

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
In Support of Quality Service Delivery**



2019/20

EXPLORING PROSPERITY

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VOLUME I: NON – FINANCIAL REPORTING

LIST OF ABBREVIATIONS

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

MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MSDF	Municipal Spatial Development Framework
MSIG	Municipal Systems Improvement Grant
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MTSF	Medium Term Strategic Framework
NDA	National Development Agency
NGO	Non-Governmental Organization
NQF	National Qualification Framework
NSA	National Skills Authority
NSDP	National Spatial Development Perspective
OHSA	Occupational Health and Safety Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PIMSS	Planning Implementation Management Support System
PMS	Performance Management System
PMTCT	Prevention from Mother to Child Transmission
PSC	Public Service Commission
PSDF	Provincial Spatial Development Framework
RLCC	Regional Land Claims Commission
RPL	Recognition of Prior Learning
SAPS	South African Police Services
SAQA	South African Qualification Authority
SASSA	South African Social Services Agency
SDF	Spatial Development Framework
SDL	Skills Development Levy
SDM	Southern District Municipality
SEA	Strategic Environment Assessment
SMME	Small Medium and Micro Enterprise
SOE	State of the Environment
SOP	Standard Operating Procedure
STI	Sexually Transmitted Infection
TADSA	Technical Aid To The Disabled in South Africa
TB	Tuberculosis
UNESCO	United Nations Education, Science and Cultural Organization
URP	Urban Renewal Programme
VIP	Ventilated Improved Pit-latrine
WSA	Water Services Authority
WSDP	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 2019/20 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 2019/20 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. Following the second budget adjustment which resulted as a means to address the Covid-19 pandemic, the SDBIP also had to be revised to align with the second budget adjustment.

Key Service Delivery Improvements

The municipality through Municipal Health & Environmental Management Services Department has during the 2019/20 financial year executed its Constitutional Mandate to promote a safe, clean and healthy environment through environmental awareness campaigns. Between July 2019 and June 2020, 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.

Due to the Covid-19 pandemic, not all Local Economic Development programs could be realised. Herewith below is a summary of some programmes and projects that were supported:

- 1 tourism / trade exhibition hosted #Shapa Round ko N12
- 3 arts and culture initiatives within Dr. Kenneth Kaunda District supported
- Implemented a manufacturing training workshop for 25 SMMES on Cellphone Repairs.

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 258 opportunities during the 2019/20 financial year using the EPWP grant and internal funding through LED Initiatives, EPWP, and Capital project, Disaster Risk Volunteers, CBPs and Coordinators.

The district spent an amount of R1 777 489 to assist students with bursaries to study in higher learning, eight students were also assisted with educational needs based on requests received where a total of R60 000, 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.

Future Actions

- The municipality has amongst others set aside R2.4 Million for the assessment of paved roads within the district.
- The municipality has also set aside R1 Million for the development of the district Housing Master Plan. Affordable housing has a direct impact on the social, economic and environmental health of our community. There is a need to have a consolidated master plan for housing in our district

- The district will also continue to offer financial assistance to deserving students. Between July 2016 and end of June 2020, the district would have supported a total of approximately 1212 underprivileged and deserving students. That is those who are not funded under NSFAS for especially registering with high education institutions.
- Funds have also been set aside for youth programs and the support of SMMEs and Cooperatives through the issuing of grants. An amount of R3 Million has been budgeted, to revitalise the township economy by supporting tuckshops based on the need assessment that will be conducted
- The district will in 2020/21 finalize the District Dolomite Strategy and the District Dolomite Risk Reduction and Management Strategy, this is a multiyear project with cumulative cost close to 6.5 Million Rands in the MTREF. Once completed our local municipalities and development stakeholders will be equipped with readily available information defining the subsurface geology in order to make appropriate recommendations and decisions regarding land usage, layout, density, services, foundation types and precautionary measures and assessment of hazardous nature of the ground when coming to development in dolomitic conditions.

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. In March 2020 the District established the structure that were necessary for coordinating all effort aimed at fighting the Covid-19 pandemic. The District Coronavirus Command Centre and the District Coronavirus Command Council. The structures comprise of various stakeholders including local municipalities, sector departments and business. The Coronavirus Command Council is chaired by the District Executive Mayor, and tracks progress and challenges experienced when dealing with the Covid-19 pandemic. The DCC also reports to the Provincial Coronavirus Command Council.

