	0	0	0	0	0	0	4	2	6	0
LEGISLATORS	2017-111101-2	Speaker (Local or Provincial)	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
<b>LEGISLATORS Totals</b>			<b>17</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>28</b>	<b>9</b>	<b>40</b>	<b>0</b>
MANAGERS	2017-121901-3	Administrative Services Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-134402	Community Development	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-132301	Construction Project Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-132301	Corporate Planning	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-132301	Corporate Services	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-134911-2	Disaster Management	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-132104-1	Employee Relations	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-132104-1	Engineering Maintenance	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-134901-	Environmental Health Manager	2	0	0	0	1	0	0	0	3	0	0	0	0	0	0	3	0	3	0
MANAGERS	2017-111202	Finance Manager	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	General Manager Public Service	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	Human Resource	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	ICT / IT Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	Internal Audit	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	Municipal Finance	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	1	1	0
MANAGERS	2017-111202	Municipal Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0
MANAGERS	2017-111202	Policy and Planning	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	Political Party Official	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-121905	Programme or Project Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-111202	Public Relations	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0

MANAGERS	2017-143904-2	Security Risk Assessment	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-143904-2	Strategic Planning	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
<b>MANAGERS Totals</b>			<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>2</b>	<b>24</b>	<b>0</b>
PROFESSIONALS	2017-242101-3	Business Support Project Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-243201-6	Communication Management	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-242101-2	Corporate Planner	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-215102	Electrical Engineering	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-226301	Environmental Health Officer	14	0	0	2	5	0	0	2	23	0	0	0	0	0	9	11	3	23	0
PROFESSIONALS	2017-241107	Financial Accountant	0	1	0	1	0	0	0	0	2	0	0	0	0	0	0	2	0	2	0
PROFESSIONALS	2017-242303-	Hr Officer	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-242211	Internal Auditor	1	0	0	0	3	0	0	0	4	0	0	0	0	0	2	2	0	4	0
PROFESSIONALS	2017-243201-5	Media Liaison Officer	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-226302-2	Occupational Health and Safety Advisor	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-242302	Records Skills Development Practitioner	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0
PROFESSIONALS	2017-242302	Tourism Officer	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0
<b>PROFESSIONALS Totals</b>			<b>19</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>24</b>	<b>4</b>	<b>39</b>	<b>0</b>
TECHNICALS AND ASSOCIATE PROFESSIONALS	2017-311501-3	Agricultural Engineering Technician	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICALS AND ASSOCIATE PROFESSIONALS	2017-332401-6	Agricultural Procurer	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICALS AND ASSOCIATE PROFESSIONALS	2017-341201-3	Community Development Officer	1	0	0	0	0	1	0	0	2	0	0	0	0	0	1	0	1	2	0
TECHNICALS AND ASSOCIATE PROFESSIONALS	2017-341201-4	Community Development Worker	1	0	0	0	2	0	0	0	3	0	0	0	0	0	0	2	1	3	0

TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-351101-7	Computer Engineering Assistant	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-331201-13	Credit Clerk	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-331201-1	Credit Controller	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-333201-12	Event Planner	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-331201-11	Finance Clerk / Officer	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-334102	Office Administrator	4	1	0	1	0	0	0	0	6	0	0	0	0	0	0	6	0	6	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-334302	Personal Assistant	1	0	0	0	1	0	0	0	2	0	0	0	0	0	0	2	0	2	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-332302-2	Procurement Administrator / Coordinator / Officer	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-342201	Sports Development Officer	0	0	0	0	2	0	0	0	2	0	0	0	0	0	0	2	0	2	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-333905-1	Supply Chain Administrator	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0
<b>TECHNICIANS AND ASSOCIATE PROFESSIONALS Totals</b>			<b>11</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>3</b>	<b>24</b>	<b>0</b>
CLERICAL SUPPORT	2017-441903-7	Administrator	3	0	0	0	0	0	0	0	3	0	0	0	0	0	0	3	0	3	0

CLERICAL SUPPORT	2017-412101-2	Aide De Camp	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-411101-12	Community Services Clerk	1	0	0	0	1	0	0	0	2	0	0	0	0	0	1	1	0	2	0
CLERICAL SUPPORT	2017-431101-2	Creditors Clerk	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-432301-4	Fleet Contracts Manager / Controller / Coordinator	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-411101	General Clerk	2	0	0	0	1	0	0	0	3	0	0	0	0	0	0	3	0	3	0
CLERICAL SUPPORT	2017-441601	Human Resources Clerk	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-431301	Payroll Clerk	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-441501-8	Records Clerk / Coordinator	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-441101-18	Records Coordinator / Officer	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT	2017-412101	Secretary (General)	6	0	0	0	0	0	0	0	6	0	0	0	0	0	1	5	0	6	0
CLERICAL SUPPORT	2017-432101-15	Supply Clerk / Assistant / Officer / Scheduler	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS Totals			17	0	0	1	4	0	0	0	22	0	0	0	0	0	2	20	0	22	0
SERVICE AND SALES	2017-541907	Disaster Management Officer	0	0	1	0	2	0	0	0	3	0	0	0	0	0	0	3	0	3	0
SERVICE AND SALES	2017-541101	Fire Fighter	2	0	0	0	1	0	0	0	3	0	0	0	0	0	0	3	0	3	0
SERVICE AND SALES	2	0	1	0	3	0	0	0	6	0	0	0	0	0	0	6	0	6	0		
SKILLED AGRICULTURAL, FISHERY, CRAFT AND RELATED TRADES WORKERS	2017-684401	Pest or Weed Controller	0	0	0	0	4	0	0	0	4	0	0	0	0	0	2	2	0	4	0
Totals			0	0	0	0	4	0	0	0	4	0	0	0	0	0	2	2	0	4	0

PLANT AND MACHIN	2017- 732101-7	Driver-messenger	0	0	0	0	4	1	0	0	5	0	0	0	0	0	0	4	1	5	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS Totals			0	0	0	0	4	1	0	0	5	0	0	0	0	0	0	4	1	5	0
ELEMEN TARY OCCUPA	2017- 811201-4	Office Cleaner	9	0	0	0	1	0	0	0	10	1	0	0	0	1	1	5	4	10	0
ELEMENTARY OCCUPATIONS Totals			9	0	0	0	1	0	0	0	10	1	0	0	0	1	1	5	4	10	0
Totals			84	3	1	9	63	2	0	12	174	1	0	0	0	1	20	131	23	174	0

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipal ity (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidate d: Total of A and B	Consolidate d: Competenc y assessment s completed for A and B (Regulation 14(4)(b) and (d))	Consolidate d: Total number of officials whose performanc e agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>3</b>
Accounting officer	1		1	1	1	1
Chief financial officer	1		1	1	1	1
Senior managers	0		0	0	0	0
<b>Supply Chain Management Officials</b>	<b>2</b>		<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Heads of supply chain management units	1		1	1	0	1
Supply chain management senior managers	1		1	1	0	1
<b>TOTAL</b>	<b>9</b>	<b>1</b>	<b>9</b>	<b>9</b>	<b>2</b>	<b>9</b>

#### 4.4. COMPONENT D: MANAGING MUNICIPAL WORKFORCE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
There was no employee whose salary was increased due to their position being upgraded during the year under review		

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
There was no employee who was appointed to posts not approved during the year under review				

## **5. CHAPTER 5: FINANCIAL PERFORMANCE**

This Chapter contains information regarding financial performance and highlights specified accomplishments. The Chapter comprises of the following components;

**Component A: Budget Summary**

**Component B: Statement of Financial Performance**

**Component C: Statement of Financial Position**

**Component D: Cash Flow**

**Component E: Grants**

**Component F: Financial Ratios**



## 5.1. COMPONENT A: BUDGET SUMMARY

Description  R thousands	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Financial Performance</b>										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 277
Transfers recognised - operational	171 867	174 536	179 654	184 644	182 680	185 140	185 140	196 082	197 551	204 365
Other own revenue	9 242	1 612	1 949	108	358	358	358	1 057	360	360
<b>Total Revenue (excluding capital transfers and contributions)</b>	185 105	178 479	184 374	187 132	185 988	188 448	188 448	200 089	201 021	208 003
Employee costs	74 911	83 018	87 582	98 519	95 143	95 143	95 143	107 120	114 218	121 787
Remuneration of councillors	8 966	8 598	9 620	9 372	10 209	10 209	10 209	11 842	12 478	13 148
Depreciation & asset impairment	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6 043
Finance charges	401	421	849	–	–	–	–	–	–	–
Materials and bulk purchases	1 260	751	2 432	3 429	3 279	3 279	3 279	3 539	3 730	3 932
Transfers and grants	69 309	5 553	5 380	5 751	6 511	6 511	6 511	5 949	4 473	4 655
Other expenditure	119 984	68 403	72 054	65 579	69 809	69 809	69 809	62 842	56 911	57 479
<b>Total Expenditure</b>	279 339	173 963	186 825	187 663	189 964	189 964	189 964	196 732	197 543	207 043
<b>Surplus/(Deficit)</b>	(94 235)	4 516	(2 450)	(531)	(3 976)	(1 516)	(1 516)	3 357	3 478	959
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 152	–	–	–	2 460	–	–	–	–	–

Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516)	3 357	3 478	959
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516)	3 357	3 478	959
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>35 493</b>	2 879	6 557	3 472	3 297	3 297	3 297	3 010	1 896	596
Transfers recognised - capital	<b>35 493</b>	–	–	–	2 017	2 980	4 544	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	2 879	6 557	3 472	3 297	3 297	3 297	3 010	1 896	596
<b>Total sources of capital funds</b>	<b>35 493</b>	2 879	6 557	3 472	5 314	6 277	7 841	3 010	1 896	596
<b><u>Financial position</u></b>										
Total current assets	<b>18 727</b>	20 534	17 617	31 415	13 965	13 965	13 965	15 569	22 905	29 334
Total non current assets	<b>33 408</b>	35 639	31 724	30 868	50 213	50 213	55 164	54 959	54 321	53 649
Total current liabilities	<b>37 992</b>	30 485	25 325	30 501	20 874	20 874	20 874	15 000	15 000	15 000
Total non current liabilities	<b>13 369</b>	13 271	14 050	15 767	10 687	10 687	10 687	14 050	14 050	14 050
Community wealth/Equity	<b>773</b>	12 417	9 966	16 015	34 205	34 205	39 156	41 478	48 176	53 933
<b><u>Cash flows</u></b>										
Net cash from (used) operating	<b>(44 309)</b>	12 831	2 655	4 502	3 517	3 517	3 517	8 817	9 232	7 025
Net cash from (used) investing	<b>(34 539)</b>	(2 719)	(5 917)	(3 472)	(3 297)	(3 297)	(3 297)	(3 010)	(1 896)	(596)
Net cash from (used)	<b>(667)</b>	(746)	(722)	–	–	–	–	–	–	–

financing <b>Cash/cash equivalents at the year end</b>	<b>4 379</b>	13 745	9 761	15 542	13 965	13 965	13 965	15 569	22 905	29 334
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	<b>4 438</b>	13 745	9 762	30 542	13 965	13 965	13 965	15 569	22 905	29 334
Application of cash and investments	<b>18 110</b>	(16 145)	22 441	28 550	20 874	20 874	20 874	15 000	15 000	15 000
<b>Balance - surplus (shortfall)</b>	<b>(13 672)</b>	29 890	(12 679)	1 992	(6 909)	(6 909)	(6 909)	569	7 905	14 334
<b><u>Asset management</u></b>										
Asset register summary (WDV)	<b>33 349</b>	35 997	31 724	23 169	46 974	46 974	46 974	51 720	51 082	50 410
Depreciation	<b>4 508</b>	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6 043
Renewal and Upgrading of Existing Assets	—	—	—	—	—	—	—	—	—	—
Repairs and Maintenance	—	—	—	1 447	—	—	—	2 406	2 536	2 673
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	—	—	—
<b><u>Households below minimum service level</u></b>										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

## 5.2. COMPONENT B: STATEMENT OF FINANCIAL PERFORMANCE

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue - Functional</b>										
<b><i>Governance and administration</i></b>		<b>177 401</b>	<b>175 694</b>	<b>183 307</b>	<b>183 421</b>	<b>184 487</b>	<b>184 487</b>	<b>194 787</b>	<b>195 480</b>	<b>202 190</b>
Executive and council		–	–	47	–	–	–	–	–	–
Finance and administration		177 401	175 694	183 260	183 421	184 487	184 487	194 787	195 480	202 190
Internal audit		–	–	–	–	–	–	–	–	–
<b><i>Community and public safety</i></b>		<b>2 276</b>	<b>–</b>	<b>650</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community and social services		–	–	195	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2 276	–	455	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b><i>Economic and environmental services</i></b>		<b>7 580</b>	<b>2 785</b>	<b>417</b>	<b>3 711</b>	<b>3 961</b>	<b>3 961</b>	<b>5 302</b>	<b>5 541</b>	<b>5 813</b>
Planning and development		7 580	2 785	–	3 611	3 611	3 611	4 952	5 182	5 424
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	417	100	350	350	350	359	389
<b><i>Trading services</i></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<b><i>Other</i></b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<b>Total Revenue - Functional</b>	2	<b>187 257</b>	<b>178 479</b>	<b>184 374</b>	<b>187 132</b>	<b>188 448</b>	<b>188 448</b>	<b>200 089</b>	<b>201 021</b>	<b>208 003</b>
<b>Expenditure - Functional</b>	-									
<b>Governance and administration</b>		<b>231 132</b>	<b>115 982</b>	<b>137 236</b>	<b>117 659</b>	<b>131 501</b>	<b>131 501</b>	<b>120 774</b>	<b>119 370</b>	<b>124 086</b>
Executive and council		84 176	53 782	60 591	58 658	57 933	57 933	59 309	59 189	62 493
Finance and administration		146 956	62 200	76 645	59 002	73 568	73 568	61 465	60 181	61 593
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>13 767</b>	<b>10 413</b>	<b>10 350</b>	<b>15 699</b>	<b>14 827</b>	<b>14 827</b>	<b>16 700</b>	<b>17 628</b>	<b>18 614</b>
Community and social services		-	-	6 650	-	9 209	9 209	10 159	10 667	11 207
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		13 767	10 413	3 700	15 699	5 617	5 617	6 541	6 960	7 407
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>34 440</b>	<b>47 568</b>	<b>39 239</b>	<b>54 304</b>	<b>43 637</b>	<b>43 637</b>	<b>59 258</b>	<b>60 545</b>	<b>64 343</b>
Planning and development		6 873	19 986	14 277	21 830	12 224	12 224	26 022	25 164	26 679
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		27 567	27 582	24 962	32 474	31 413	31 413	33 237	35 381	37 665
<b>Trading services</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	3	<b>279 339</b>	<b>173 963</b>	<b>186 825</b>	<b>187 663</b>	<b>189 964</b>	<b>189 964</b>	<b>196 732</b>	<b>197 543</b>	<b>207 043</b>
<b>Surplus/(Deficit) for the year</b>		<b>(92 083)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>

## EXPENDITURE PERFORMANCE (REVENUE & EXPENDITURE)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue By Source</b>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment											
Interest earned - external investments		3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 277
Interest earned - outstanding debtors											
Dividends received		2	2	2							
Fines, penalties and forfeits											
Licences and permits				313							
Agency services											
Transfers and subsidies		171 867	174 536	179 654	184 644	182 680	185 140	185 140	196 082	197 551	204 365

Other revenue	2	9 240	1 570	1 122	108	358	358	358	1 057	360	360
Gains on disposal of PPE			39	510							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>185 105</b>	<b>178 479</b>	<b>184 374</b>	<b>187 132</b>	<b>185 988</b>	<b>188 448</b>	<b>188 448</b>	<b>200 089</b>	<b>201 021</b>	<b>208 003</b>
<b>Expenditure By Type</b>											
Employee related costs	2	74 911	83 018	87 582	98 519	95 143	95 143	95 143	107 120	114 218	121 787
Remuneration of councillors		8 966	8 598	9 620	9 372	10 209	10 209	10 209	11 842	12 478	13 148
Debt impairment	3	65	311	121							
Depreciation & asset impairment	2	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6 043
Finance charges		401	421	849							
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	1 260	751	2 432	3 429	3 279	3 279	3 279	3 539	3 730	3 932
Contracted services		20 832	35 568	43 519	35 664	36 767	36 767	36 767	28 150	23 880	22 792
Transfers and subsidies		69 309	5 553	5 380	5 751	6 511	6 511	6 511	5 949	4 473	4 655
Other expenditure	4, 5	99 060	31 346	26 979	29 895	33 022	33 022	33 022	34 672	33 009	34 665
Loss on disposal of PPE		27	1 177	1 434	20	20	20	20	20	21	22
<b>Total Expenditure</b>		<b>279 339</b>	<b>173 963</b>	<b>186 825</b>	<b>187 663</b>	<b>189 964</b>	<b>189 964</b>	<b>189 964</b>	<b>196 732</b>	<b>197 543</b>	<b>207 043</b>
<b>Surplus/(Deficit)</b>		<b>(94 235)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(3 976)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 152				2 460					
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit	6	–	–	–	–	–	–	–	–	–	–

Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(92 083)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(92 083)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(92 083)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(92 083)</b>	<b>4 516</b>	<b>(2 450)</b>	<b>(531)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>(1 516)</b>	<b>3 357</b>	<b>3 478</b>	<b>959</b>



### 5.3. COMPONENT C: STATEMENT OF FINANCIAL POSITION

Description	Re f	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcom e	Audited Outcom e	Audited Outcom e	Origina l Budget	Adjuste d Budget	Full Year Forecas t	Pre- audit outcom e	Budget Year 2019/2 0	Budget Year +1 2020/2 1	Budget Year +2 2021/2 2
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		4 379	3 745	3 761	15 542	3 965	3 965	3 965	569	7 905	14 334
Call investment deposits	1	–	10 000	6 000	15 000	10 000	10 000	10 000	15 000	15 000	15 000
Consumer debtors	1	–	–	–	–	–	–	–	–	–	–
Other debtors		14 347	6 789	7 855	873						
Current portion of long-term receivables											
Inventory	2										
<b>Total current assets</b>		<b>18 727</b>	<b>20 534</b>	<b>17 617</b>	<b>31 415</b>	<b>13 965</b>	<b>13 965</b>	<b>13 965</b>	<b>15 569</b>	<b>22 905</b>	<b>29 334</b>
<b>Non current assets</b>											
<b>Long-term receivables</b>											
Investments		59	0	0							
Investment property											
Investment in Associate		0							0	0	0
Property, plant and equipment	3	32 900	33 969	30 166	29 389	46 974	46 974	51 925	51 720	51 082	50 410
<b>Biological</b>											
Intangible		450	1 607	1 558	1 479	3 239	3 239	3 239	3 239	3 239	3 239
Other non-current assets			63								
<b>Total non current assets</b>		<b>33 408</b>	<b>35 639</b>	<b>31 724</b>	<b>30 868</b>	<b>50 213</b>	<b>50 213</b>	<b>55 164</b>	<b>54 959</b>	<b>54 321</b>	<b>53 649</b>
<b>TOTAL ASSETS</b>		<b>52 135</b>	<b>56 173</b>	<b>49 341</b>	<b>62 283</b>	<b>64 178</b>	<b>64 178</b>	<b>69 129</b>	<b>70 528</b>	<b>77 226</b>	<b>82 983</b>

<b>LIABILITIES</b>											
<b>Current liabilities</b>											
<b>Bank overdraft</b>	<b>1</b>										
<b>Borrowing</b>	<b>4</b>	785	489	197	–	–	–	–	–	–	–
<b>Consumer deposits</b>											
<b>Trade and other payables</b>	<b>4</b>	36 749	29 515	24 461	29 956	20 329	20 329	20 329	14 333	14 333	14 333
<b>Provisions</b>		458	481	667	546	546	546	546	667	667	667
<b>Total current liabilities</b>		<b>37 992</b>	<b>30 485</b>	<b>25 325</b>	<b>30 501</b>	<b>20 874</b>	<b>20 874</b>	<b>20 874</b>	<b>15 000</b>	<b>15 000</b>	<b>15 000</b>
<b>Non current liabilities</b>											
<b>Borrowing</b>		485	–	–	178	–	–	–	–	–	–
<b>Provisions</b>		12 883	13 271	14 050	15 589	10 687	10 687	10 687	14 050	14 050	14 050
<b>Total non current liabilities</b>		13 369	13 271	14 050	15 767	10 687	10 687	10 687	14 050	14 050	14 050
<b>TOTAL LIABILITIES</b>		<b>51 361</b>	<b>43 756</b>	<b>39 375</b>	<b>46 269</b>	<b>31 561</b>	<b>31 561</b>	<b>31 561</b>	<b>29 050</b>	<b>29 050</b>	<b>29 050</b>
<b>NET ASSETS</b>	<b>5</b>	<b>773</b>	<b>12 417</b>	<b>9 966</b>	<b>16 015</b>	<b>32 617</b>	<b>32 617</b>	<b>37 568</b>	<b>41 478</b>	<b>48 176</b>	<b>53 933</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
<b>Accumulated Surplus/(Deficit)</b>		<b>773</b>	<b>12 417</b>	<b>9 966</b>	<b>16 015</b>	<b>32 617</b>	<b>32 617</b>	<b>37 568</b>	<b>41 478</b>	<b>48 176</b>	<b>53 933</b>
<b>Reserves</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 588</b>	<b>1 588</b>	<b>1 588</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>5</b>	<b>773</b>	<b>12 417</b>	<b>9 966</b>	<b>16 015</b>	<b>34 205</b>	<b>34 205</b>	<b>39 156</b>	<b>41 478</b>	<b>48 176</b>	<b>53 933</b>

#### 5.4. COMPONENT D: CASH FLOW

Description	Re f	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcom e	Audited Outcom e	Audited Outcom e	Origina l Budget	Adjuste d Budget	Full Year Forecas t	Pre- audit outcom e	Budge t Year 2019/2 0	Budge t Year +1 2020/2 1	Budge t Year +2 2021/2 2
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Property rates									–	–	–
Service charges									–	–	–
Other revenue		12 004	10 563	369	108	358	358	358	1 057	1 076	1 096
Government - operating	1	172 008	174 983	178 821	184 644	185 140	185 140	185 140	196 082	196 835	203 629
Government - capital	1	2 152							–	–	–
Interest		3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 277
Dividends		2	2	2					–	–	–
Payments											
Suppliers and employees		(234 470)	(175 048)	(173 081)	(176 879)	(178 420)	(178 420)	(178 420)	(185 323)	(187 315)	(196 323)
Finance charges				(849)					–	–	–
Transfers and Grants	1			(5 380)	(5 751)	(6 511)	(6 511)	(6 511)	(5 949)	(4 473)	(4 655)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(44 309)</b>	<b>12 831</b>	<b>2 655</b>	<b>4 502</b>	<b>3 517</b>	<b>3 517</b>	<b>3 517</b>	<b>8 817</b>	<b>9 232</b>	<b>7 025</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		726	160	669					–	–	–
Decrease (Increase) in non-									–	–	–

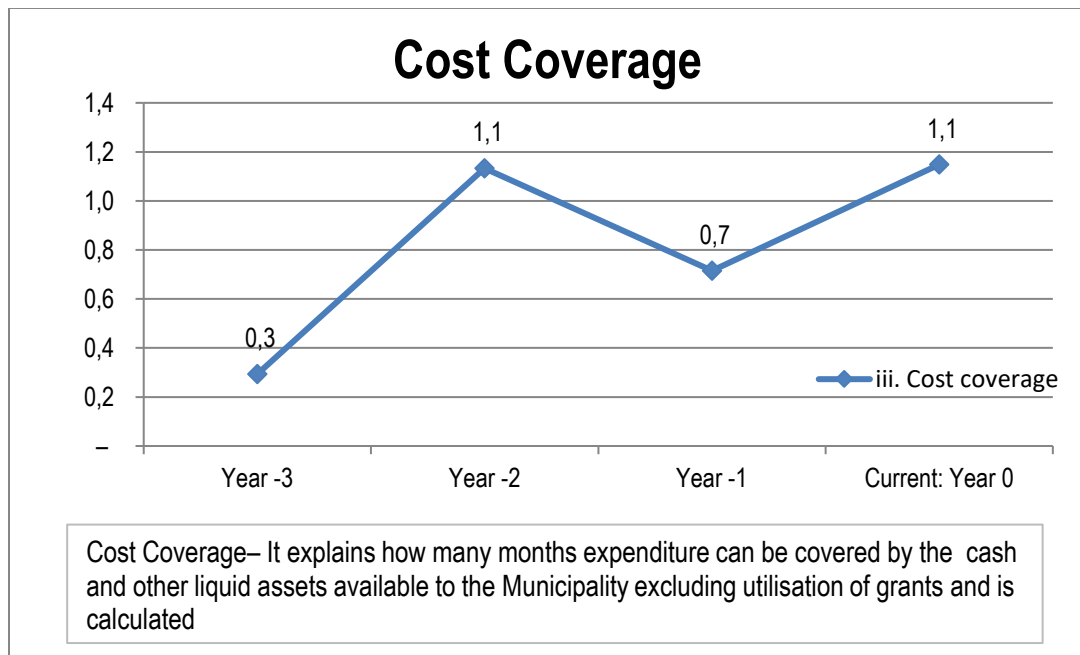
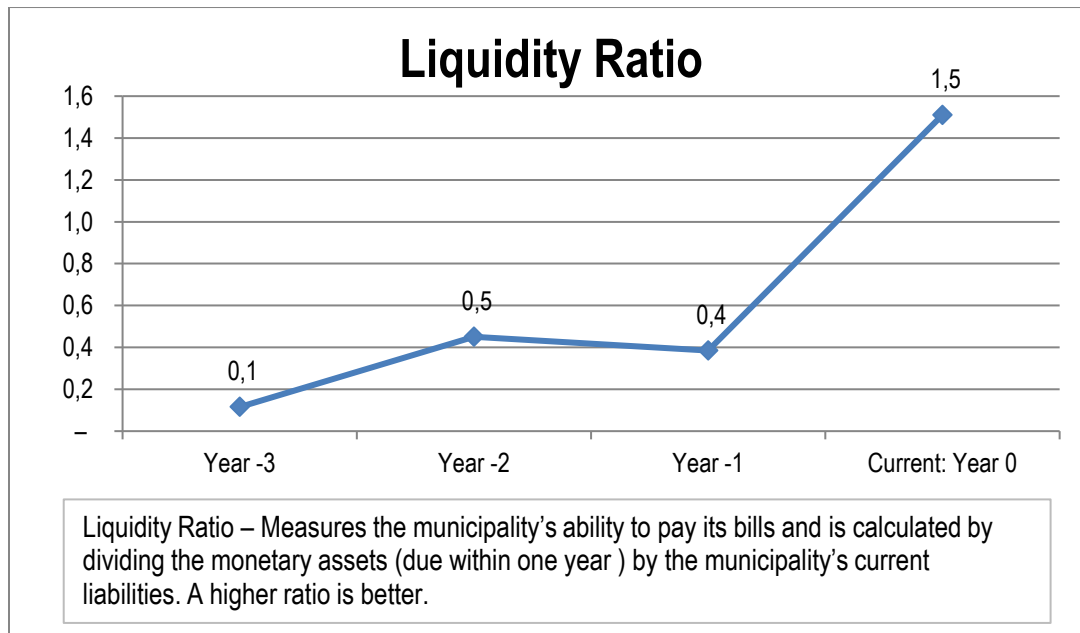
current debtors											
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		(65)		77					-	-	-
Payments											
Capital assets		(35 199)	(2 879)	(6 663)	(3 472)	(3 297)	(3 297)	(3 297)	(3 010)	(1 896)	(596)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(34 539)	(2 719)	(5 917)	(3 472)	(3 297)	(3 297)	(3 297)	(3 010)	(1 896)	(596)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(667)	(746)	(722)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(667)	(746)	(722)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(79 514)	9 366	(3 984)	1 030	220	220	220	5 807	7 336	6 429
Cash/cash equivalents at the year begin:	2	83 894	4 379	13 745	14 512	13 745	13 745	13 745	9 761	15 569	22 905
Cash/cash equivalents at the year end:	2	4 379	13 745	9 761	15 542	13 965	13 965	13 965	15 569	22 905	29 334

## 5.5. COMPONENT E: GRANTS

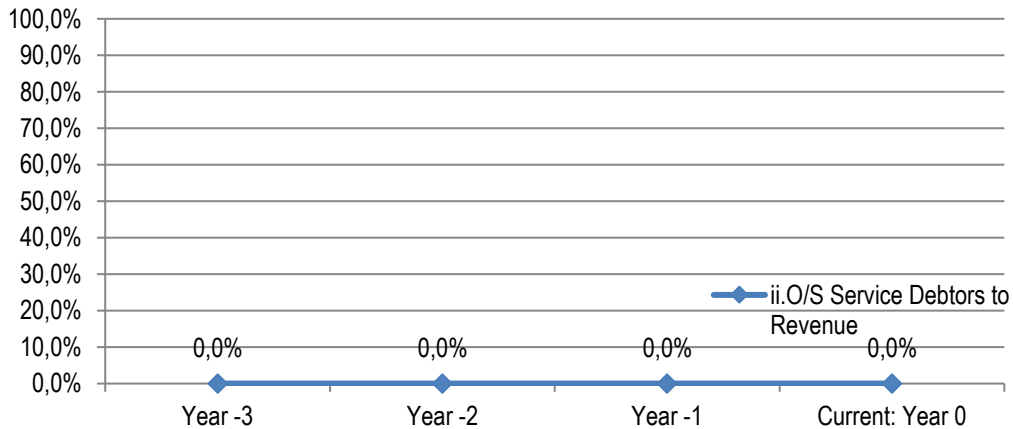
DC40 Dr Kenneth Kaunda - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>RECEIPTS:</b>	<b>1, 2</b>									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		171 939	174 290	178 423	184 644	184 644	184 644	192 854	197 551	204 365
<b>Local Government Equitable Share</b>		20 078	19 609	20 039	21 710	21 710	21 710	24 622	26 411	28 380
<b>RSC Levy Replacement</b>		145 604	149 710	153 637	158 323	158 323	158 323	162 977	167 384	172 078
<b>Finance Management</b>		1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000
<b>Municipal Systems Improvement</b>		930	–	–	–	–	–	–		
<b>EPWP Incentive</b>		1 925	1 479	1 292	1 151	1 151	1 151	1 649	–	–
				–						
<b>Rural Roads Management Systems</b>		2 152	2 242	2 455	2 460	2 460	2 460	2 606	2 756	2 907
<b>Provincial Government:</b>		–	–	–	–	496	496	–	–	–
						496	496			
<b>Rural Roads Management Systems</b>										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–

<i>[insert description]</i>										
Other grant providers:		13 863	–	–	–	–	–	3 228	–	–
<b>LGSETA</b>		3 863						3 228	–	–
<b>CATHSETA</b>		10 000								
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>185 802</b>	<b>174 290</b>	<b>178 423</b>	<b>184 644</b>	<b>185 140</b>	<b>185 140</b>	<b>196 082</b>	<b>197 551</b>	<b>204 365</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants <i>[insert desc]</i>										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants <i>[insert description]</i>										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>										
Other grant providers:		–	–	–	–	–	–	–	–	–
<b>LGSETA</b>										
<b>CATHSETA</b>					196 082	197 551	204 365			
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>185 802</b>	<b>174 290</b>	<b>178 423</b>	<b>184 644</b>	<b>185 140</b>	<b>185 140</b>	<b>196 082</b>	<b>197 551</b>	<b>204 365</b>

## 5.6. COMPONENT F: FINANCIAL RATIOS

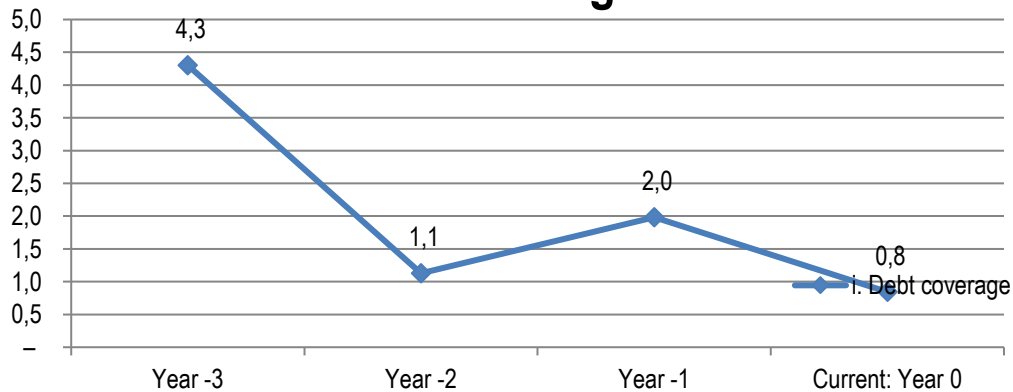


## Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

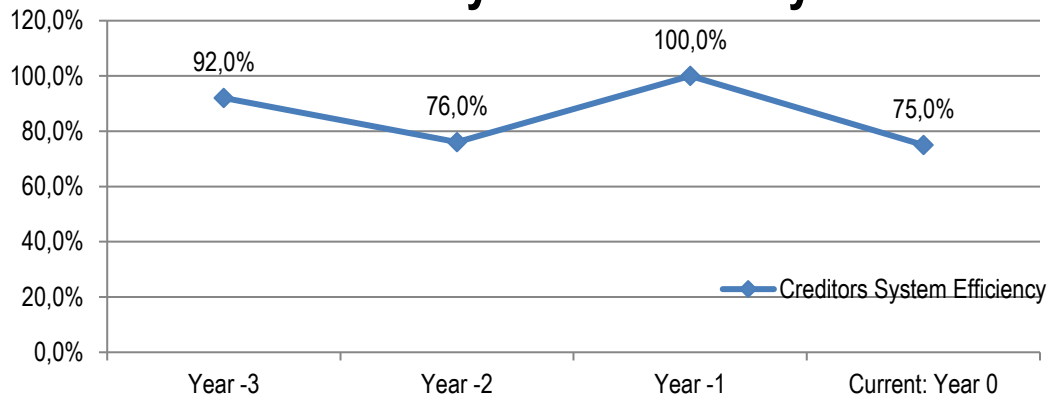
## Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

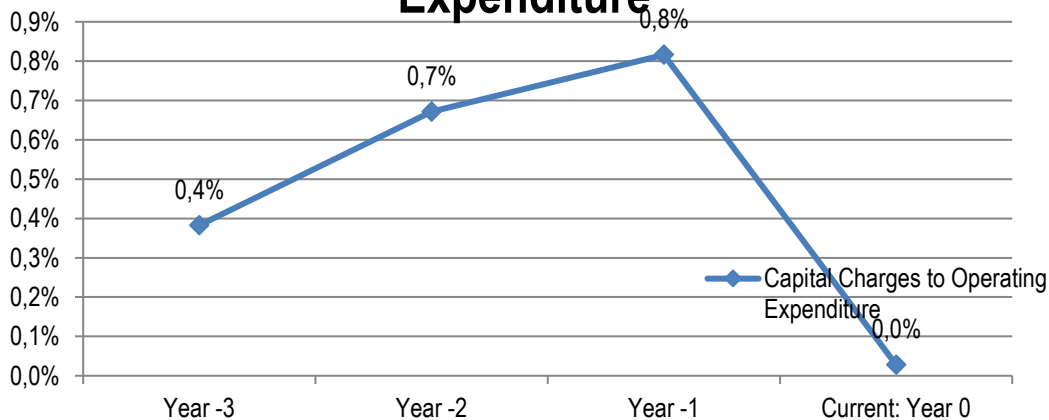


## Creditors System Efficiency



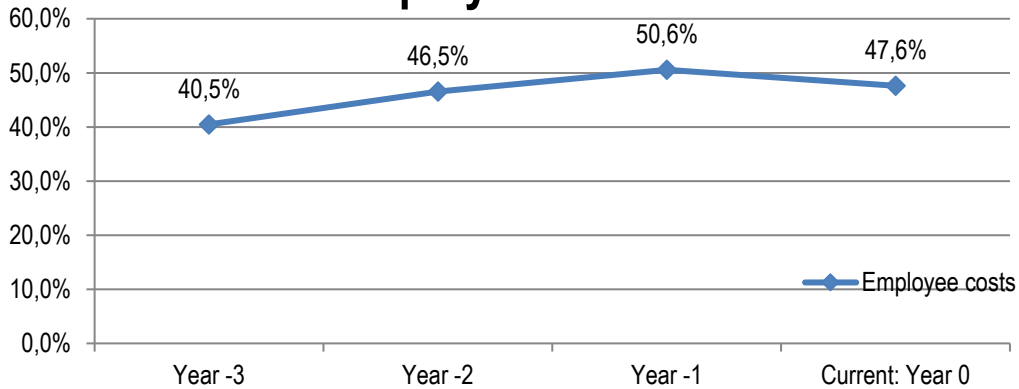
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

## Capital Charges to Operating Expenditure



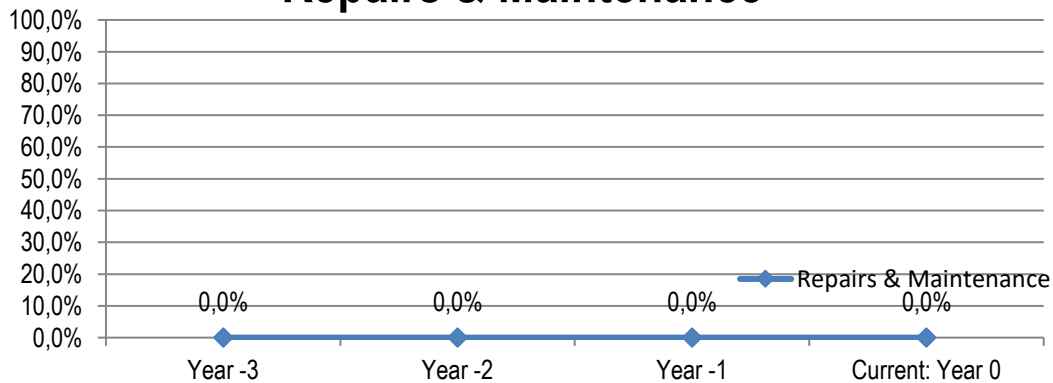
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

## Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

## Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

## 6. CHAPTER 6: AUDITOR GENERAL'S REPORT 2018/2019

### 6.1. COMPONENT A: 2018/2019 AUDIT REPORT



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

#### **Report of the auditor-general to the North West provincial legislature and the council on the Dr. Kenneth Kaunda District Municipality**

##### **Report on the audit of the consolidated and separate financial statements**

#### **Qualified opinion**

1. I have audited the consolidated and separate financial statements of the Dr. Kenneth Kaunda District Municipality and its subsidiary set out on pages 198 to 265, which comprise of the consolidated and separate statement of financial position as at 30 June 2019, and the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Dr. Kenneth Kaunda District Municipality and its subsidiary as at 30 June 2019, and their financial performance and cash flows for the year then ended in accordance with the Standards of 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, 2018 (Act No. 1 of 2018) (DoRA).

#### **Basis for qualified opinion**

##### **Expenditure**

3. During 2018, the municipality did not have adequate systems to maintain records for expenditure. This resulted in general expenses being understated by R5 889 367, contracted services being overstated by R16 114 964 and payables from exchange transaction being understated by R5 433 809 in the consolidated and separate financial statements. Additionally, there was a resultant impact on the deficit for the period and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2018 was modified accordingly. As these misstatements were not corrected, my opinion on the current period's financial statements is also modified because of the effect of this matter on the comparability of the current period's figures.
4. During 2018, I was unable to obtain sufficient appropriate audit evidence that services were received for payments made for contracted services and for general expenses as the information and explanations I considered necessary could not be provided by management. I was unable to determine whether any adjustments relating to contracted services of R43 946 354 and R43 519 475 as disclosed in note 27 and general expenses of R31 129 819 and R29 411 603 as disclosed in note 28 to the consolidated and separate financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2018 was modified accordingly. I was still unable to confirm these expenses by

alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

#### Property, plant and equipment

5. The different categories of property, plant and equipment as disclosed in note 3 to the consolidated and separate financial statements did not agree with the totals included in the asset register. This resulted in the community assets being understated by R4 779 223, buildings being overstated by R3 601 598 and the other property, plant and equipment being overstated by R1 468 913.

#### Prior period errors

6. The municipality did not disclose all corrections made as a result of prior period errors in the notes to the consolidated and separate financial statements as required by GRAP 3, *Accounting policies, changes in accounting estimates and errors*. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were not appropriately disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for some of the prior period errors disclosed. I was unable to confirm the prior period errors by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to the prior period errors disclosure in note 35 to the consolidated and separate financial statements.

#### Statement of comparison of budget and actual amounts

7. GRAP 24, *Presentation of budget information in the financial statements* requires the presentation of the budget information including a statement comparing the budget and actual amounts as well as reasons for variances. The budget amounts included in the consolidated and separate statement of comparison of budget and actual amounts did not agree to the final approved budget of council. In addition, no explanations were included for variances between the budgeted and actual amounts. I was unable to quantify the resultant impact on the variances or the omitted explanations as it was impracticable to do so.

#### Irregular expenditure

8. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure due to a lack of a complete register that agreed to the amounts disclosed in the consolidated and separate financial statements. I was unable to confirm the irregular expenditure by alternative means. In addition, the municipality made payments of R13 133 367 in the previous year in contravention with the supply chain management requirements which were not included in the irregular expenditure disclosed. Consequently, I was unable to determine whether any further adjustment relating to irregular expenditure of R147 382 928 (2018: R125 633 768) and R141 933 001 (2018: R129 787 357) as disclosed in note 43 to the consolidated and separate financial statements was necessary.

#### Context for the opinion

9. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.
10. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) and the ethical requirements that are relevant to my

audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of matters**

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

#### **Unauthorised and fruitless and wasteful expenditure**

13. As disclosed in note 41 to the consolidated and separate financial statements, unauthorised expenditure of R67 966 774 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
14. As disclosed in note 42 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R82 835 was incurred in the current year and fruitless and wasteful expenditure of R10 906 590 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

#### **Other matter**

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

#### **Unaudited disclosure notes**

16. 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 consolidated and separate financial statements and accordingly I do not express an opinion thereon.

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

17. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
18. In preparing the consolidated and separate 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 there is no realistic alternative but to do so.

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

19. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



20. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

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

Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	62 – 66

24. 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.
25. The material finding in respect of the usefulness and reliability of the selected key performance area is as follows:

### KPA 1 – Basic service delivery and infrastructure development

#### KPI 5: Total kilometres of paved roads assessed by June 2019

26. I was unable to obtain sufficient appropriate audit evidence for the reported achievement in the annual performance report. This was due to a lack of systems and processes that enable reliable reporting of actual service delivery against the indicator. I was unable to confirm that the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustment was required to the reported achievement of "Achieved: 1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019".

### Other matter

27. I draw attention to the matters below.

#### **Achievement of planned targets**

28. Refer to the annual performance report on page 62 to 114 for information on the achievement of planned targets for the year. This information should be considered in the context of the qualified opinion expressed on the usefulness and reliability of the reported performance information in paragraph 26 of this report.

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

#### **Introduction and scope**

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

#### **Annual financial statements**

31. The separate 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 disclosure items identified by the auditors in the submitted separate financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the separate financial statements receiving a qualified audit opinion.

#### **Strategic planning and performance management**

32. The service delivery and budget implementation plan (SDBIP) for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.
33. Annual performance objectives and indicators were not established for the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited and included in its multi-year business plan as required by section 93B(a) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA).

#### **Human resource management**

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

#### **Expenditure management**

35. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
36. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualified opinion paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.

#### **Consequence management**

37. Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.

#### Procurement and contract management

38. Bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by regulation 8(2) of the 2017 Preferential Procurement Regulations.
39. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.
40. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
41. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
42. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).

#### Other information

43. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported in the auditor's report.
44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
45. 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 key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

#### Internal control deficiencies

47. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
  - Leadership's oversight over the financial and performance reporting and compliance with legislation did not deliver financial and performance reports which were free from material misstatements. Senior management did not implement adequate control disciplines over the key drivers of internal controls and compliance monitoring which resulted in material misstatements not being detected and prevented.
  - Although the municipality conducted a risk assessment, the risk management activities still require attention as there are no plans in place for fraud prevention. This includes establishing a fully functioning risk committee that is in place for the full year under review to ensure regular risk assessments are performed, including information technology and fraud prevention, are conducted and that a risk strategy is developed and monitored in order to address these risks.



Auditor - General

Rustenburg

18 December 2019



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 6.2. COMPONENT B: 2018/2019 AUDIT COMMITTEE REPORT

### DR Kenneth Kaunda District Municipality – AUDIT COMMITTEE ANNUAL REPORT FOR THE 2018/2019 FINANCIAL YEAR

#### 1. LEGISLATIVE REQUIREMENTS

The Audit, Risk and Performance Committee (hereinafter referred to as the “Audit Committee”) is pleased to present its annual report for the year ended 30 June 2019. The purpose of this report is to communicate the Audit Committee’s progress to date in carrying out its oversight and advisory responsibilities in terms of Section 166 of the Local Government Municipal Finance Management Act, Act 56 of 2003 read with Regulation 14 of the Planning and Performance Management regulations, 2001.

The District Municipality appointed an Audit Committee comprising of five members and such a committee also serves as the Audit and Performance Audit Committee for the Dr K K Development Agency and Maquassi Hills Local Municipality.

The Committee considered fraud, risk and internal controls as an objective of internal control activities with fraud perceived to be a potential internal control failure. The Audit Committee fulfilled its mandate and provided advisory services to the Council, the Accounting Officer and Management on matters relating to the Internal Audit function, effectiveness of the systems of Internal Controls, Risk Management processes and Performance Management Systems.

The functioning of the Audit Committee is governed by the Audit Committee Charter approved by the Municipal Council at the beginning of the Financial year.

#### 2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

During the year under review the Municipal Council appointed a new audit Committee which started on the 1<sup>st</sup> August 2018 and comprised of the following members:

Name of Member	Designation	Number of Meetings Attended.
Mr. A M Langa	Chairperson	6
Mr. B Mathibela	Member	5
Adv. I Motala	Member	5
Ms. S Makhathini	Member	4
Ms. M Ramataboe	Member	5

A total of 4 ordinary meetings were held and 2 special meetings were held and meetings duly formed a quorum with the majority of members in attendance. It should be noted that member Makhathini joined the rest of the members during October as she was on maternity leave at the beginning of the term of the Committee.

The Audit Committee was able to meet as required by legislation and further none of its scheduled meetings was rescheduled due to unavailability of members. The commitment of

the Audit Committee members is highly appreciated. The Audit Committee through its Chairperson managed to submit on a quarterly basis its report to the Municipal Council. All its reports were adopted by the Council and the implementation of the resolutions is monitored through a resolution tracker.

The Audit Committee has as its standing items in its meetings a progress report on the implementation of the Post Audit Action Plan for addressing the 2017/2018 financial year audit findings. The Committee noted that although management put effort to implement the action plan not all agreed actions were undertaken due to a number of reasons.

### **3. EVALUATION OF FINANCIAL AND PERFORMANCE REPORTS**

Statutory quarterly reporting requirements per MFMA provisions to oversight committees, Council and treasury were performed by management. Quarterly reviews and Audit Committee reports, presentations to council were conducted with recommendations on remedial actions to be taken on reported internal control deficiencies identified through internal and external audit findings.

The Audit Committee continually identified and advised Management and Council on financial management and performance reports, non-compliance issues with SCM policies, budget performance trends, progress reports on risk management and fraud, ICT Governance reports, MSCOA implementation.

The Municipality successfully implemented mSCOA and is currently transacting on the new system although a few modules are yet to be implemented.

### **4. RISK MANAGEMENT**

Effective Risk management forms an integral part of the institution's objectives of implementing and maintaining effective risk assessment system on risk identification and monitoring of maturing and emerging risks through progress reports drawn from risk registers by risk owners in accordance with the requirements of the MFMA. The Municipality's strategic risk register was updated based on risk assessments performed by Management with the assistance from one of its Local Municipalities. The Committee reviewed the Municipality's policies on risk management, information technology and considered reports provided by management, internal assurance providers and the auditor general in compliance with legal prescripts and regulatory requirements.

Quarterly reports were considered by the Audit Committee from the Risk Management Committee and such were reviewed by the Committee. The functionality of the Risk Management Committee requires improvement and thus in this regard the Committee recommended to the Municipal Council and Management that an independent Chairperson be appointed to chair the Risk Management Committee.

## **5. EFFECTIVENESS OF INTERNAL CONTROLS**

The Committee provided oversight on the financial reporting processes and existing internal control systems within the Municipality and concluded that the municipality maintains a system of internal controls designed to provide reasonable assurance that transactions are processed and concluded with management's authority; assets are safeguarded against unauthorised use or disposal with proper recording and authorisation of transactions. In order to enhance the effectiveness of internal controls the Committee recommended to the Accounting Officer and Management the implementation of clean administration.

During the year under review, reviews were conducted by oversight bodies identified instances where the effectiveness of internal controls were compromised though systems are in existence based on repeated and new audit findings on internal control system deficiencies identified. The Audit Committee takes cognisance of the fact that there are inherent limitations in the effectiveness of any system of internal controls attributed to human errors and circumvention of internal controls.

Remedial actions taken to address control deficiencies identified in the quarterly reports of internal audit and external audit findings were found inadequate and ineffective as depicted by the control dashboard.

## **6. RISK MANAGEMENT FUNCTION**

The Audit Committee is responsible for the oversight of the risk management function. The Committee noted with concern that due to financial constraints the Municipality did not have an official dedicated for risk management, however such a position has since been created at the advice of the Committee. The report of the Risk Management Committee is a standing item in the Audit Committee's meetings. The Committee recommended to Council that an independent Chairperson be appointed and Council has since accepted the recommendation. The Committee is of the view that such will enhance the functionality of the Risk Management Committee.

## **7. INTERNAL AUDIT UNIT**

The Municipality has an internal audit unit headed by the Manager Internal Audit and reports to the Audit Committee and administratively directly to the Accounting Officer. The unit operates based on a risk based internal audit plan approved by the Audit Committee. The Committee further approved the internal audit charter for the year under review. Further the Committee approved the three year rolling internal audit plan for the unit.

The projects undertaken by the internal audit unit for the year under review can be summarised as follows:

- Planned projects – 9 (nine)
- Achieved projects – 5 (five)

- 100% limitation in one project namely – IT Audit
- Formal adhoc assignments achieved – 1 (one) Assets
- The following projects could not be achieved due to staff shortages:
  - Financial management audit
  - Follow-up on implementation of Post Audit Action Plan (AGSA findings)
  - Adhoc assignment on call centre
- Additional work
  - Assisting management with the revised SDBIP

The Committee noted the need for continued development of the internal audit staff and further to employ more staff to execute all the projects for the three institutions effectively. The Committee developed a tracking tool for the implementation of internal audit recommendations by management and noted the slow implementation of such recommendations.

The Committee evaluated independence of the unit, effectiveness and performance of the internal audit function, considered internal audit reports on the municipality's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems and assessed the adequacy of the performance of internal audit function and find them satisfactory and improving.

## **8. REVIEW OF ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT**

The Committee reviewed the 2018/2019 annual financial statements and the annual performance report as required by the MFMA. The Committee identified challenges which included but not limited to arithmetical errors which were pointed out to management for rectification. Due to time constraints the corrected reports could not be considered by the committee. The reviews confirmed that no new accounting policies were introduced and further that the annual financial statements were prepared on the going concern basis.

The Committee appreciated that the Annual Financial Statements were prepared internally despite the fact that the CFO was only appointed to start in the 2019/2020 financial year.

## **9. EXTERNAL AUDIT**

The Audit Committee considered the audit strategy by the Office of the Auditor General and made comments and further noted that for the year under review the Amended Public audit Act would not be implemented. The Committee accepts the external auditor's conclusions on the annual financial statements and the annual performance report for the 2018/2019 financial year.

The Audit Committee will continue to oversee the development of the Post Audit Action Plan and the implementation of project clean administration with the objective of improving the audit outcome for future years.

Except for the matters identified by the external auditors in the auditor's report, the Audit Committee has satisfied itself that the annual financial statements have been prepared in terms of GRAP and the MFMA.

Report Compiled on behalf of the Audit Committee by:  
**Mr A M Langa**  
**Audit Committee Chairperson**  
**18/12/2019**

### **6.3. COMPONENT C: 2018/2019 INTERNAL AUDIT REPORT**

#### **INTRODUCTION**

This report highlights the outcomes of Internal Audit activities in the year (FY) 2018-2019 (July 2018 – June 2019) which demonstrate our efforts to assist management to identify and address significant risks and drive efficiencies while providing ongoing assurance to Dr Kenneth Kaunda District Municipality, its entity and Maquassi Hills Local Municipality.

#### **FY 2018 -19 Statistical Highlights**

#### **Delivery of Dr Kenneth Kaunda District Municipality's 2018/2019 Annual Internal Audit Plan:**

- Planned projects including Adhoc assignments were nine (09);
- Achieved projects (05), one being database of Internal Audit Findings;
- 100% limitation on (01) project – IT audit
- Formal Adhoc assignments achieved (01) - Assets;
- The following assignments could not be achieved due to staff compliments:
  - Financial Management Audit
  - Follow-up on implementation of AGSA findings
  - Adhoc assignment on Call Centre
- The additional work:
  - Assisting management with the revised 2018/2019 SDBIP

#### **Delivery of Dr Kenneth Kaunda District Economic Development's 2018/2019 Annual Internal Audit Plan:**

- Planned projects were eight (08);
- Total achieved including Adhoc assignment and consulting services were (06);
- Project not reported at yet reported at year end (01)
- Project not achieved (01) - Follow-up on previous Internal Audit Findings and AGSA Finding.

#### **Delivery of Maquassi Hills Local Municipality's 2018/2019 Annual Internal Audit Plan:**

- Planned projects were five (05);
- One completed audit project was one (02) – Financial Management Audit and the development of database of Internal Audit Findings
- Projects not completed were (03);

The non-completion of the Internal Audit Plan at Maquassi Hills Local Municipality was mainly due to organisational instability at Maquassi Hills Local Municipality (safety of officials was a major priority in this regard); inadequate staff compliment for the shared service and slow response to Internal Audit requests.

## **Limitations on the Internal Audit Activity**

- **Organisational Instability at Maquassi Hills Local Municipality**

The organisational instability at Maquassi Hills Local Municipality made it difficult for Internal Audit to carry out audits at the Municipality resulting to Internal Audit finalising only one audit.

- **Management Cooperation**

Internal Audit Activity finds it difficult to audit in the first six months of the financial year because that is the time where management is focusing on external audit, deferring the Internal Audit requests and this had a significant impact on the Internal Audit Plans of Maquassi Hills Local Municipality and Dr Kenneth Kaunda District Municipality. It is only at the District Agency where Internal Audit received a full cooperation from management.

- **Resource Limitation:**

The Internal Audit Activity operated for the year without a Chief Audit Executive. The Manager Internal Audit managed the activity without the duties of the CAE being conferred to her which limited the Manager to carry out some duties.

The organisational structure of the Internal Audit Activity was not adequate to ensure proper quality assurance in all audit projects e.g. The Activity operated with three Senior Internal Auditors and one auditor.

- **Limitation at projects level:**

Internal Audit could not audit the IT department of Dr Kenneth Kaunda District Municipality due to lack of cooperation and lack of documentation.

## **THE PURPOSE OF THE INTERNAL AUDIT ACTIVITY**

The purpose of Dr Kenneth Kaunda District Municipality's Internal Audit Activity was to provide independent, objective assurance and consulting services designed to add value and improve Dr Kenneth Kaunda District Municipality, District Economic Agency and Maquassi Hills Local Municipality's operations. The mission of internal audit was to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Internal Audit Shared Service (IASS) was set up under sections 165(1) of the Municipal Finance Management Act (MFMA) NO. 56 of 2003 and mandated by Council Resolution under Item A.111/07/2007, and A.190/11/2009 as a shared function for the Dr Kenneth Kaunda District Municipality (DRKKDM), which include DRKKDM, Maquassi Hills Local Municipalities, and Dr Kenneth Kaunda District Economic Agency.

## **AUTHORITY OF THE INTERNAL AUDIT ACTIVITY**

The standard for the Professional Practice of Internal Auditing requires the Chief Audit Executive to report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan and



on its conformance with the Code of Ethics and the standard. The reporting must also include significant risk and control issues, including fraud risks, governance issues, and other matters that require the attention of Senior Management and/or the board.

MFMA Section 62 requires amongst others, that the accounting officer of a municipality must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards.

MFMA section 165 requires (1) Each municipality and each municipal entity to have an internal audit unit, subject to subsection (3).

(2) The internal audit unit of a municipality or municipal entity must—

(a) prepare a risk-based audit plan and an internal audit program for each financial year;  
(b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—

(i) internal audit; (ii) internal controls; (iii) accounting procedures and practices; (iv) risk and risk management; (v) performance management; (vi) loss control; and (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

## **THE INTERNAL AUDIT CHARTER**

The Shared Audit Committee approved three (3) Internal Audit Charters for the 2018/2019 financial year (Maquassi Hills Local Municipality, Dr Kenneth Kaunda District Municipality and the District Economic Agency).

## **INDEPENDENCE OF THE INTERNAL AUDIT ACTIVITY**

The Internal Audit Activity was reporting functionally to the Audit Committee and administratively to the Accounting Officer.

## **THE ANNUAL INTERNAL AUDIT PLANS AND THE PROGRESS AGAINST THE PLANS**

The three (3) Annual Internal Audit Plans (Dr Kenneth Kaunda District Municipality, Maquassi Hills Local Municipality and the District Agency) were approved by the Shared Audit Committee and progress made was constantly reported to the Audit Committee on a quarterly basis.

## **CONFORMANCE WITH THE CODE OF ETHICS AND THE STANDARDS**

All members of the Internal Audit Activity had signed code of ethics established by the Institute of Internal Auditors and declare their financial interest to the municipality.

The Internal Audit Activity had not carried out projects for which they do not have the expertise. Internal Audit requested assistance from Dr Ruth Segomotsi Mompati District Municipality to conduct a peer review on the Internal Audit Activity so that Internal Audit can prepare for quality

assurance by the external party but we have not received a response but this does not stop Internal Audit from continuing with the external quality assurance review. The purpose of the external quality assurance review is to assist Internal Audit to identify areas that needs improvement.

## **RESULTS OF AUDIT ACTIVITIES MAQUASSI HILLS LOCAL MUNICIPALITY**

### **Governance Audit**

Even though engagement meeting was held with management to discuss the objective, scope and timeline of the audit, Internal Audit could not achieve its objective of auditing Governance at Maquassi Hills Local Municipality due to organisational instability at that time.

### **Financial Management Audit**

Financial Management Audit was conducted for the purpose of reviewing the adequacy and effectiveness of internal controls and to identify potential risks to the municipality. Corrective actions were not provided and therefore, the final report on this area was issued without corrective action from management. The findings and recommendations are contained in the Final Report.

### **Consulting Service – Post Audit Action Plan**

Internal Audit assisted management with the development of the Post Audit Action Plan from the external audit results of the 2017/2018 financial year after Provincial Treasury had identified that management did not develop the audit action plan and it was already towards the end of the 2018/2019 financial year and this had resulted to that audit action plan not being implemented.

The instability at senior management level also resulted to no one driving the Post Audit Action Plan from senior management level. There was no accountability in this regard. Recommendation from Internal Audit is that management should continue implementing the 2017/2018 Post Audit Action Plan alongside the 2018/2019 financial year Post Audit Action Plan. This could assist the municipality in improving the audit opinion.

## **DR KENNETH KAUNDA DISTRICT ECONOMIC AGENCY**

### **Governance Audit**

Governance Audit at the District Economic Agency was successfully conducted, and the Final Report was issued to management with correction action received from management. The main area of concern was lack of policies and the low maturity of risk management and this is mainly due to lack of resources or capacities.

### **Budget: Ad-hoc Assignment**

The ad-hoc assignment was requested by the Audit Committee. The purpose was to establish compliance with applicable laws and regulations. The results of the ad-hoc assignment were communicated to the Audit Committee and management. Major non-compliance with MFMA

was identified but this was addressed in the 2019/2020 financial year. The non-compliance was a result of lack of capacity in the Finance section of the District Agency.

### **Performance Management Audit**

Performance management audit was undertaken at the District Agency and the alignment of the strategic documents was a major concern and we recommend that the documents should be taken to Internal Audit for high level review before approval.

### **Risk Assessment - Consulting**

Internal Audit assisted the District Development Agency with the development of risk register. The major concern from Internal Audit is that risk register is only done for compliance sake. Risk management is not at a desirable level and this is due to maturity level of risk management and capacity constraint within the District Development Agency. We recommend for the District Municipality to support the District Agency with Risk Management once the Chief Risk Officer is appointed.

### **Financial Management Audit**

The audit was successfully conducted without limitations. Final report inclusive of corrective actions from the CEO was issued. The major finding in this risk area was however in relation to the Financial System that was not fully utilized. The cause could be attributed to the lack of capacity and resources to support the process.

### **Recommendation:**

To address the risks at the District Economic Agency, it will require a broader and significant change in the funding structure of the Agency, until then, the District Agency will forever experience issues on non-compliance and not achieving its objectives.

### **DR KENNETH KAUNDA DISTRICT MUNICIPALITY**

#### **Information Technology Audit**

The purpose of this audit was to review the adequacy of general controls but due to scope limitation, Internal Audit had to issue a report on limitation. Many instances of required documentation were not submitted.

#### **Review of the 2018/2019 Annual Performance Report**

Extensive review was done on the Annual Performance Report. Recommendations on the identified deficiencies were implemented. Even though due professional care was applied, it does not mean that all significant deficiencies will be identified due to inherent limitations.

### **Assets – Adhoc Assignment**

The Adhoc was done as result of request from the Accounting Officer. It was discovered that most of the assets at that time that management recommended for write offs were found to be existing but during the process, the Asset Officer discovered that some assets that were not initially recommended for write off were missing.

This was mainly because management of movable assets was not adequate in the previous years and the municipality was utilizing the service of a consultant in verifying the assets. For the 2018/2019 financial year, the municipality was using its staff to carry out the verification of assets.

### **DED &T and Special Projects Audit**

The purpose of the audit was to evaluate the adequacy of internal controls and the effectiveness thereof. Major Internal Control deficiencies were identified in this area of which the details are contained in the Final Report.

The deficiencies needed immediate attention of management and Internal Audit is of the view that the Accounting Officer and Council needs to recognize the significance of the matters in the report and considerable risk the municipality is exposing itself to.

A follow-up will be conducted in the 2019/2020 financial year to establish whether management is adequately addressing the identified deficiencies.

### **2018/2019 1st Quarter Performance Management Audit**

The audit was conducted with instances of scope limitations identified. POE's were not always submitted or were not submitted timely having negative effect on the timeline of the audit but this is mainly due to other members of management not having a regard for the Internal Audit process.

It must be noted that the detailed audit findings and recommendations of the above mentioned audits are contained in the Final Reports of the above audits.

### **INTERNAL AUDIT STAFF COMPLIMENTS**

The three (3) Internal Audit Plans were delivered by Staff compliments of eight members (Manager Internal Audit, three (3) Senior Internal Auditors, one (1) Internal Auditor, two (2) interns and one (1) contracted on a three months renewable contract.

100% completion of the Internal Audit Plans was not attainable considering the staff compliments of the Internal Audit Shared Service.

### **CONTINUING PROFESSIONAL DEVELOPMENT**

Members of the Internal Audit Activity continuously enhance their knowledge, skills and other competencies through continuing professional development.

On behalf of the Internal Audit Team

Manager Internal Audit  
R.M. Seremo (IAT: SA; PIA: SA)

#### 6.4. MANAGEMENT'S ACTION PLAN ON THE AG'S FINDINGS: 2018/2019

##### MANAGEMENT'S ACTION PLAN ON THE AG'S FINDINGS: 2018/2019

No.	AUDIT FINDINGS & ROOT CAUSE			REMEDIAL	ACTIONS &	TARGET DATES
	Audit Paragraph	Audit Finding	Root cause	Action to be taken	Person Responsible	Targeted Date for completion
1	<b>Expenditure Management</b> Prior year misstatement on expenditure –various findings (COMAF 10 – ISS.87 During the 2018 the municipality did not have adequate systems to maintain records for expenditure. This resulted in general expenditure being understated by R5 889 367.	I. COMAF 10-ISS 45, COMAF 13: ISS: 37 & 78, COMAF 5- ISS 60. <b>Expenditure cut-off</b>  II. COMAF 10 - ISS.87: Prior Year <b>Uncorrected Misstatements.</b>  III. COMAF 10 - ISS.47, 76 & 77. COMAF 13: ISS 64 & 69 <b>Expenditure Classification</b>  IV. COMAF 4: ISS 13	A Lack of adequate internal controls on expenditure management including payment procedure manual not in place. Lack of segregation of duties and monitoring.	BTO has developed payment procedure manuals which incorporates payment checklist to be used over daily processing and reconciling of transactions. This is meant to ensure that transactions are recorded in the correct period, Expenditure is classified correctly and VAT is accounted correctly.   Before any payment is done	Deputy CFO (AFS/Asset/Expenditure) & Chief Accountant Expenditure.	Ongoing. Expenditure section to produce a payment voucher reconciliation quarterly.

		V. COMAF 10- ISS 86: Expenditure <i>(VAT recorded incorrectly).</i>		the expenditure section under the guidance of the Deputy CFO, to ensure that only the invoices that have been submitted with the relevant and required portfolio of evidence that substantiate the billed amount, are processed for payment. Furthermore.		
<b>2</b>	<b>Property Plant and equipment.</b> The different categories of property, plant and equipment as disclosed in note 3 to the consolidated and separate financial statements did not agree with the totals included in the asset register. This resulted in the community assets being understated by R4 779 223, buildings being overstated by R3 601 598 and the	CAF 4: ISS.21 - Asset Register does not agree to the financial statement	Annual Financial Statements not adequately reviewed before submission to AG. The difference emanates from migration from Venus to Solar.	The error was corrected unfortunately due to time constrain the Auditor-General did not allow the adjustments on the AFS. There is still minor difference in the range of less than R300 000.00 between the asset register and the trial balance (Financial system) which will be addressed through	CFO/Deputy CFO AFS/Asset/Expenditure) & Accountant assets.	28 Feb 2020

	other property, plant and equipment being overstated by R1 468 913.			engagement with the financial system provider to ensure that the asset register reconciles with the financial system.		
<b>3</b>	<p><b>Prior period errors</b></p> <p>The municipality did not disclose all corrections made as a result of prior period errors in the notes to the consolidated and separate financial statements as required by GRAP 3, <i>Accounting policies, changes in accounting estimates and errors.</i></p>	<p>I. COMAF 10 - ISS.87: Prior Year Uncorrected Misstatements.</p> <p>II. COMAF 9 - ISS.83: Prior period error: Disclosure note not appropriately disclosed</p>	Lack of adequate review of the Annual financial statements timeously.	The CFO/Deputy CFO to ensure that the prior period error note comply with the requirements of GRAP 3 before submission of the annual financial statements and submission of audit file to internal audit to review the AFS and the supporting documents.	CFO/Deputy CFO(AFS/Asset/Expenditure )	31 July 2020
<b>4</b>	<p><b>Statement of comparison of budget and actual amounts.</b></p>	COMAF 9 - ISS.56 & 57: Statement of Comparison of budget and actual	The original approved instead of the adjustment budget.	The CFO/Deputy CFO to present budget	Deputy CFO (Budget/SCM, Reporting)	31 July 2020

	GRAP 24, Presentation of budget information in the financial statements not done in line with the requirements of GRAP 24.	amounts  □	Lack of adequate review of the AFS.	information in line with GRAP 24.		
<b>5</b>	<b>Irregular expenditure</b>  1. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure due to a lack of a complete register that agreed to the amounts disclosed in the consolidated and separate financial statements. In addition, the municipality made payments of R13 133 367 in the previous year in contravention with the supply	COMAF 16 - ISS.93: Irregular expenditure (Register does not agree with AFS)  COMAF 17 - ISS.96: Information on the Irregular expenditure register does not agree with information of the AFS  COMAF 22: ISS.110: Municipality not prioritised or supported CoGTA/Treasury in curbing of Irregular Expenditure	The updated irregular expenditure register was submitted to auditor-General even before the finding was raised, however due to time constraint AG couldn't considered the updated register. Lack of adequate review of the AFS and control measures to ensure compliance to SCM regulations and SCM policy.	The Deputy CFO (SCM/Budget/Re porting to test compliance to SCM Regulations and SCM Policy of all procurement transactions and Update the irregular expenditure register on monthly basis. The deputy to present on a monthly basis an updated irregular expenditure register to the CFO for review.  SCM Section to continuous enforcement of		Monthly basis and the updated annual irregular expenditure report to be finalized not later than 31 July 2020  Throughout  28 Feb 2020.  30 June 2020



	<p>chain management requirements which were not included in the irregular expenditure disclosed. Consequently, I was unable to determine whether any further adjustment relating to irregular expenditure of R147 382 928 (2018: R125 633 768)) and R141 933 001 (2018: R129 787 357) as disclosed in note 43 to the consolidated and separate financial statements was necessary.</p>			<p>SCM Policy and procedures to ensure that no interference with the supply chain management system of the municipality once bids are submitted.</p> <p>CFO to present an updated Irregular expenditure to the Accounting officer/Council committee for investigation.</p> <p>The AO/Council committee to proceed with investigation of fruitless and wasteful expenditure.</p>		
6	<p><b><i>Unauthorised and fruitless and wasteful</i></b></p>	ISS.32: Unauthorized Expenditure: An amount disclosed in the AFS was not dealt with in line with	Over-spending on the budget as a results of inadequate	Compile adequate balanced budget and strict budget	MM/CFO/ALL Directors AO/CFO	<p>Throughout the year</p> <p>28 Feb 2020.</p>

<p><b>expenditure</b></p> <p>(a) As disclosed in note 41 to the consolidated and separate financial statements, unauthorised expenditure of R67 966 774 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.</p> <p>(b) As disclosed in note 42 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R82 835 was incurred in the current year and fruitless and</p>	<p>Section 125 of the MFMA.</p> <p>Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA</p>	<p>budget provision.</p> <p>Expenditure not properly tracked and late payment of suppliers.</p>	<p>monitoring.</p> <p>Submit a report to Council (in line with Section 32 of the MFMA) to Council to consider write-off of non-cash items.</p> <p>Implement invoice tracing register to monitor the date of receiving the invoice and the payment of the invoice to ensure that invoices are paid within 30 days of receiving the invoice.</p> <p>The AO/Council committee to proceed with investigation of fruitless and wasteful expenditure.</p>		<p>30 June 2020</p>
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	wasteful expenditure of R10 906 590 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.					
<b>7</b>	<b>Payable</b>	COMAF 19 - ISS.43 & 100 Payables: Suppliers invoice not paid within 30 days of receiving invoice	Inadequate internal expenditure control measures.	Implement invoice tracing register to monitor the date of receiving the invoice and the payment of the invoice to ensure that invoices are paid within 30 days of receiving the invoice.	CFO/Deputy CFO	Throughout
<b>8</b>	<b>Procurement and Contract management</b>					
<b>(a)</b>	During the audit we noted that the SCM policy is not updated to include the requirements of local contents.	COMAF 5: ISS.26: SCM Local content requirement not incorporated into bid specification	Omission with regard to legislative compliance.	The Manager SCM to review and update the SCM policy and ensure that the Bid Specification document	CFO/Deputy CFO SCM/Budget/R eporting.	31/05/2020

				incorporates local content.		
<b>(b)</b>	During the audit we noted that the extension of the contract between the District Municipality and North West Telecoms System was not done in line with Section 116 of the MFMA.	COMAF 5 - ISS.29: SCM- Contracts not extended in line with MFMA requirements.  COMAF 21 - ISS.19: SCM- Contracts not extended in terms of MFMA and SCM regulations	Inadequate contract management and Non-compliance to section 116 of the MFMA.	The expenditure incurred was recorded in the irregular expenditure register and since then all contract extensions were done in line with Section 116 of the MFMA.	CFO/Deputy CFO SCM/Budget/Reporting.	throughout
<b>(c)</b>	During the audit we noted that for the following tenders that the bid adjudication committees that were involved were not constituted in line with the SCM regulations:	COMAF 18 - ISS.102: SCM- The bid adjudication committee was not constituted in accordance with the SCM policy	Non-compliance to SCM Regulation 29.	the composition of all Bid committees was corrected in the 2019/20 financial year. The expenditure will be dealt with in line with MFMA section 32 and Circular 68.	AO	throughout
<b>(d)</b>	During the audit we noted that there are no processes in place for contract management to ensure that contracts are monitored on a monthly basis.  Further noted that there are no indicated or formal	COMAF 19 - ISS.34: SCM: Contract Management - The performance of the contractor or service provider is not monitored on a monthly basis	Inadequate contract management and Non-compliance to section 116 of the MFMA.	The current vacant position on SCM that deals with Compliance, Contract and performance Management will be filled in the 2019/20 financial year, meanwhile	Director CS/CFO	31 March 2020.

	contract performance measures and methods that are sufficient to ensure effective contract management these measures should be able to detect under-performance of the supplier			the Deputy CFO SCM/Budget/Reporting will assess performance of the contractors.		
<b>(e)</b>	During the audit we noted that the spouse of an employee of the District Municipality did business with the entity and the total award was not disclosed in the AFS as required by the SCM regulation for awards above R 2000.	COMAF 19 - ISS.38: SCM: Non-disclosure of awards above R2 000 made to the spouse of existing employee	Lack of adequate controls in place to ensure that financial disclosure forms are in place. Dishonesty of employees to disclose the business interests of their family members.	SCM section to compile a register of business interest for municipal officials in line with SCM regulation 45.	Deputy CFO SCM/Budget/Reporting	28/02/2020
<b>(f)</b>	During the performance of CAATS procedures we noted that the supplier and the official hired by the District Municipality did not disclose their interest.	COMAF 8 - ISS.72: SCM- Non disclosure of interest by employee of the District Municipality	Lack of adequate controls in place to ensure that financial disclosure forms are in place. Dishonesty of employees to disclose the business interests of their	SCM section to compile a register of business interest for municipal officials in line with SCM regulation 45.	Deputy CFO SCM/Budget/Reporting	28/02/2020

			family members.			
<b>9</b>	<b>Predetermined Objectives</b>					
	During the audit it was discovered that the municipality's annual Budget is not aligned with its strategic goals	COMAF 4: ISS.20 - Budget not aligned to strategic goals	Lack of proper oversight by management	The budget to be aligned to the strategic goals outlined on SDBIP	AO/CFO/PMS/IDP	28 Feb 2020
	<b>KPI 5: Total kilometres of paved roads assessed by June 2019</b> (c) I was unable to obtain sufficient appropriate audit evidence for the reported achievement in the annual performance report. This was due to a lack of systems and processes that enable reliable reporting of actual service delivery against the indicator. I was unable to confirm that the reported achievement by alternative	COMAF 7 - ISS.76: AOPO - KPI 5: Total kilometers of paved roads assessed is not Variable	Lack of proper oversight by management	Ensure that there are signed inspection reports for the daily inspections carried out including pictures of areas / streets assessed	Acting Director Local Economic Developmental & Planning.	Ongoing

	means. Consequently, I was unable to determine whether any adjustment was required to the reported achievement of “Achieved: 1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019”.					
<b>III.</b>	During the audit it was noted that the SDBIP did not include revenue projections for each month of—	COMAF 18 - ISS.105: APO: Non -compliance with MFMA section 1	Non-compliance due to lack of review of the SDBIP before submission.	The 2019/20 SDBIP will be corrected during the mid-term review.	CFO/Deputy CFO SCM/Budget/R eporting/PMS	28 Feb 2020.
<b>10</b>	<b>Human Resource</b>					
<b>(a)</b>		COMAF 5 - ISS.33: Municipality does not have retention plans		The Corporate service department to develop retention strategy for the 2021 financial year.	Director CS/Manager HR	30 June 2020
<b>(b)</b>	During planning we noted that municipality does not have a system in	COMAF 5 - ISS.32: Non-compliance with section 67(1)(d) MSA	The municipality has not cascaded performance	The municipality has initiated the process of negotiating	All Directors	

	place for monitoring, measuring and evaluating performance of staff in line with section 67(1)(d) MSA:.		down to lower levels.	SALGA to escalate the matter as this is a bargaining council matter.		
<b>11</b>	<b>Risk Management</b> During the audit noted that there are no plans in place to prevent fraud and mechanisms in place for employees, suppliers and other role-players to report allegations of financial misconduct, fraud, corruption and other improper conduct, non-compliance with In Section 115 (1) (b) of MFMA.	COMAF 15 - ISS.35: No fraud detection plan or policies in place. There are no mechanisms in place for employees, suppliers and other role-players to report allegations of financial misconduct, fraud, corruption and other improper conduct.	Internal control deficiency	the fraud anti-fraud and corruption strategy has been developed and will be submitted to council in the 4 <sup>th</sup> quarter of 2019/20, May 2020 for approval.	AO/ALL	31 May 2010
<b>12</b>	<b>Internal Audit</b>					
	During audit we noted that audit committee did not consider and satisfy itself of the appropriateness of the expertise and adequacy of resources of the	COMAF 5 - ISS.53: Audit committee did not consider and satisfy itself of the appropriateness of the expertise and adequacy of resources of the auditees finance function.	Internal audit failure to raise some of the findings with the Accounting officer and only engage senior managers.	All matters that affect the municipality raised by the internal audit must be discussed with the accounting officer and the	AC	30 June 2020



	municipality's finance function. Non-compliance with In terms of section 166(2)(a) of the MFMA.			senior management respectfully, in order to avoid limitations that were not brought to the attention of the Accounting officer.		
<b>13</b>	<b>Information Technology</b>					
<b>(a)</b>	Security Management	<p>There was no signed IT security policy in place to ensure data confidentiality, integrity and availability due to the lack of importance placed on IT security.</p> <p>Anti-virus software was not installed or active on the municipality's IT systems due to inadequate monitoring of the anti-virus status.</p> <p>There is no process in place to ensure up-to-date security of all systems software (patch management process) due to the municipality not assigning responsibility to a specific individual.</p>		<p>Obtain &amp; submit Council resolution on all approved IT policies</p> <p>Installation started during 2nd Q of FY2019/2020 after procurement of Kaspersky Anti-Virus Software</p> <p>The process is being developed to ensure patch management process is achieved</p>	<p>Manager IT/Director Corporate/MM</p> <p>IT Officer/Deputy IT officer</p> <p>IT Officer/Deputy IT Officer</p>	<p>30/01/2020</p> <p>30/06/2020</p> <p>28/02/2020</p>

(b)	User access control	<p>There was no formally documented and approved user account management process established to manage the granting of access to users of the SOLAR and PAYDAY financial systems due to inadequate skills available at the municipality for the development of the process. •</p> <p>Formal access request documentation was not completed for registering users on the PAYDAY system and was not completed for changing access rights, effecting password resets and terminating access rights on both the SOLAR and PAYDAY systems due to a lack of controls of user access policies and procedures to ensure that sufficient IT internal controls would be</p>		To develop User Account Management process for PAYDAY	IT Officer/Deputy IT Officer	28/02/2020
				To complete User Account Management forms by users that are not completed	IT Officer/Deputy Officer	30/01/2020

	<p>implemented. •</p> <p>There were no approved processes in place to ensure that reviews would periodically be undertaken to determine whether employees' current access and privileges on the system were commensurate with their job responsibilities due to the User Access Management Policy not being approved and signed</p> <p>. • There were no processes in place to ensure that the activities of the IT manager or administrator who granted users access to the SOLAR and PAYDAY systems would be reviewed due to the User Access Management Policy not being approved and signed.</p> <p>• We were unable to determine if usernames on the SOLAR and PAYDAY systems were uniquely assigned to specific users to identify a user and to establish accountability as the list of users were not</p>		To submit completed user access forms to establish a formal review process of user access to the productive system environment	IT Officer/Deputy IT Officer	30/03/2020
			To develop a verification process that will indicate the System Administrator responsibility on SOLAR/PAYDAY Applications	IT Officer	30/03/2020

		provided for audit.				
Change control		There were no formally documented and approved program change control policies and procedures in place to detail the process that should be followed when system updates were made to application systems due to the municipality not having the appropriate skills to develop change management policies. • We have not received evidence that		To develop a program change control procedure	IT Officer/Deputy Officer	30/03/2020

		<p>formal change documentation was completed indicating the change to be made and the reasons for all changes made where there were any changes to the financial systems and no management representation letter where such upgrades/updates did not take place due to management not placing the necessary importance of submitting such information to the auditors.</p> <ul style="list-style-type: none"> <li>• We were unable to confirm if vendors have access to the production environment, and if so, if their access was monitored as neither evidence of review was provided nor was a management representation letter provided if no such access was granted due to management not placing the necessary importance of submitting such information to the auditors.</li> </ul>				
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(d)	Its service continuity	There was no approved backup and retention policy due to the municipality not considering the importance of having signed policies in place. • The municipality does not have an approved disaster recovery plan (DRP) that includes all systems (Network, financial and performance reporting systems).		To re-submit a back-up and retention policy	IT Manager	30/01/2020
				To re-submit a DRP plan	IT Manager	30/01/2020

## APPENDICES

### APPENDIX A: LEADERSHIP

No	Council Members	Positions	Directly/ Indirectly Elected
1	Alderman Cllr. B.E. Mosiane - Segotso	Executive Mayor	Directly Elected
2	Cllr. D.P. Masiu	Speaker	Directly Elected
3	Cllr. N.M. Koloti	Council Whip	Directly Elected
4	Alderman Cllr. M.I. Martins	MMC Community Services	Directly Elected
5	Cllr. H.N. Mbele	MMC District Economic Development	Directly Elected
6	Cllr. M.M. Mojahi	MMC Corporate Services	Directly Elected
7	Cllr. Z.E. Mphafudi	MMC Tourism and Sports	Directly Elected
8	Cllr. S.P. Valipathwa	MMC Transport, Roads and Infrastructure	Directly Elected
9	Cllr. M. Zephe	MMC Finance	Directly Elected
10	Cllr. F.T. Mosothwane	Part-Time Councillor	Directly Elected
11	Cllr. F.J. Botha	Part-Time Councillor	Directly Elected
12	Cllr. B.A.S. Campbell-Cloete	Part-Time Councillor	Directly Elected
13	Cllr. L.N. Dayiya	Part-Time Councillor	Directly Elected
14	Cllr. K.L. Van Zyl	Part-Time Councillor	Directly Elected
15	Cllr. C.J. Bester	Part-Time Councillor	Indirectly Elected
16	Cllr. L.L. Cutswa	Part-Time Councillor	Indirectly Elected
17	Cllr. D. Gwili	Part-Time Councillor	Indirectly Elected
18	Cllr. L.M. Lebenya-Kortjaas	Part-Time Councillor	Indirectly Elected
19	Cllr. J.J. Le Grange	Part-Time Councillor	Indirectly Elected
20	Cllr. P.Z. Lesomo	Part-Time Councillor	Indirectly Elected
21	Cllr. S.V. Letshwiti	Part-Time Councillor	Directly Elected
22	Cllr. G.A. Mohoemang	Part-Time Councillor	Indirectly Elected
23	Cllr. S.L. Mondlane	Part-Time Councillor	Indirectly Elected
24	Cllr. S.L. Moremi	Part-Time Councillor	Indirectly Elected
25	Cllr. P. Morulane	Part-Time Councillor	Indirectly Elected
26	Cllr. G. Mosenogi	Part-Time Councillor	Indirectly Elected
27	Cllr. W.A. Mostert	Part-Time Councillor	Directly Elected
28	Cllr. M.E. Mosweu	Part-Time Councillor	Indirectly Elected
29	Cllr. L.S. Motlhoiwa	Part-Time Councillor	Directly Elected
30	Cllr. A.S. Motladiile	Part-Time Councillor	Indirectly Elected
31	Cllr. K. Ndincede	Part-Time Councillor	Indirectly Elected
32	Cllr. M.N. Ntuli	Part-Time Councillor	Indirectly Elected
33	Cllr. A.O. Phutiyagae	Part-Time Councillor	Indirectly Elected
34	Cllr. E.M. Postma	Part-Time Councillor	Indirectly Elected
35	Cllr. H.F. Saudi	Part-Time Councillor	Indirectly Elected
36	Cllr. L.S. Mokgalagadi	Part-Time Councillor	Indirectly Elected
37	Cllr. B. Tsabedze	Part-Time Councillor	Indirectly Elected
38	Cllr. N.G Adoons	RESIGNED in May 2019	
39	Cllr. I.M. Groenewald	RESIGNED in May 2019	
40	Cllr. S.F. Du Toit	RESIGNED in May 2019	
41	Cllr. C.J. Coetzer	RESIGNED in June 2019	

**APPENDIX B: COUNCILLORS, COMMITTEES AND COUNCIL ATTENDANCE**

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full Time / Part Time</b>	<b>Committees Allocated</b>	<b>*Ward and/ or Party Represented</b>	<b>Percentage Council Meetings Attendance</b>	<b>Percentage Apologies for non-attendance</b>
				<b>%</b>	<b>%</b>
Alderman Cllr. B.E. Mosiane - Segotso	<b>FT</b>	NONE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. D.P. Masiu	<b>FT</b>	NONE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. N.M. Koloti	<b>FT</b>	NONE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. M.I. Martins	<b>FT</b>	MMC COMMUNITY	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. H.N. Mbele	<b>PF</b>	MMC DED	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. M.M. Mojahi	<b>FT</b>	MMC CORPORATE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. Z.E. Mphafudi	<b>FT</b>	MMC TOURISM, SPORTS, ARTS & CULTURE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. S.P. Valipathwa	<b>PT</b>	MMC INFRASTRUCTURE	AFRICAN NATIONAL CONGRESS	92%	8%
Cllr. M. Zephe	<b>FT</b>	MMC FINANCE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. F.T. Mosothwane	<b>PT</b>	CORPORATE, COOMUNITY & DED	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. F.J. Botha	<b>PT</b>	MPAC	FREEDOM FRONT PLUS	96%	4%
Cllr. B.A.S. Campbell-Cloete	<b>PT</b>	DED	DEMOCRATIC ALLIANCE	92%	8%
Cllr. L.N. Dayiya	<b>PT</b>	MPAC	DEMOCRATIC ALLIANCE	92%	8%
Cllr. K.L. Van Zyl	<b>PT</b>	COMMUNITY SERVICES	DEMOCRATIC ALLIANCE	96%	4%
Cllr. C.J. Bester	<b>PT</b>	FINANCE & INFRASTRUCTURE	DEMOCRATIC ALLIANCE	100%	None
Cllr. L.L.	<b>PT</b>	COMMUNITY	AFRICAN	100%	None



Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cutswa		SERVICES, CORPORATE & FINANCE	NATIONAL CONGRESS		
Cllr. D. Gwili	PT	MPAC	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. L.M. Lebenya-Kortjaas	PT	COMMUNITY, DED & FINANCE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. J.J. Le Grange	PT	FINANCE & INFRASTRUCTURE	DEMOCRATIC ALLIANCE	96%	4%
Cllr. P.Z. Lesomo	PT	COMMUNITY, DED& FINANCE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. S.V. Letshwiti	PT	DED	ECONOMIC FREEDOM FIGHTERS	96%	4%
Cllr. G.A. Mohoemang	PT	MPAC	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. S.L. Mondlane	PT	MPAC	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. S.L. Moremi	PT	CORPORATE, COMMUNITY & INFRATRUCTURE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. P. Morulane	PT	CORPORATE & FINANCE	ECONOMIC FREEDOM FIGHTERS	0%	0%
Cllr. G. Mosenogi	PT	CORPORATE& DED	DEMOCRATIC ALLIANCE	96%	4%
Cllr. W.A. Mostert	PT	CORPORATE SERVICES	DEMOCRATIC ALLIANCE	90%	10%
Cllr. M.E. Mosweu	PT	CORPORATE, FINANCE & INFRASTRUCTURE	ECONOMIC FREEDOM FIGHTERS	96%	4%
Cllr. L.S. Motlhoiwa	PT	MPAC	DEMOCRATIC ALLIANCE	96%	4%
Cllr. A.S. Motladiile	PT	COMMUNITY, FINANCE & DED	AFRICAN NATIONAL CONGRESS	92%	8%
Cllr. K. Ndincede	PT	MPAC	AFRICAN NATIONAL	96%	4%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
			CONGRESS		
Cllr. M.N. Ntuli	PT	MPAC	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. A.O. Phutiyagae	PT	CORPORATE, COMMUNITY, DED & FINANCE	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. E.M. Postma	PT	MPAC	DEMOCRATIC ALLIANCE	100%	None
Cllr. H.F. Saudi	PT	MPAC	AFRICAN NATIONAL CONGRESS	96%	4%
Cllr. L.S. Mokgalagadi	PT	COMMUNITY & DED	DEMOCRATIC ALLIANCE	96%	4%
Cllr. B. Tsabedze	PT	CORPORATE & FINANCE	AFRICAN NATIONAL CONGRESS	100%	None

## APPENDIX C: PORTFOLIO COMMITTEES

Corporate Services Portfolio Committee	Community Services Portfolio Committee	Infrastructure Portfolio Committee
<b>M MOJAH</b> B Tsabedze L Moremi A Phutiyagae L Cutswa G Mosenogi F T Mosothwane W A Mostert M E Mosweu	<b>R MARTINS</b> P Lesomo A Motladile L Cutswa K Van Zyl S Mokgalagadi A Phutiyagae P Morulane M Kortjaas F Mosothwane	<b>S VALIPATHWA</b> C J Bester J J Le Grange B Tsabedze L Moremi A Motladiile P Z Lesomo E Mosweu
Finance Portfolio Committee	District Economic Development Portfolio Committee	Sports, Arts and Culture Portfolio Committee
<b>M ZEPHE</b> M Kortjaas L S Mokgalagadi P Lesomo A Motladile L Cutswa J Le Grange A Phutiyagae C Bester E Mosweu	<b>H MBELE</b> A Motladiile M Kortjaas P Lesomo L S Mokgalagadi G Mosenogi O P Phutiyagae L Cutswa BAS Campbell-Cloete S Letshwiti G Mohoemang	<b>Z MPHAFUDI</b> A Motladiile M Kortjaas P Lesomo L S Mokgalagadi G Mosenogi O P Phutiyagae L Cutswa BAS Campbell-Cloete S Letshwiti G Mohoemang

**APPENDIX D: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEMBERS (MPAC)**

<b>No</b>	<b>Committee Member</b>
1.	G Mohoemang Current Chairperson
2.	NG Adoons Chairperson till 15 May2019
3.	Alderman C Coetzer till 30 June 2019
4.	EM Postma
5.	K Ndincede
6.	D Gwili
7.	FJ Botha
8.	S Mondlane
9.	LS Motlhoiwa
10.	N Ntuli
11.	H Saudi
12.	L Dayiya

## VOLUME I: ANNUAL FINANCIAL STATEMENTS

### Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

#### General Information

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<b>Legal form of entity</b>	District Municipality
<b>Mayoral committee</b>	
Executive Mayor	ABE Mosiane
Speaker	DP Masui
Chief Whip	NM Koloti
Chairperson MPAC	NG Adoons - Till 16 May 2019 GA Mohoemng - From 01 June 2019
Mayoral Committee	MM Mohaji (Corporate Services and Administration) ZE Mphafudi (Sport, Arts and Culture) SP Valiphathwa ( Public Works and Transport) M Zephe (Financial Services) MI Martins (Health and Social Services & Disaster Risk Management) HN Mbele (District Economic Development)
Part-Time Councillors	CJ Coetzer IM Groenewald EM Postma D Gwilli B Tsabedze HF Saudi LM Lebenuya - Kortjaas LL Cutswa SL Moremi SL Mondlane K Ndincede JJ Le Grange CJ Bester ME Mosweu AS Motladile PZ Lesomo G Mosenogi P Morulane SF Du Toit LS Mokgalagadi GA Mohoemang MN Ntuli AOP Phutyagae
Directly Elected Councillors	KL van Zyl LS Motlhoiwa BAS Campbell-Cloete WA Mostert LN Dayiya SV Letshwiti FJ Botha
<b>Accounting Officer</b>	SM Lesupi (Municipal Manager)
<b>Chief Finance Officer (CFO)</b>	T Ngqobe - Acting till 30 June 2019 L Steenkamp - Appointed 1 July 2019
<b>Registered office</b>	Civic Centre Patmore Road Orkney 2620
<b>Business address</b>	Civic Centre Patmore Road

## **Dr Kenneth Kaunda DM Group 2019**

Group Annual Financial Statements for the year ended 30 June 2019

### **General Information**

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	Orkney 2620
<b>Postal address</b>	Private Bag X5017 Klerksdorp 2570
<b>Bankers</b>	ABSA
<b>Auditors</b>	Auditor General of South Africa

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Index

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

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Accounting Officer's Responsibilities and Approval	4
Accounting Officer's Report	5
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Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 11
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GRAP	Generally Recognised accounting Practise
MFMA	Municipal Finance Management Act

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the group 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 group annual financial statements and was given unrestricted access to all financial records and related data.

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

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the economic entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer 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 economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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 group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

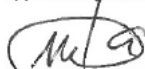
The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, she is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the economic entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the economic entity's group annual financial statements. The group annual financial statements have been examined by the economic entity's external auditors and their report is presented on page 5.

The group annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2019 and were signed on its behalf by:



Accounting Officer  
SM Lesupi



**Dr Kenneth Kaunda DM Group 2019**  
Group Annual Financial Statements for the year ended 30 June 2019

**Accounting Officer's Report**

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The accounting officer submits her report for the year ended 30 June 2019.

**1. Review of activities**

**Main business and operations**

The economic entity is engaged in providing municipal services.

The operating results and state of affairs of the municipality are fully set out in the attached group annual financial statements and do not in our opinion require any further comment.

**2. Going concern**

We draw attention to the fact that at 30 June 2019, the municipality had an accumulated surplus (deficit) of R 30 070 442 and that the municipality's total liabilities exceed its assets by R 30 070 442.

The group 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.

**3. Subsequent events**

The Municipality is not aware of any matter or circumstance arising since the end of the financial year.

**4. Accounting policies**

The group annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

**5. Corporate governance**

**General**

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The economic entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The Accounting Officer discuss the responsibilities of management in this respect, at Board meetings and monitor the economic entity's compliance with the code on a three monthly basis.

**6. Interest in controlled entities**

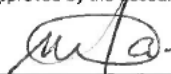
Name of controlled entity	Shareholding
Dr Kenneth Kaunda District Economic Development Agency	100%

Details of the municipality's investment in controlled entities are set out in note 5.

**7. Auditors**

Auditor General of South Africa will continue in office for the next financial period.

The group annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 30 November 2019 and were signed on its behalf by:

  
\_\_\_\_\_  
Accounting Officer  
SM Lesupi

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

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

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2019	2018	2019	2018
<b>Assets</b>					
Current Assets					
Receivables from exchange transactions	8	677 452	824 177	572 812	822 282
Receivables from non-exchange transactions	9	339 794	1 046 521	339 794	1 046 521
VAT receivable	10	5 976 289	5 986 382	5 976 289	5 986 382
Cash and cash equivalents	11	38 561 006	13 473 810	36 030 601	9 761 418
		<b>45 554 541</b>	<b>21 330 890</b>	<b>42 919 496</b>	<b>17 616 603</b>
Non-Current Assets					
Property, plant and equipment	3	25 147 598	30 591 203	24 823 739	30 170 578
Intangible assets	4	649 458	1 553 791	649 458	1 553 791
Investments in controlled entities	5	-	-	120	120
		<b>25 797 056</b>	<b>32 144 994</b>	<b>25 473 317</b>	<b>31 724 489</b>
<b>Total Assets</b>		<b>71 351 597</b>	<b>53 475 884</b>	<b>68 392 813</b>	<b>49 341 092</b>
<b>Liabilities</b>					
Current Liabilities					
Finance lease obligation	13	-	48 180	-	48 180
Operating lease liability	30	153 600	148 800	153 600	148 800
Payables from exchange transactions	15	21 404 333	23 124 432	20 732 871	22 583 564
Payables from non exchange transactions	16	582 816	856 212	1 032 816	856 212
VAT payable	17	2 715 444	2 420 148	-	-
Post retirement medical aid liability	7	263 019	243 737	263 019	243 737
Unspent conditional grants and receipts	14	1 163 577	1 020 892	1 163 577	1 020 892
Long service awards liability		509 750	423 446	509 750	423 446
		<b>26 792 539</b>	<b>28 285 847</b>	<b>23 855 633</b>	<b>25 324 831</b>
Non-Current Liabilities					
Post retirement medical aid liability	7	11 550 602	11 046 317	11 550 602	11 046 317
Long service awards liability		2 916 136	3 003 502	2 916 136	3 003 502
		<b>14 466 738</b>	<b>14 049 819</b>	<b>14 466 738</b>	<b>14 049 819</b>
<b>Total Liabilities</b>		<b>41 259 277</b>	<b>42 335 666</b>	<b>38 322 371</b>	<b>39 374 650</b>
<b>Net Assets</b>		<b>30 092 320</b>	<b>11 140 218</b>	<b>30 070 442</b>	<b>9 966 442</b>
Accumulated surplus		30 092 320	9 861 720	30 070 442	8 687 942

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Statement of Financial Performance

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2019	2018	2019	2018
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Sale of tender documents		65 120	29 590	44 920	29 590
Commissions received		11 679	10 590	11 679	10 590
Licensing and permits		395 518	313 490	395 518	313 490
Interest received - investment	18	3 674 829	2 940 970	3 595 948	2 771 556
Dividends received	18	-	2 250	-	2 250
<b>Total revenue from exchange transactions</b>		<b>4 147 146</b>	<b>3 296 890</b>	<b>4 048 065</b>	<b>3 127 476</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Government grants & subsidies	20	185 178 514	179 654 322	185 178 514	179 654 322
In kind benefits received		-	117 480	-	117 480
Other transfer income		-	195 319	-	195 319
<b>Total revenue from non-exchange transactions</b>		<b>185 178 514</b>	<b>179 967 121</b>	<b>185 178 514</b>	<b>179 967 121</b>
<b>Total revenue</b>		<b>189 325 660</b>	<b>183 264 011</b>	<b>189 226 579</b>	<b>183 094 597</b>
<b>Expenditure</b>					
Employee related costs	21	(92 662 853)	(89 595 810)	(90 647 860)	(87 581 740)
Remuneration of councillors	22	(9 850 183)	(9 620 365)	(9 850 183)	(9 620 365)
Depreciation and amortisation	23	(7 840 417)	(8 993 748)	(7 760 118)	(8 907 712)
Finance costs	24	-	(848 701)	-	(848 701)
Debt Impairment	25	-	(121 331)	-	(121 331)
Board allowances	26	(360 136)	(297 703)	-	-
Contracted services	27	(33 695 394)	(43 946 354)	(33 201 471)	(43 519 475)
Transfers and Subsidies	19	(2 178 050)	(2 379 990)	(5 178 050)	(5 379 990)
General Expenses	28	(25 344 412)	(31 129 819)	(24 138 839)	(29 411 603)
<b>Total expenditure</b>		<b>(171 931 445)</b>	<b>(186 933 821)</b>	<b>(170 776 521)</b>	<b>(185 390 917)</b>
<b>Operating surplus (deficit)</b>		<b>17 394 215</b>	<b>(3 669 810)</b>	<b>18 450 058</b>	<b>(2 296 320)</b>
Gain on disposal of assets		7 683	510 275	7 683	510 275
Actuarial gains/losses	7	1 196 003	769 420	1 196 003	769 420
Gains (Loss) on write-off of assets		(959 539)	(1 456 188)	(959 539)	(1 433 771)
		<b>244 147</b>	<b>(176 493)</b>	<b>244 147</b>	<b>(154 076)</b>
<b>Surplus (deficit) for the year</b>		<b>17 638 362</b>	<b>(3 846 303)</b>	<b>18 694 205</b>	<b>(2 450 396)</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Economic entity</b>		
Opening balance as previously reported	15 075 093	15 075 093
Adjustments		
Prior year adjustments	(1 676 738)	(1 676 738)
<b>Balance at 01 July 2017 as restated*</b>	<b>13 398 355</b>	<b>13 398 355</b>
Changes in net assets		
Other adjustments	(1 278 503)	(1 278 503)
Net income (losses) recognised directly in net assets	(1 278 503)	(1 278 503)
Surplus for the year	(3 846 303)	(3 846 303)
Total recognised income and expenses for the year	(5 124 806)	(5 124 806)
Other adjustments	1 588 171	1 588 171
Total changes	(3 536 635)	(3 536 635)
<b>Balance at 01 July 2018</b>	<b>11 040 256</b>	<b>11 040 256</b>
Changes in net assets		
Surplus for the year	18 557 140	18 557 140
Correction of errors	494 924	494 924
Total changes	19 052 064	19 052 064
<b>Balance at 30 June 2019</b>	<b>30 092 320</b>	<b>30 092 320</b>
Note(s)		
<b>Controlling entity</b>		
Opening balance as previously reported	12 505 408	12 505 408
Adjustments		
Correction of errors	(1 676 738)	(1 676 738)
<b>Balance at 01 July 2017 as restated*</b>	<b>10 828 670</b>	<b>10 828 670</b>
Changes in net assets		
Correction of errors	(1 278 503)	(1 278 503)
Net income (losses) recognised directly in net assets	(1 278 503)	(1 278 503)
Surplus for the year	(2 450 396)	(2 450 396)
Total recognised income and expenses for the year	(3 728 899)	(3 728 899)
Correction of errors	1 588 171	1 588 171
Total changes	(2 140 728)	(2 140 728)
<b>Balance at 01 July 2018</b>	<b>9 966 442</b>	<b>9 966 442</b>
Changes in net assets		
Surplus for the year	19 609 076	19 609 076
Correction of errors	494 924	494 924
Total changes	20 104 000	20 104 000
<b>Balance at 30 June 2019</b>	<b>30 070 442</b>	<b>30 070 442</b>
Note(s)		

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2019	2018	2019	2018
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Government Grants and Subsidies		185 290 145	178 821 258	185 290 145	178 821 258
Interest income		3 674 829	2 940 970	3 595 948	2 771 556
Dividends received		-	2 250	-	2 250
Cash receipts from charges for goods and services		452 117	369 331	452 117	369 331
Other cash item		20 200	-	-	-
		<b>189 437 291</b>	<b>182 133 809</b>	<b>189 338 210</b>	<b>181 964 395</b>
<b>Payments</b>					
Employee costs		(92 662 853)	(87 752 260)	(90 647 860)	(86 616 609)
Suppliers		(26 699 380)	(39 629 539)	(26 963 473)	(39 744 247)
Cash payments to suppliers for goods and contracted services		(34 257 279)	(43 328 331)	(34 257 279)	(43 328 331)
Remuneration of Councillors		(9 850 183)	(9 620 365)	(9 850 183)	(9 620 365)
Other cash item		-	(402 390)	-	-
		<b>(163 469 695)</b>	<b>(180 732 885)</b>	<b>(161 718 795)</b>	<b>(179 309 552)</b>
<b>Net cash flows from operating activities</b>	31	<b>25 967 596</b>	<b>1 400 924</b>	<b>27 619 415</b>	<b>2 654 843</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	3	(3 255 125)	(5 939 626)	(3 228 788)	(5 846 238)
Proceeds from sale of property, plant and equipment	3	1 023 184	691 155	1 023 184	668 738
Purchase of other intangible assets	4	(61 566)	(816 521)	(61 566)	(816 521)
Proceeds from sale of financial assets		-	77 274	-	77 274
Other cash item		1 216 164	-	1 216 164	-
<b>Net cash flows from investing activities</b>		<b>(1 077 343)</b>	<b>(5 987 718)</b>	<b>(1 051 006)</b>	<b>(5 916 747)</b>
<b>Cash flows from financing activities</b>					
Movement in long service awards liability		201 077	-	201 077	-
Finance lease payments		(48 180)	(721 824)	(48 180)	(721 824)
<b>Net cash flows from financing activities</b>		<b>152 897</b>	<b>(721 824)</b>	<b>152 897</b>	<b>(721 824)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>25 087 196</b>	<b>(5 223 124)</b>	<b>26 269 189</b>	<b>(3 983 728)</b>
Cash and cash equivalents at the beginning of the year		13 473 810	18 696 934	9 761 418	13 745 146
<b>Cash and cash equivalents at the end of the year</b>	11	<b>38 561 006</b>	<b>13 473 810</b>	<b>36 030 607</b>	<b>9 761 418</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Economic entity</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sale of goods	-	-	-	65 120	65 120	
Commissions received	-	-	-	11 679	11 679	
Licensing and permits	108 000	-	108 000	395 518	287 518	
Interest received - investment	2 380 000	-	2 380 000	3 674 829	1 294 829	
<b>Total revenue from exchange transactions</b>	<b>2 488 000</b>	<b>-</b>	<b>2 488 000</b>	<b>4 147 146</b>	<b>1 659 146</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	184 644 000	-	184 644 000	185 178 514	534 514	
<b>Total revenue</b>	<b>187 132 000</b>	<b>-</b>	<b>187 132 000</b>	<b>189 325 660</b>	<b>2 193 660</b>	
<b>Expenditure</b>						
Personnel	(100 788 404)	2 269 394	(98 519 010)	(92 662 853)	5 856 157	
Remuneration of councillors	(9 372 056)	-	(9 372 056)	(9 850 183)	(478 127)	
Depreciation and amortisation	(5 013 473)	-	(5 013 473)	(7 840 417)	(2 826 944)	
Board allowances	(425 750)	425 750	-	360 136	360 136	
Bulk purchases	(3 429 000)	-	(3 429 000)	-	3 429 000	
Contracted Services	(35 663 799)	-	(35 663 799)	(33 510 649)	2 153 150	
Transfers and Subsidies	(2 301 000)	-	(2 301 000)	(2 178 050)	122 950	
General Expenses	(33 116 150)	3 221 356	(29 894 794)	(26 249 429)	3 645 365	
<b>Total expenditure</b>	<b>(190 109 632)</b>	<b>5 916 500</b>	<b>(184 193 132)</b>	<b>(171 931 445)</b>	<b>12 261 687</b>	
<b>Operating surplus</b>	<b>(2 977 632)</b>	<b>5 916 500</b>	<b>2 938 868</b>	<b>17 394 215</b>	<b>14 455 347</b>	
Gain on disposal of assets and liabilities	-	-	-	7 683	7 683	
Actuarial gains/losses	-	-	-	1 196 003	1 196 003	
Gains (Loss) on write-off of	(20 000)	-	(20 000)	(959 539)	(939 539)	
	(20 000)	-	(20 000)	244 147	264 147	
<b>Surplus before taxation</b>	<b>(2 997 632)</b>	<b>5 916 500</b>	<b>2 918 868</b>	<b>17 638 362</b>	<b>14 719 494</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(2 997 632)</b>	<b>5 916 500</b>	<b>2 918 868</b>	<b>17 638 362</b>	<b>14 719 494</b>	

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Controlling entity</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sale of tender documents	-	-	-	44 920	44 920	
Commissions received	-	-	-	11 679	11 679	
Licensing and permits	108 000	-	108 000	395 518	287 518	
Interest received - investment	2 380 000	-	2 380 000	3 595 948	1 215 948	
<b>Total revenue from exchange transactions</b>	<b>2 488 000</b>	<b>-</b>	<b>2 488 000</b>	<b>4 048 065</b>	<b>1 560 065</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	184 644 000	-	184 644 000	185 178 514	534 514	
<b>Total revenue</b>	<b>187 132 000</b>	<b>-</b>	<b>187 132 000</b>	<b>189 226 579</b>	<b>2 094 579</b>	
<b>Expenditure</b>						
Employee related costs	(98 519 010)	-	(98 519 010)	(90 647 860)	7 871 150	
Remuneration of councillors	(9 372 056)	-	(9 372 056)	(9 850 183)	(478 127)	
Depreciation and amortisation	(5 013 473)	-	(5 013 473)	(7 760 118)	(2 746 645)	
Other materials	(3 429 000)	-	(3 429 000)	-	3 429 000	
Contracted Services	(35 663 799)	-	(35 663 799)	(33 201 471)	2 462 328	
Transfers and Subsidies	(5 751 000)	-	(5 751 000)	(5 178 050)	572 950	
General Expenses	(29 894 794)	-	(29 894 794)	(24 138 839)	5 755 955	
<b>Total expenditure</b>	<b>(187 643 132)</b>	<b>-</b>	<b>(187 643 132)</b>	<b>(170 776 521)</b>	<b>16 866 611</b>	
<b>Operating surplus</b>	<b>(511 132)</b>	<b>-</b>	<b>(511 132)</b>	<b>18 450 058</b>	<b>18 961 190</b>	
Gain on disposal of assets	-	-	-	7 683	7 683	
Actuarial gains/losses	-	-	-	1 196 003	1 196 003	
Gains (Loss) on write-off of assets	(20 000)	-	(20 000)	(959 539)	(939 539)	
	<b>(20 000)</b>	<b>-</b>	<b>(20 000)</b>	<b>244 147</b>	<b>264 147</b>	
<b>Surplus before taxation</b>	<b>(531 132)</b>	<b>-</b>	<b>(531 132)</b>	<b>18 694 205</b>	<b>19 225 337</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(531 132)</b>	<b>-</b>	<b>(531 132)</b>	<b>18 694 205</b>	<b>19 225 337</b>	



## **Dr Kenneth Kaunda DM Group 2019**

Group Annual Financial Statements for the year ended 30 June 2019

### **Accounting Policies**

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#### **1. Presentation of Group Annual Financial Statements**

The group annual financial statements are 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 group annual financial statements are 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.

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

These accounting policies are consistent with the previous period.

##### **1.1 Presentation currency**

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

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

These group annual financial statements are prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

##### **1.3 Consolidation**

###### **Basis of consolidation**

Consolidated group annual financial statements are the group annual financial statements of the economic entity presented as those of a single entity.

The consolidated group annual financial statements incorporate the group annual financial statements of the controlling entity and all controlled entity, including special purpose entities, which are controlled by the controlling entity.

Consolidated group annual financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The revenue and expenses of a controlled entity are included in the consolidated group annual financial statements from the transfer date or acquisition date as defined in the Standards of GRAP on Transfer of functions between entities under common control or Transfer of functions between entities not under common control. The revenue and expenses of the controlled entity are based on the values of the assets and liabilities recognised in the controlling entity's group annual financial statements at the acquisition date.

The group annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated group annual financial statements are prepared as of the same date.

When the end of the reporting dates of the controlling entity is different from that of a controlled entity, the controlled entity prepares, for consolidation purposes, additional group annual financial statements as of the same date as the group annual financial statements of the controlling entity unless it is impracticable to do so. When the group annual financial statements of a controlled entity used in the preparation of consolidated group annual financial statements are prepared as of a date different from that of the controlling entity, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the controlling entity's group annual financial statements. In any case, the difference between the end of the reporting date of the controlled entity and that of the controlling entity is no more than three months. The length of the reporting periods and any difference between the ends of the reporting dates is the same from period to period.

Adjustments are made when necessary to the group annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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

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

##### Trade receivables / Held to maturity investments and/or loans and receivables

The economic entity assesses its trade receivables, held to maturity 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, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

##### Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The economic entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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 economic entity for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated R - lower or R - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

##### 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 economic entity 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 - Provisions.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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

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

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

##### Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7.

##### Effective interest rate

The economic entity used the prime interest rate to discount future cash flows.

##### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### 1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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

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.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

Item	Depreciation method	Average useful life
Land	Straight line	no depreciation
Buildings	Straight line	25 years
Car Parks	Straight line	30 years
Car ports	Straight line	10 years
Furniture and Office Equipment	Straight line	3 - 5 years
Air conditioners	Straight line	10 years
- Motor Cars	Straight line	at least 4 years
- Light Commercial Vehicles	Straight line	5 years
- Buses	Straight line	8 years
Office Equipment	Straight line	3 - 5 years
- Computer Hardware	Straight line	3 - 5 years
- CCTV Cameras	Straight line	5 years
- Other Emergency Equipment	Straight line	3 - 5 years
- Telecomm Equipment - WiFi Assets	Straight line	5 years
- Other Property, Plant and Equipment	Straight line	2 - 5 years
- Mobile Offices	Straight line	10 years
- Motor Vehicles	Straight line	at least 4 years

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

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

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

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

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

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

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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

Assets which the economic entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The economic entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

#### 1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

The economic entity 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.



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.6 Intangible assets (continued)

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 - 5 years

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

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

#### 1.7 Investments in controlled entities

##### Controlling entity group annual financial statements

In the municipality's separate group annual financial statements, investments in investments in controlled entities are carried .

The municipality applies the same accounting for each category of investment.

The municipality recognises a dividend or similar distribution in surplus or deficit in its separate group annual financial statements when its right to receive the dividend or similar distribution is established.

Investments in controlled entities that are accounted for in accordance with the accounting policy on Financial instruments in the consolidated group annual financial statements, are accounted for in the same way in the controlling entity's separate group annual financial statements.

#### 1.8 Financial instruments

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

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.8 Financial instruments (continued)

##### Classification

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

Class	Category
Other financial Assets	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non - exchange transactions	Financial asset measured at amortised cost
Investments in controlled entities	Financial asset measured at cost

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

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost
Operating lease obligations	Financial liability measured at amortised cost
Unspent Conditional Grants	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Bank overdraft	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].

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.8 Financial instruments (continued)

##### Subsequent measurement of financial assets and financial liabilities

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

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

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

##### Fair value measurement considerations

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

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

##### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

##### Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.8 Financial instruments (continued)

##### Derecognition

###### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

##### Presentation

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

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

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

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.



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#### 1.9 Leases

**Lease Classification:** 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.

#### The Municipality as lessee

**Finance leases:** Where the Municipality enters into a finance lease, Property, plant and equipment or Intangible

Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

#### Determining whether an arrangement contains a lease

At inception of an arrangement, the Municipality determines whether such an arrangement is or contains a lease.

A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Municipality the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Municipality separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Municipality's incremental borrowing rate.

#### Operating leases- lessee

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

#### 1.10 Impairment of cash-generating assets

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

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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#### 1.10 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

#### Identification

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

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

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

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

#### Basis for estimates of future cash flows

In measuring value in use the economic entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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#### 1.10 Impairment of cash-generating assets (continued)

##### Discount rate

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

##### Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

##### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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#### 1.10 Impairment of cash-generating assets (continued)

##### Reversal of impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

##### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

#### 1.11 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.



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#### 1.11 Impairment of non-cash-generating assets (continued)

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

[Specify judgements made]

#### Identification

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

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

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

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#### 1.11 Impairment of non-cash-generating assets (continued)

##### Value in use

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

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

##### Depreciated replacement cost approach

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

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

##### Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

##### Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

##### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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#### 1.11 Impairment of non-cash-generating assets (continued)

##### Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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

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

##### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

#### 1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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

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#### 1.12 Employee benefits (continued)

##### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidized goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

##### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.



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#### **1.12 Employee benefits (continued)**

##### **Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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#### 1.12 Employee benefits (continued)

##### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the Municipality is associated, provide for continued membership.

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;

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#### 1.12 Employee benefits (continued)

- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the group annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.12 Employee benefits (continued)

##### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### 1.13 Provisions and contingencies

Provisions are recognised when:

- the economic entity 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.

Provisions for environmental restoration, rehabilitation, restructuring costs and legal claims are recognised when the municipality has a present legal or constructive obligation as a result of past events, 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 best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.14 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.

#### 1.15 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.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

#### 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 economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity 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 economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.15 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 economic entity;
- 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 .

##### Interest, royalties and dividends

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

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

Interest is recognised, 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.

#### 1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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.

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.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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

##### Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

##### Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

#### 1.17 Investment income

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

#### 1.18 Comparative figures

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

#### 1.19 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.

#### 1.20 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.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Accounting Policies

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#### 1.21 Irregular expenditure

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

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

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

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

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

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

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

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

#### 1.22 Budget information

Economic Entity 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 economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

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

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

The group 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.

#### 1.23 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.



## **Dr Kenneth Kaunda DM Group 2019**

Group Annual Financial Statements for the year ended 30 June 2019

### **Accounting Policies**

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#### **1.23 Related parties (continued)**

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

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

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

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity 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 economic entity.

The economic entity 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 economic entity 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 economic entity is exempt from the disclosures in accordance with the above, the economic entity 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 group annual financial statements.

#### **1.24 Value Added Tax**

The Municipality is registered with SARS for VAT on the payment basis, in accordance with Section 15 (2)(a) of the Value-added tax Act no 89 of 1991

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 2. New standards and interpretations

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

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	Not yet set	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	Not yet set	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	Not yet set	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
• GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
• IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	Unlikely there will be a material impact
• Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme	01 April 2019	Unlikely there will be a material impact
• Directive 7 (revised): The Application of Deemed Cost	01 April 2020	Unlikely there will be a material impact
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	Unlikely there will be a material impact
• GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact
• GRAP 109: Accounting by Principals and Agents	01 April 2019	Unlikely there will be a material impact
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact
• IGRAP 19: Liabilities to Pay Levies	01 April 2019	Unlikely there will be a material impact

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

#### 3. Property, plant and equipment

Economic entity

Land  
Buildings  
Plant and machinery  
Furniture and fixtures  
Motor vehicles  
IT equipment  
Infrastructure  
Community  
Other property, plant and equipment

**Total**

2019			2018		
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
-	-	-	1 278 500	-	1 278 500
6 259 003	(2 657 405)	3 601 598	4 980 502	(2 146 900)	2 833 602
4 512 946	(3 306 508)	1 206 438	167 659	(2 749 493)	(2 581 834)
7 030 380	(4 898 504)	2 131 876	9 068 059	(4 313 127)	4 754 932
7 998 242	(2 568 189)	5 430 053	9 852 648	(4 137 151)	5 715 497
3 817 394	(2 492 542)	1 324 852	3 442 283	(2 243 503)	1 198 780
21 556 379	(11 326 186)	10 230 193	21 848 899	(7 461 794)	14 387 105
-	(246 325)	(246 325)	19 814	(510 512)	(490 698)
1 468 913	-	1 468 913	3 495 319	-	3 495 319
<b>52 643 257</b>	<b>(27 495 659)</b>	<b>25 147 598</b>	<b>54 153 683</b>	<b>(23 562 480)</b>	<b>30 591 203</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

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

Controlling entity

Land  
Buildings  
Plant and machinery  
Furniture and fixtures  
Motor vehicles  
IT equipment  
Infrastructure  
Community  
Other property, plant and equipment  
**Total**

2019			2018		
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
-	-	-	1 278 500	-	1 278 500
6 259 003	(2 657 405)	3 601 598	4 980 502	(2 146 900)	2 833 602
4 476 594	(3 289 659)	1 186 935	131 307	(2 739 556)	(2 608 249)
6 602 089	(4 657 371)	1 944 718	8 627 201	(4 097 899)	4 529 302
7 998 242	(2 568 189)	5 430 053	9 852 648	(4 137 151)	5 715 497
3 624 580	(2 416 926)	1 207 654	3 198 675	(2 168 475)	1 030 200
21 556 379	(11 326 186)	10 230 193	21 848 899	(7 461 794)	14 387 105
-	(246 325)	(246 325)	19 814	(510 512)	(490 698)
1 468 913	-	1 468 913	3 495 319	-	3 495 319
<b>51 985 800</b>	<b>(27 162 061)</b>	<b>24 823 739</b>	<b>53 432 865</b>	<b>(23 262 287)</b>	<b>30 170 578</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

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

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

	Opening balance	Additions	Disposals	Transfers- Mscoa Classification	Depreciation	Impairment loss	Total
Land	1 278 500	-	-	(1 278 500)	-	-	-
Buildings	2 833 602	767 996	-	-	-	-	3 601 598
Plant and machinery	(2 581 834)	-	(4 143)	4 374 882	(582 467)	-	1 206 438
Furniture and fixtures	4 754 932	421 474	(52 174)	(2 103 663)	(881 462)	(7 231)	2 131 876
Motor vehicles	5 715 497	1 287 989	(913 728)	(83 262)	(576 443)	-	5 430 053
IT equipment	1 198 780	511 978	(67 883)	410 769	(728 792)	-	1 324 852
Infrastructure	14 387 105	-	-	(292 520)	(3 864 392)	-	10 230 193
Community	(490 698)	-	-	490 698	(246 325)	-	(246 325)
Other property, plant and equipment	3 495 319	265 688	-	(2 292 094)	-	-	1 468 913
	<b>30 591 203</b>	<b>3 255 125</b>	<b>(1 037 928)</b>	<b>(773 690)</b>	<b>(6 879 881)</b>	<b>(7 231)</b>	<b>25 147 598</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

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

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

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1 278 500	-	-	-	-	1 278 500
Buildings	3 747 048	-	-	-	(913 446)	2 833 602
Plant and machinery	4 629 037	7 359	(4 055 667)	8 518	(3 171 081)	(2 581 834)
Furniture and fixtures	6 027 306	40 436	(350 444)	-	(962 366)	4 754 932
Motor vehicles	7 420 271	-	(766 415)	189 327	(1 127 686)	5 715 497
IT equipment	1 980 217	45 593	(77 650)	-	(749 380)	1 198 780
Infrastructure	13 104 598	5 396 303	(119 534)	-	(3 994 262)	14 387 105
Community	-	-	-	-	(490 698)	(490 698)
Other property, plant and equipment	3 747 048	-	-	-	(251 729)	3 495 319
	<b>41 934 025</b>	<b>5 489 691</b>	<b>(5 369 710)</b>	<b>197 845</b>	<b>(11 660 648)</b>	<b>30 591 203</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

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

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

	Opening balance	Additions	Disposals	Transfers- Mscoa Classification	Depreciation	Total
Land	1 278 500	-	-	(1 278 500)	-	-
Buildings	2 833 602	767 996	-	-	-	3 601 598
Plant and machinery	(2 608 249)	-	(3 854)	4 374 882	(575 844)	1 186 935
Furniture and fixtures	4 529 302	403 031	(52 174)	(2 103 663)	(831 778)	1 944 718
Motor vehicles	5 715 497	1 287 989	(913 728)	(83 262)	(576 443)	5 430 053
IT equipment	1 030 200	504 084	(45 745)	410 769	(691 654)	1 207 654
Infrastructure	14 387 105	-	-	(292 520)	(3 864 392)	10 230 193
Community	(490 698)	-	-	490 698	(246 325)	(246 325)
Other property, plant and equipment	3 495 319	265 688	-	(2 292 094)	-	1 468 913
	<b>30 170 578</b>	<b>3 228 788</b>	<b>(1 015 501)</b>	<b>(773 690)</b>	<b>(6 786 436)</b>	<b>24 823 739</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

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

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

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1 278 500	-	-	-	-	1 278 500
Buildings	3 747 048	-	-	-	(913 446)	2 833 602
Plant and machinery	4 603 279	-	(4 055 388)	8 518	(3 164 658)	(2 608 249)
Furniture and fixtures	5 807 419	-	(350 444)	-	(927 673)	4 529 302
Motor vehicles	7 420 271	-	(766 415)	189 327	(1 127 686)	5 715 497
IT equipment	1 811 844	-	(77 650)	-	(703 994)	1 030 200
Infrastructure	13 104 598	5 396 303	(119 534)	-	(3 994 262)	14 387 105
Community	-	-	-	-	(490 698)	(490 698)
Other property, plant and equipment	3 747 048	-	-	-	(251 729)	3 495 319
	<b>41 520 007</b>	<b>5 396 303</b>	<b>(5 369 431)</b>	<b>197 845</b>	<b>(11 574 146)</b>	<b>30 170 578</b>

##### Pledged as security

No assets were pledged as security for liabilities of the municipality.

##### Assets subject to finance lease (Net carrying amount)

Plant and machinery	-	6 745	-	6 745
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##### Details of properties

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.



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

#### 4. Intangible assets

Economic entity

2019			2018		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
4 524 463	(3 875 005)	649 458	4 462 898	(2 909 107)	1 553 791

Computer software, other

Controlling entity

2019			2018		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
4 524 463	(3 875 005)	649 458	4 462 898	(2 909 107)	1 553 791

Computer software, other

#### Reconciliation of intangible assets - Economic entity - 2019

Computer software, other

Opening balance	Additions	Amortisation	Total
1 553 791	61 566	(965 899)	649 458

#### Reconciliation of intangible assets - Economic entity - 2018

Computer software, other

Opening balance	Additions	Amortisation	Total
1 602 605	816 521	(865 335)	1 553 791

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand

#### 4. Intangible assets (continued)

##### Reconciliation of intangible assets - Controlling entity - 2019

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 553 791	61 566	(965 899)	649 458

##### Reconciliation of intangible assets - Controlling entity - 2018

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 602 605	816 521	(865 335)	1 553 791

#### Pledged as security

No assets were pledged as security for liabilities of the municipality.

#### 5. Investments in controlled entities

Name of company	Held by	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
Dr Kenneth Kaunda Economic Agency	Dr Kenneth Kaunda District Municipality	100.00 %	100.00 %	120	120

The carrying amounts of controlled entities are shown net of impairment losses.

#### 6. Other financial assets

##### nominal value of financial assets at cost

Investment in controlled entity at cost	-	-	120
100% Shareholding in the Agency - cost			120

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018

#### 7. Employee benefit obligations

##### Post retirement medical aid benefit liability

Post-Employment Health Care Benefit Liability	11 813 621		11 290 054	
Total: Post-Employment Health Care Benefit Liability	11 813 621		11 290 054	
Less: Transfer to current provisions	(262 019)		(243 737)	
Net Post-Employment Health Care Benefit Liability	11 550 602		11 046 317	
Post retirement medical aid liability				

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee. The Municipality operates an unfunded defined benefit plan for these qualifying employees.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2018 by Arch Actuarial consulting, a member of the Actuarial Society of South Africa.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

##### Member category

In-service (employee) members	94	95
Continuation (retiree and widow) members	5	5
	99	100

The unfunded liability and current - service cost of past service has been estimated to be as follows:

##### Member category - Unfunded liability

In-service members	8 307 847	8 054 716
Continuation members	3 505 774	3 235 338
	11 813 621	11 290 054

##### Current service cost

Year ending 30 June 2019 (Current period)	685 389	669 000
Year ending 30 June 2020 (ensuing period)	695 389	685 585

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes

- Bonitas;
- Hosmed;
- LA Health;
- Key Health;
- Samwumed;
- Fedhealth

The future service cost for the ensuing year is established to be R695 389 whereas the interest-cost for the next year is estimated to be R 1 122 941

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate %	9,61	9,70
Health Care Cost Inflation Rate %	7,45	8,07
Maximum subsidy inflation rate	4,89	5,21
Net discount rate - health care cost inflation %	4,5	2,09
Continuation of membership at retirement %	75	90
Proportion assumed married at retirement %	60	90
Average retirement age	632	63
Mortality during employment	SA 85-90	SA 85-90

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 7. Employee benefit obligations (continued)

Changes in the fair value of plan liability are as follows:

Opening balance	11 290 054	10 962 142	11 290 054	10 962 142
Actuarial gains (losses)	(1 001 869)	(1 078 501)	(1 001 869)	(1 078 501)
Interest cost	1 083 588	1 061 461	1 083 588	1 061 461
Current service cost	685 585	669 000	685 585	669 000
Exchange differences	-	(45 338)	-	(45 338)
Benefits paid	(243 737)	(278 710)	(243 737)	(278 710)
	<b>11 813 621</b>	<b>11 290 054</b>	<b>11 813 621</b>	<b>11 290 054</b>

The economic entity expects to contribute R - to its defined benefit plans in the following financial year.

#### 8. Receivables from exchange transactions

Prepayments	495	495	-	-
Deposits	1 400	1 400	-	-
Staff advances	102 745	-	-	-
Accrual - Interest on call deposit	162 497	70 839	162 497	70 839
Other debtors	410 315	776 208	410 315	776 208
Less: Allowance for doubtful debt	-	(24 765)	-	(24 765)
	<b>677 452</b>	<b>824 177</b>	<b>572 812</b>	<b>822 282</b>

#### 9. Receivables from non-exchange transactions

Prepaid expenses	602 000	873 412	602 000	873 412
Payment on behalf of local council	-	410 550	-	410 550
Salaries and bank clearing account	173 109	173 109	173 109	173 109
Less: Allowance for doubtful debt	(435 315)	(410 550)	(435 315)	(410 550)
	<b>339 794</b>	<b>1 046 521</b>	<b>339 794</b>	<b>1 046 521</b>

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

Opening balance	(410 550)	(313 984)	(410 550)	(313 984)
Provision for impairment	-	(96 566)	-	(96 566)
	<b>(410 550)</b>	<b>(410 550)</b>	<b>(410 550)</b>	<b>(410 550)</b>

#### 10. VAT receivable

VAT	5 976 289	5 986 382	5 976 289	5 986 382
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The municipality is registered on the payment basis for VAT and management is of the opinion that the VAT receivable at year end, reflects the fair value of the amount to be received from SARS.

#### 11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 625	6 625	6 600	6 600
Bank balances	20 554 381	7 467 185	18 024 001	3 754 818
Short-term deposits	18 000 000	6 000 000	18 000 000	6 000 000
	<b>38 561 006</b>	<b>13 473 810</b>	<b>36 030 601</b>	<b>9 761 418</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 11. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	30 June 2017
Current Account (Primary Bank Account ABSA Klerksdorp Account no 950 000 627)	17 037 891	4 393 407	2 176 508	17 037 891	2 799 761	1 625 318
Current Account (Local Government Support Grant) ABSA Klerksdorp Account no 405 643 8304	986 110	955 057	2 113 228	986 111	955 057	2 113 228
Standard Bank - Current account - 030713005	313 772	1 974 640	381 458	313 773	1 974 640	381 458
Standard Bank - Money Market account - 038671867001	2 216 608	1 737 727	4 568 313	2 216 608	1 737 727	4 568 313
<b>Total</b>	<b>20 554 381</b>	<b>9 060 831</b>	<b>9 239 507</b>	<b>20 554 383</b>	<b>7 467 185</b>	<b>8 688 317</b>

#### 12. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2019

	Accumulated Surplus	Total
Opening balance	1 588 167	1 588 167

#### 13. Finance lease obligation

##### Minimum lease payments due

- within one year	-	54 874	-	54 874
	-	54 874	-	54 874
less: future finance charges	-	6 694	-	6 694
<b>Present value of minimum lease payments</b>	<b>-</b>	<b>61 568</b>	<b>-</b>	<b>61 568</b>
<b>Present value of minimum lease payments due</b>	<b>-</b>	<b>48 180</b>	<b>-</b>	<b>48 180</b>
- within one year	-	48 180	-	48 180

It is economic entity policy to lease certain property (motor vehicle) and equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 9% (2018: 9%).

The economic entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .

#### 14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Fire support grant	65 626	65 626	65 626	65 626
Local government support grant	986 112	955 057	986 112	955 057
Road asset management system	111 839	209	111 839	209
	<b>1 163 577</b>	<b>1 020 892</b>	<b>1 163 577</b>	<b>1 020 892</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>14. Unspent conditional grants and receipts (continued)</b>				
The municipality complied with the conditions attached to the grants received to the extend of revenue recognised. Unspent portions of conditional grants are cash backed.				
See note 20 for reconciliation of grants from National/Provincial Government.				
These amounts are invested in a ring-fenced investment until utilised.				
<b>15. Payables from exchange transactions</b>				
Trade payables	7 002 555	8 067 380	6 498 262	7 640 544
Retention	308 059	1 596 949	308 059	1 596 949
Other Creditors: Accrual - Compensation Commissioner	2 899 794	2 400 445	2 899 794	2 400 445
Leave and bonus	11 193 061	11 058 794	11 025 892	10 944 762
Salary clearing account	864	864	864	864
	<b>21 404 333</b>	<b>23 124 432</b>	<b>20 732 871</b>	<b>22 583 564</b>
<b>16. Payables from non-exchange transactions</b>				
Bank reconciliation clearing account	582 816	856 212	1 032 816	856 212
<b>17. VAT payable</b>				
Tax refunds payables	2 715 444	2 420 148	-	-
<b>18. Investment revenue</b>				
<b>Dividend revenue</b>				
Listed financial assets - Local	-	2 250	-	2 250
<b>Interest revenue</b>				
Bank	716 843	448 682	716 843	448 682
Investment and call deposit	2 957 986	2 492 288	2 879 105	2 322 874
	<b>3 674 829</b>	<b>2 940 970</b>	<b>3 595 948</b>	<b>2 771 556</b>
<b>Total investment revenue</b>	<b>3 674 829</b>	<b>2 943 220</b>	<b>3 595 948</b>	<b>2 773 806</b>
<b>19. Transfers and Subsidies</b>				
<b>Other subsidies</b>				
Bursaries non-employees	126 440	133 140	126 440	133 140
Dr Kenneth Kaunda Economic Development Agency	-	-	3 000 000	3 000 000
Merit Bursaries Community	2 051 610	2 285 600	2 051 610	2 285 600
Less: Fair value adjustments - credit purchases	-	(38 750)	-	(38 750)
	<b>2 178 050</b>	<b>2 379 990</b>	<b>5 178 050</b>	<b>5 379 990</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 20. Government grants and subsidies

##### Operating grants

Equitable share	21 710 000	20 039 000	21 710 000	20 039 000
Fire support grant	-	454 656	-	454 656
Tirelo Bosha grant	496 200	429 000	496 200	429 000
LG Seta mandatory grant	149 945	97 666	149 945	97 666
Expanded public work program	1 151 000	1 292 000	1 151 000	1 292 000
Finance management grant	1 000 000	1 250 000	1 000 000	1 250 000
Levy replacement grant	158 323 000	153 637 000	158 323 000	153 637 000
Rural road asset management system	2 348 369	2 455 000	2 348 369	2 455 000
	<b>185 178 514</b>	<b>179 654 322</b>	<b>185 178 514</b>	<b>179 654 322</b>

##### Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	4 754 210	5 978 322	5 145 514	5 978 322
Unconditional grants received	180 033 000	173 676 000	180 033 000	173 676 000
	<b>184 787 210</b>	<b>179 654 322</b>	<b>185 178 514</b>	<b>179 654 322</b>

##### Fire Support Grant

Balance unspent at beginning of year	65 626	-	65 626	-
Current-year receipts	-	520 282	-	520 282
Conditions met - transferred to revenue	-	(454 656)	-	(454 656)
	<b>65 626</b>	<b>65 626</b>	<b>65 626</b>	<b>65 626</b>

Conditions still to be met - remain liabilities (see note 14).

##### Tirelo Bosha Grant

Current-year receipts	496 000	429 000	496 000	429 000
Conditions met - transferred to revenue	(496 000)	(429 000)	(496 000)	(429 000)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 14).

##### LG Seta Mandatory Grant

Current-year receipts	149 945	97 666	149 945	97 666
Conditions met - transferred to revenue	(149 945)	(97 666)	(149 945)	(97 666)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 14).

##### Expanded Public Work Program

Current-year receipts	1 151 000	1 292 000	1 151 000	1 292 000
Conditions met - transferred to revenue	(1 151 000)	(1 292 000)	(1 151 000)	(1 292 000)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 14).

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>20. Government grants and subsidies (continued)</b>				
<b>Local Government Support Grant</b>				
Balance unspent at beginning of year	955 057	917 747	955 057	917 747
Current-year receipts	31 055	37 310	31 055	37 310
	<b>986 112</b>	<b>955 057</b>	<b>986 112</b>	<b>955 057</b>
Conditions still to be met - remain liabilities (see note 14).				
<b>Finance Management Grant</b>				
Current-year receipts	1 000 000	1 250 000	1 000 000	1 250 000
Conditions met - transferred to revenue	(1 000 000)	(1 250 000)	(1 000 000)	(1 250 000)
	-	-	-	-
Conditions still to be met - remain liabilities (see note 14).				
<b>Levy Replacement Grant</b>				
Current-year receipts	158 323 000	153 637 000	158 323 000	153 637 000
Conditions met - transferred to revenue	(158 323 000)	(153 637 000)	(158 323 000)	(153 637 000)
	-	-	-	-
Conditions still to be met - remain liabilities (see note 14).				
<b>Rural Road Asset Management Grant</b>				
Balance unspent at beginning of year	209	936 209	209	936 209
Current-year receipts	2 460 000	2 455 000	2 460 000	2 455 000
Conditions met - transferred to revenue	(2 348 370)	(2 455 000)	(2 348 370)	(2 455 000)
Transfer back to National Treasury	-	(936 000)	-	(936 000)
	<b>111 839</b>	<b>209</b>	<b>111 839</b>	<b>209</b>

Conditions still to be met - remain liabilities (see note 14).



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018
<b>21. Employee related costs</b>				
Basic	59 378 495	57 476 789	57 538 712	55 544 057
Medical aid - company contributions	3 146 682	2 991 167	3 146 682	2 991 167
UIF	230 782	250 267	222 741	240 928
Bargaining council contributions	11 504	11 224	11 504	11 224
Leave pay provision charge	4 173 515	3 434 232	4 006 346	3 362 233
Cell Phone Allowance	870 116	920 158	870 116	920 158
Defined contribution plans	2 023 842	1 685 123	2 023 842	1 685 123
Overtime payments	129 858	160 410	129 858	160 410
Post - retirement medical aid contribution	(50 665)	530 277	(50 665)	530 277
13th Cheques	3 957 001	3 952 079	3 957 001	3 952 079
Acting allowances	1 779 785	1 585 064	1 779 785	1 585 064
Car allowance	8 378 574	8 199 702	8 378 574	8 199 702
Housing benefits and allowances	455 714	394 913	455 714	394 913
Standby Allowance	97 203	92 042	97 203	92 042
Group Life Insurance - Council Contribution	413 719	404 811	413 719	404 811
Pension Fund - Council contribution	7 629 876	7 499 637	7 629 876	7 499 637
Uniform Allowance	36 852	7 915	36 852	7 915
	<b>92 662 853</b>	<b>89 595 810</b>	<b>90 647 860</b>	<b>87 581 740</b>

#### Remuneration of Municipal Manager

Annual Remuneration	958 620	682 137	958 620	682 137
Leave Sol	33 232	-	33 232	-
Other Allowances	15 000	11 250	15 000	11 250
Acting Allowance	-	78 340	-	78 340
Statutory contribution	-	1 408	-	1 408
Bonus	76 816	-	76 816	-
	<b>1 083 668</b>	<b>773 135</b>	<b>1 083 668</b>	<b>773 135</b>

#### Remuneration of Chief Finance Officer

Annual Remuneration	-	584 955	-	584 955
Leave Sold	-	217 375	-	217 375
Other Allowance	700	5 250	700	5 250
Acting Allowance	195 487	201 546	195 487	201 546
Statutory Contribution	-	25 904	-	25 904
	<b>196 187</b>	<b>1 035 030</b>	<b>196 187</b>	<b>1 035 030</b>

J Brown was acting as a CFO from July 2018 to January 2019 and T Ngqobe from February to June 2019

#### Remuneration of Director Corporate Services

Annual Remuneration	231 473	1 011 260	231 473	1 011 260
Car Allowance	15 000	180 000	15 000	180 000
Leave Sold	235 917	41 029	235 917	41 029
Other Allowances	2 281	12 600	2 281	12 600
Acting Allowances	22 920	161 920	22 920	161 920
Statutory Contribution	-	68 169	-	68 169
	<b>507 591</b>	<b>1 474 978</b>	<b>507 591</b>	<b>1 474 978</b>

S Abrams acted as Director Corporate Services from 01 September 2018 to 28 February 2019 and MM Seleke acted in March 2019 and R Ralekgetho in Jul 2018

#### Remuneration of Director Infrastructure

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 21. Employee related costs (continued)

Annual Remuneration	323 505	1 309 543	323 505	1 309 543
Leave Sold	179 009	43 396	179 009	43 396
Other Allowance	4 550	15 000	4 550	15 000
Acting Allowance	171 279	217 796	171 279	217 796
Statutory Contribution	218 280	1 877	218 280	1 877
	<b>896 623</b>	<b>1 587 612</b>	<b>896 623</b>	<b>1 587 612</b>

#### Remuneration of Director District Economic Development

Annual Remuneration	-	1 088 517	-	1 088 517
Leave Sold	-	143 602	-	143 602
Other Allowance	2 200	11 550	2 200	11 550
Acting Allowance	158 106	26 720	158 106	26 720
13th Cheque	-	127 339	-	127 339
Cellphone Allowance	-	69 233	-	69 233
	<b>160 306</b>	<b>1 466 961</b>	<b>160 306</b>	<b>1 466 961</b>

GK Sophuka acted as Director DED from 01 July 2018 to 30 November 2018 and TM Rampedi from 01 December 2018 to 31 May 2019

#### Remuneration of Director Disaster Management

Annual Remuneration	1 760	297 008	1 760	297 008
Leave Sold	-	102 573	-	102 573
Other Allowance	197 709	3 150	197 709	3 150
Acting Allowance	-	272 988	-	272 988
13th Cheque	-	54 897	-	54 897
Statutory Contribution	-	469	-	469
	<b>199 469</b>	<b>731 085</b>	<b>199 469</b>	<b>731 085</b>

TS Mosebi acted as Director DEH from 01 July 2018 to 30 September 2018, Matlhakola from 01 October 2018 to 31 December 2018 and NP Tenza from 01 April to 30 June 2019

#### Remuneration of the Director Environmental Health

Acting Allowance	223 264	348 406	223 264	348 406
Other Allowance	2 800	-	2 800	-
	<b>226 064</b>	<b>348 406</b>	<b>226 064</b>	<b>348 406</b>

#### 22. Remuneration of Councillors

Executive Major	903 871	859 950	903 871	859 950
Mayoral Committee Members	3 839 828	3 554 130	3 839 828	3 554 130
Speaker	731 975	693 504	731 975	693 504
Councillors	3 685 506	3 860 571	3 685 506	3 860 571
Single whip	689 003	652 210	689 003	652 210
	<b>9 850 183</b>	<b>9 620 365</b>	<b>9 850 183</b>	<b>9 620 365</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018
<b>23. Depreciation and amortisation</b>				
Property, plant and equipment	6 874 518	8 128 413	6 794 219	8 042 377
Intangible assets	965 899	865 335	965 899	865 335
	<b>7 840 417</b>	<b>8 993 748</b>	<b>7 760 118</b>	<b>8 907 712</b>
<b>24. Finance costs</b>				
Finance leases	-	284 613	-	284 613
Fair value adjustments on credit purchases	-	564 088	-	564 088
	<b>-</b>	<b>848 701</b>	<b>-</b>	<b>848 701</b>
<b>25. Debt impairment</b>				
Contributions to debt impairment provision	-	121 331	-	121 331
<b>26. Board allowances</b>				
Board Remuneration	311 796	246 025	-	-
Board Travel	45 640	50 774	-	-
Board Accommodation	2 700	904	-	-
	<b>360 136</b>	<b>297 703</b>	<b>-</b>	<b>-</b>
<b>27. Contracted services</b>				
Outsourced Services	12 163 259	9 923 052	12 163 259	9 923 052
Fair value adjustment	-	(313 480)	-	(313 480)
Consultants and Professionals Services	14 678 686	13 198 339	14 348 763	13 198 339
Other Contractors	6 853 449	21 138 443	6 689 449	20 711 564
	<b>33 695 394</b>	<b>43 946 354</b>	<b>33 201 471</b>	<b>43 519 475</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>28. General expenses</b>				
Advertising	41 636	62 172	-	-
Assessment rates & municipal charges	1 314 489	1 303 374	1 314 489	1 303 374
Auditors remuneration	3 564 964	3 601 182	2 912 665	3 063 964
Bank charges	97 374	132 998	83 938	123 312
Donations	916 644	1 278 280	916 644	1 278 280
Entertainment	369 535	598 296	369 535	559 118
Fines and penalties	-	47 890	-	-
Hire Charges	469 890	515 286	469 890	515 286
Insurance	744 299	816 671	695 094	779 643
Conferences and seminars	1 593 635	1 338 927	1 593 635	1 309 927
Skills development levy	682 981	676 057	682 981	676 057
IT expenses	1 267 270	2 476 209	1 250 281	2 387 416
Compensation commissioner	499 349	466 364	499 349	466 364
Fair value adjustment	-	(211 859)	-	(211 859)
In-kind benefit expenses	-	117 480	-	117 480
Municipal public accounts committee expenses	-	96 889	-	96 889
Motor vehicle expenses	1 195 496	1 137 847	1 195 496	1 137 847
Postage and courier	430	430	-	-
Printing and stationery	294 230	1 193 398	210 853	937 831
Protective clothing	121 318	93 450	121 318	93 450
Repairs and maintenance	36 133	-	36 133	-
License fees	125 575	69 774	125 575	59 873
Subscriptions and membership fees	931 875	917 155	931 875	917 155
Telephone and fax	1 185 782	1 281 587	1 137 998	1 227 563
Accommodation, subsistence and travel	979 358	1 612 025	979 358	1 453 734
Training	456 386	790 309	434 013	710 818
Travel - local	165 881	258 967	75 500	258 967
Toll fees	-	15 952	-	15 952
Office rental	2 572 866	3 884 496	2 572 866	3 884 496
Business expenses councillors and directors	107 159	103 873	107 159	103 873
EPWP - Skills development & training	1 249 900	3 073 823	1 238 757	2 832 868
Business and administration	878 563	-	878 563	-
Implementation cost projects	-	58 362	-	-
Events and campaigns	1 767 524	2 082 994	1 767 524	2 082 994
Consumables	1 713 870	1 239 161	1 537 350	1 228 931
	<b>25 344 412</b>	<b>31 129 819</b>	<b>24 138 839</b>	<b>29 411 603</b>
<b>29. Auditors' remuneration</b>				
Fees	3 564 964	3 601 182	2 912 665	3 063 964
<b>30. Operating lease</b>				
<b>Details of leases - liability</b>				
• Lease office space - Orkney				148 800
<b>Minimum lease payments due</b>				
Within one year			1 742 400	1 584 000
In the second year				1 742 400

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018
<b>31. Cash generated from operations</b>				
Surplus (deficit)	18 553 233	(3 846 303)	19 609 076	(2 450 396)
<b>Adjustments for:</b>				
Depreciation and amortisation	7 840 417	8 993 748	7 760 118	8 907 712
Gain on disposal of assets	(7 683)	(510 275)	(7 683)	(495 946)
Loss on disposal of assets	959 539	1 456 188	959 539	1 433 857
Finance costs - Finance leases	-	284 613	-	284 613
Impairment losses - Provision for doubtful debt:	-	24 765	-	24 765
Exchange transactions	-	-	-	-
Impairment losses - Provision for doubtful debt: Non exchange transactions	-	96 566	-	96 566
Provision for leave reserve	-	552 587	-	480 588
Actuarial gains	-	(769 420)	-	(769 420)
Fair value adjustments - shares	-	(14 417)	-	(14 417)
Movements in operating lease liabilities	4 800	145 367	4 800	145 367
Movements in post - retirement medical aid liability and long service awards liability -current	523 567	186 334	523 567	186 334
Movements in post - retirement medical aid liability and long service awards liability - non current	-	1 548 217	-	1 548 217
Other non-cash items	5 439	-	-	-
<b>Changes in working capital:</b>				
Receivables from exchange transactions	146 725	(564 069)	249 470	(589 876)
Other receivables from non-exchange transactions	706 727	(323 899)	706 727	(323 899)
Payables from exchange transactions	(1 720 099)	(4 577 350)	(1 850 693)	(4 702 044)
VAT	305 388	(363 170)	68 788	(274 114)
Taxes and transfers payable (non-exchange)	(273 396)	-	176 604	-
Unspent conditional grants and receipts	142 685	(833 064)	142 685	(833 064)
	<b>25 967 596</b>	<b>1 400 924</b>	<b>27 619 415</b>	<b>2 654 843</b>

### 32. Financial instruments disclosure

#### Categories of financial instruments

##### Economic entity - 2019

##### Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	677 452	677 452
Other receivables from non-exchange transactions	339 794	339 794
Cash and cash equivalents	38 561 006	38 561 006
	<b>39 578 252</b>	<b>39 578 252</b>

##### Financial liabilities

	At amortised cost	Total
Operating leases liabilities	153 600	153 600
Trade and other payables from exchange transactions	21 376 757	21 376 757
Trade and other payables (non-exchange)	1 032 816	1 032 816
	<b>22 563 173</b>	<b>22 563 173</b>

##### Economic entity - 2018

##### Financial assets

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 32. Financial instruments disclosure (continued)

	At amortised cost	Total
Trade and other receivables from exchange transactions	824 177	824 177
Other receivables from non-exchange transactions	1 046 521	1 046 521
Cash and cash equivalents	13 473 810	13 473 810
	<b>15 344 508</b>	<b>15 344 508</b>

#### Financial liabilities

	At amortised cost	Total
Operating leases liabilities	148 800	148 800
Trade and other payables from exchange transactions	23 124 432	23 124 432
Trade and other payables (non-exchange)	856 212	856 212
	<b>24 129 444</b>	<b>24 129 444</b>

#### Controlling entity - 2019

#### Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	572 812	572 812
Other receivables from non-exchange transactions	339 794	339 794
Cash and cash equivalents	36 030 601	36 030 601
Investment in controlled entities	120	120
	<b>36 943 327</b>	<b>36 943 327</b>

#### Financial liabilities

	At amortised cost	Total
Operating leases liabilities	153 600	153 600
Trade and other payables from exchange transactions	20 732 871	20 732 871
Trade and other payables (non-exchange)	1 032 816	1 032 816
	<b>21 919 287</b>	<b>21 919 287</b>

#### Controlling entity - 2018

#### Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	822 282	822 282
Other receivables from non-exchange transactions	1 046 521	1 046 521
Cash and cash equivalents	9 761 418	9 761 418
Other financial assets	120	120
	<b>11 630 341</b>	<b>11 630 341</b>

#### Financial liabilities

At amortised cost	Total
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## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018
<b>32. Financial instruments disclosure (continued)</b>				
Finance lease liabilities			48 180	48 180
Operating leases liabilities			148 800	148 800
Trade and other payables from exchange transactions			22 583 564	22 583 564
Trade and other payables (non-exchange)			856 212	856 212
			<b>23 636 756</b>	<b>23 636 756</b>

#### Financial instruments in Statement of financial performance

##### Economic entity - 2019

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	3 674 829	3 674 829

##### Economic entity - 2018

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	2 940 970	2 940 970
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	848 701	848 701
Impairment loss	121 331	121 331
	<b>3 911 002</b>	<b>3 911 002</b>

##### Controlling entity - 2019

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	3 595 948	3 595 948

##### Controlling entity - 2018

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	2 771 556	2 771 556
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	848 701	848 701
Impairment loss	121 331	121 331
	<b>3 741 588</b>	<b>3 741 588</b>



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 33. Contingencies

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or no-occurrence of or more uncertain future events not wholly with the control of the entity.

A contingent liability can also arise as a result of present obligation that arises from past events, but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with enough reliability

#### Disclosure of contingent liabilities and assets

The following contingent liabilities and assets exist:

##### Contingent liabilities

<b>MWorld Focus against Dr KKDM</b>	272 504	0
<b>Batting Development Products against Dr KKDM</b> The matter is pending	5 280 585	5 280 585
<b>Rampedi against DR KKDM</b> Nature of dispute - Unfair labour practice Status of case - Arbitration was scheduled for 23 January 2015. The matter is pending. Case no NWD 01410	2 062 097	1 962 097
<b>MB Molefe against DR KKDM</b> Nature of dispute - Unfair labour practise Status of case - The matters were consolidated and archived pending the outcome of JR 270214, Case no JS 57714 and JS 844/14f	494 043	660 000
<b>MB Molefe against Dr KKDM</b> An application for leave to appeal has been filed at the labour court. Case no JR 2702/2014	300 447	660 000
<b>MB Molefe against DR KKDM</b>  On 8 June 2015 the Office of the Legal Manager received summons from the Sheriff Orkney. The summons was issued by the Registrar North Gauteng High Court. The Plaintiff in the matter is Mr MB Molefe and the 1st responded in Matlakala Irene Matthews.	0	575 099
<b>MB Molefe against DR KKDM</b> On 20 March 2014, The Plaintiff issued summons against the former Executive Mayor and Acting Municipal Manager for damages suffered.	0	800 000
<b>Nalko against DR KKDM</b> The Plaintiff has issued summons on 1 June 2018 form the North West	5 867 403	6 348 626
<b>MW Asset Rentals (Pty) Ltd against DR KKDM</b> Background – DR KKDM cancelled the Master Rental Agreement with Bakopane Information Systems CC t/a Toshiba Office Systems and Technology. The agreement was entered during the month of October 200 and it was for the rental of photocopy machines, printers and faxes. The right of the Master Rental Agreement were then ceded by Toshiba to Merchant west Asset Rentals (MW Rentals). The Auditor- General Report for the year end 30 June 2010, indicated that procurement procedures were not properly followed in the appointment of Toshiba. On 27 February 2012 the agreement between DR KKDM and MW Rentals was then cancelled due to the fat that the agreement was not valid as proper procurement procedures were not followed.	518 461	518 461
<b>CMH T/A First Car Rental against Dr KKDM</b> Nature of dispute – The summons was issued on 21 June 2016, at the South	0	558 720



## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>33. Contingencies (continued)</b>				
Gauteng high court. The Attorneys have filed a notice of intention to defend.				
<b>Z Beya against Dr KKDM</b>			400 000	0
<b>ISD against Dr KKDM</b>			200 000	0
<b>Contingent Assets</b>				
<b>Dr KKDM against Trading Enterprise CC</b>			863 639	883 639
Various payments were to Amadeka trading Enterprises totaling an amount of R 883 639. Amadeka Trading had not rendered any services to DR KKDM in order to justify the above-mentioned payments.				
<b>Dr KKDM against Bareng Rasego Trading Enterprise</b>			538 830	538 830
Status: Various payments were made to Bareng Trading Enterprise totaling an amount of R 538 830. The company had not rendered any services to DR KKDM in order to justify the above-mentioned payments made. Amount requested R 538 830.				
<b>DR KKDM against Kumekucha Investments CC</b>			550 000	550 000
Status: On 26 March 2010 cheque was issued and drawn on the bank account to the municipality, for an amount of R 550 000 in favour of Kumekucha Investments as remuneration for allegedly supplying the district municipality with a feasibility study on Loan and Project report. However, Kumekucha had never supplied any good and/or services to the DR KKDM				
<b>DR KKDM against Big Break Legacy Project Team</b>			10 000 000	10 000 000
Status: Letter of demand was served to Dual Point Media to recover monies paid over to the company to produce the Big Break Legacy Season 3 Estimated mount to be received by DR KKDM is R 10 million				

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 34. Related parties

##### Relationships

Controlled entities

Dr Kenneth Kaunda District Economic Agency Refer to note 5

Member of Council

Refer to General Information page on the financial statements

Member of Key Management

Refer to General Information page of the financial statements

Members of Key Management S Lesupi - Municipal Manager

JBrown - Acting CFO from 01 July 2018 to 31 January 2019 and

T Ngqobe- Acting CFO 01 January 2019 - 30 June 2019

S Abrams - Acting Director Corporate Services from 01 September 2018 to 28 February 2019 and MM

Seleke acted from 01 March 2019;

KT Tshukudu - Acting Director Infrastructure from 01 October 2018 to 30 June 2019

TS Chanda - Acting Director Disaster Management from 01 July 2018 to 30 September 2018; and RC

Lesar acted from 01 October 2018 to 30 June 2019

TM Mosebi - Acting Director Environmental Health from 01 July 2018 to 30 September 2018; and

Matlakola

acted from 01 October 2018 to 31 December 2018, and NP

Tenza from 01 April 2019 to 30 June 2019

##### Related party balances

##### Investment

Dr Kenneth Kaunda Economic Agency

120 120

##### Amounts included in transfers and subsidies related parties

Dr Kenneth Kaunda Economic Development Agency

- - 3 000 000 3 000 000

##### Amounts included in Operating Leases

City of Matlosana

2 041 797 -

##### Key management information

Class	Description	Number
Executive Mayor	Executive Authority	1
Members of Mayoral Council	Executive Authority	6
Single Whip	Executive Authority	1
Chairperson of MPAC	Executive Authority	1
Councillors ( Part time and directly elected )	Executive Authority	40
Speaker	Executive Authority	1

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>34. Related parties (continued)</b>				
Municipal Managers		Accounting Officer	1	
Key Management		Key Management	6	

#### 35. Prior period errors

Property, plant and equipment were depreciated expensed in prior year resulting in an overstatement of expenses and understatement of property plant and equipment

Value Added Tax; certain transactions were incorrectly classified for VAT purposes and these have been corrected VAT allocated accordingly.

Certain expenses were either overstated and/or understated in 2018 and

Error 1. Carrying amount of assets were identified in the prior year for which no addition date or cost could be found. These assets were brought into the register following using market values to add on there were 2 additional assets that were also removed from the register as their existence could not be proven.

Error 2: Payables were overstated as a result of an incorrect calculation for leave and bonus. This resulted in decrease in payables and increase in income.

The correction of the error(s) results in adjustments as follows: 2019

#### Statement of financial position

Property, plant and equipment	-	-	-	24 167
Payables and Accruals	-	-	(236 704)	(1 078 185)
Receivables from exchange transactions	-	-	-	20 000
Opening Accumulated Surplus or Deficit	-	-	236 704	1 686 689
Decrease in trade payables Error 2	-	-	27 576	-
Increase in carrying amount Error 2	-	-	107 165	-

#### Statement of financial performance

Depreciation expense	-	-	-	833
General Expenses	-	-	236 704	1 686 689
Increase in trade payables Error 2	-	-	(27 576)	-
Opening Accumulated Surplus or Deficit Error 1	-	-	(107 165)	-

#### 36. Comparative figures

Certain comparative figures have been reclassified as a result of Mscoa re-classification.

#### 37. Risk management

##### Financial risk management

##### Liquidity risk

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

The table below analyses the economic entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 37. Risk management (continued)

##### Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of cash and cash equivalents and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the debt: equity ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial instruments	Economic entity - 2019	Economic entity - 2018	Controlling entity - 2019	Controlling entity - 2018
Investments	-	2 250	-	2 250
Call Investment Deposits	18 000 000	6 000 000	18 000 000	6 000 000
Investment in associates	-	-	120	120
Receivables from exchange transactions	677 452	824 177	572 812	822 282
Receivables from non-exchange transactions	339 794	1 046 521	339 794	1 046 521
Bank balances and cash	20 561 006	7 473 810	17 962 121	3 761 418

#### 38. Going concern

We draw attention to the fact that at 30 June 2019, the economic entity had an accumulated surplus (deficit) of R 30 092 320 and that the municipality's total assets exceed its liabilities by R 30 092 320.

The group 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.

#### 39. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- nature of the event.
- estimation of its financial effect or a statement that such an estimation cannot be made.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

#### 40. Transactions with Councillors

The following remuneration was paid to Councillors during the year.

##### Municipal Councillors

Name	Salary	Travelling	Telephone	Medical & Pension	Sitting & Travel	Total
BE MOSIANE	734 255,40		44 400,00	125 215,58		903 870,98
DP MASIU	438 334,84	171 888,00	44 400,00	77 352,16		731 975,00
NM KOLOTI	440 165,40	161 143,50	44 400,00	43 294,14		689 003,04
MI MARTINS	376 151,90	161 148,00	44 400,00	107 303,07		689 002,97
M ZEPHE	383 652,30	161 148,00	44 400,00	99 802,71		689 003,01
MM MOJAH	390 024,70	161 148,00	44 400,00	93 430,29		689 002,99
HH MBELE	390 024,70	161 148,00	44 400,00	93 430,29		689 002,99
ZE MPHAFUDI	445 605,10	161 148,00	44 400,00	37 849,92		689 003,02
SP VALIPATI	279 969,00	93 144,00	21 700,00	-		394 813,00
KL VAN ZYL	203 998,00	67 992,00	44 400,00	-		316 390,00
NG ADOONS	313 091,65	130 350,00	37 710,40	87 478,83		568 630,88
LN DAYIYA	173 398,30	67 992,00	44 400,00	30 599,67		316 389,97
SV LETSHWITI	173 399,00	67 992,00	44 400,00	30 598,97		316 389,97
BAS C CLOETE	203 998,00	67 992,00	44 400,00	-		316 390,00
LS MOTLOIWA	173 399,00	67 992,00	44 400,00	30 598,97		316 389,97
FJ BOTHA	173 398,30	67 992,00	44 400,00	30 599,67		316 389,97
WA MOSTERT	231 191,50		44 400,00	40 798,49		316 389,99
CJ COETZER					23 337,60	23 337,60
EM POSTMA					46 675,20	46 675,20
IM GROENEWALD					28 641,60	28 641,60
D GIWILI					37 128,00	37 128,00
AS MOTLADI					31 824,00	31 824,00
P MORULANE					1 020,00	1 020,00
HF SAUDI					33 945,60	33 945,60
B TABEDZ					47 736,00	47 736,00
SF DU TOIT					9 547,20	9 547,20
LS MOKGALAG					93 222,00	93 222,00
SL MOREMI					44 553,60	44 553,60
G MOSENOGI					56 773,12	56 773,12
K NDINCEDE					39 249,60	39 249,60
LL CUTSWA					62 587,20	62 587,20
SL MONDLANE					40 310,40	40 310,40
PZ LESOMO					49 431,36	49 431,36
LM LEBENYA					37 128,00	37 128,00
JJ LE GRANGE					28 641,60	28 641,60
GA MOHOEMANG					45 614,40	45 614,40
ME MOSWEU					45 614,40	45 614,40
AO PHUTYAGA					37 638,10	37 638,10
MN NTULI					27 580,80	27 580,80
CJ BESTER					33 945,60	33 945,60
	5 524 057,09	1 770 217,50	725 410,40	928 352,76	869 815,20	9 850 183,13

#### 41. Unauthorised expenditure

Opening balance as previously reported	67 966 774	50 468 921	67 966 774	50 468 921
<b>Opening balance as restated</b>	<b>67 966 774</b>	<b>50 468 921</b>	<b>67 966 774</b>	<b>50 468 921</b>
Current year expenditure	-	17 497 853	-	17 497 853
<b>Closing balance</b>	<b>67 966 774</b>	<b>67 966 774</b>	<b>67 966 774</b>	<b>67 966 774</b>

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2019	2018	2019	2018
<b>42. Fruitless and wasteful expenditure</b>				
Opening balance as previously reported	10 906 590	10 700 729	10 585 735	10 427 764
<b>Opening balance as restated</b>	<b>10 906 590</b>	<b>10 700 729</b>	<b>10 585 735</b>	<b>10 427 764</b>
Current year expenses	82 835	205 861	30 905	157 971
<b>Closing balance</b>	<b>10 989 425</b>	<b>10 906 590</b>	<b>10 616 640</b>	<b>10 585 735</b>
<b>43. Irregular expenditure</b>				
Opening balance as previously reported	135 095 977	106 672 284	129 787 357	101 823 533
Correction of prior period error	(9 462 208)	-	(9 462 208)	-
<b>Opening balance as restated</b>	<b>125 633 769</b>	<b>106 672 284</b>	<b>120 325 149</b>	<b>101 823 533</b>
Add: Irregular Expenditure - current period	21 749 159	18 961 484	21 607 852	18 501 615
<b>Closing balance</b>	<b>147 382 928</b>	<b>125 633 768</b>	<b>141 933 001</b>	<b>120 325 148</b>
<b>44. Additional disclosure in terms of Municipal Finance Management Act</b>				
<b>Contributions to organised local government</b>				
Opening balance	(873 412)	(795 188)	(873 412)	(795 188)
Current year subscription / fee	873 412	795 188	873 412	795 188
Amount paid - current year	602 000	873 412	602 000	873 412
	<b>602 000</b>	<b>873 412</b>	<b>602 000</b>	<b>873 412</b>
<b>Audit fees</b>				
Current year subscription / fee	3 564 964	3 601 182	2 912 665	3 063 964
Amount paid - current year	(3 564 964)	(3 601 182)	(2 912 665)	(3 063 964)
	-	-	-	-
<b>PAYE and UIF</b>				
Current year subscription / fee	18 474 661	17 666 243	18 474 661	17 666 243
Amount paid - current year	(18 474 661)	(17 666 243)	(18 474 661)	(17 666 243)
	-	-	-	-
<b>Pension and Medical Aid Deductions</b>				
Current year subscription / fee	19 724 416	11 075 411	19 724 416	11 075 411
Amount paid - current year	(19 724 416)	(11 075 411)	(19 724 416)	(11 075 411)
	-	-	-	-
<b>VAT</b>				
VAT receivable	5 976 289	5 986 382	5 976 289	5 986 382
VAT payable	(2 715 444)	(2 420 148)	-	-
	<b>3 260 845</b>	<b>3 566 234</b>	<b>5 976 289</b>	<b>5 986 382</b>

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

## Dr Kenneth Kaunda DM Group 2019

Group Annual Financial Statements for the year ended 30 June 2019

### Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2019	2018	2019	2018

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

##### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

##### 45. Deviation from supply chain management regulations

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

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

#### 46. Commitments

Authorised Capital Expenditure	2019	2018
• Infrastructure Other	618 679	868 020
This expenditure will be financed from :		
• Own resources	618 679	868 020

# **DR KENNETH KAUNDA**

## **DISTRICT MUNICIPALITY**

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