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 fourth Industrial revolution. As the Dr Kenneth Kaunda District Municipality; we continue to strive to improve our governance, financial management oversight and service delivery. 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 would have not been possible.



Alderman Barei Elizabeth Mosiane-Segotso
Executive Mayor

1.2. COMPONENT B: EXECUTIVE SUMMARY

1.2.1. Acting Municipal Manager's Overview



It is both an honour and a privilege to submit the 2019/20 Dr Kenneth Kaunda District Municipality's Annual Report which includes the audited financial statements as required by our governing legislation.

I am delighted to declare that this annual report was developed in accordance with 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) prepare Annual Reports and put forth the required contents thereof. It further states that 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

This report presents financial matters affecting the affairs of the Dr Kenneth Kaunda District Municipality (Dr KKDM), as well as the performance review against predetermined objectives outlined in the Integrated Development Plan as well as the Service Delivery Budget Implementation Plan documents.

I am happy to report that financial position of the Municipality has improved since 2017/18 financial year and Cash and cash equivalent has been positive for the past four financial years however, the municipality achieved an average of 82% for this period on service delivery targets, albeit stagnant audit opinion.

During the 2018-2019 financial year the municipality had received another qualified audit outcome, and the post audit action plan was developed to address the AG findings during the 2019-2020 financial year.

It was against this backdrop that during the 2019-20 financial year, more emphasis was placed on improving control measures and discipline in terms of financial management, reporting and record

keeping. Much effort was also placed on completeness of the UIF&W register and reporting matters to the relevant oversight committees of Council.

Sam Harris once said that: “human well-being is not a random phenomenon. It depends on many factors ranging from genetics, and neurobiology to sociology and economics. But clearly there are scientific truths to be known about how we can flourish in this world. Wherever we can have an impact on the well-being of others, questions of morality apply.”

Thus, we were cognizant of the fact that accountability is at the heart of trust in any government and is an ultimate indicator of an administration’s capacity to manage public resources in the best interest of communities it serves. Accordingly, our emphasis on corrective measures paid off as the municipality has received an unqualified audit opinion for the period under review, albeit few challenges that need special attention such as compliance, contingent liabilities, and records management. The unqualified opinion as per the Auditor General is an important and commendable milestone. It is also a good foundation for building a strong internal control environment and governance.

The leadership of the Dr KKDM intends improving and ensuring that necessary controls are designed, implemented and monitored throughout the year to address all root causes of the prior year audit findings as well as implementing the recommendations by both internal and the audit committees. In our endeavors to explore prosperity for the people of the district, the Dr KKDM intends to design long-term strategies to deal with growth and spatial development, within the context of growth, rapid urbanization, unemployment, poverty, aging infrastructure, as well as harnessing and taking advantage of opportunities presented by the 4th Industrial Revolution.

Progress on the District Development Model

The President in the 2019 Presidency Budget Speech (2019) identified the “pattern of operating in silos” as a challenge which led to “lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult”. The consequence has been non optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment.

The President therefore called for the rolling out of “a new integrated district-based approach to address service delivery challenges and localized procurement and job creation, that promotes and supports local businesses, and that involves communities.”

The new **District Development Model** aims to improve the coherence and impact of government service delivery. Accordingly, the Dr Kenneth Kaunda District Development Model Coordinating Forum was established consisting of all stakeholders and a district profile developed.

I am delighted to report that the first steps in ensuring inclusion of development projects by all stakeholders into the district IDP was undertaken, and a draft first generation one plan presented to the District Command Council. The COVID-19 pandemic coordination and reporting were also used to pilot in real-time, the practicality of the DDM and proved to be a successful to a large extend.

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 with department of Local Government and Human Settlements in the province and COGTA 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.

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.

Service delivery performance

The latter part of 2020 was marked by the Covid-19, which was declared a pandemic by the World Health Organisation. The arrival of Covid-19 impacted the world in a negative way and affected the normal global operations. This resulted in lockdowns across the world. The delivery of services within the Dr Kenneth Kaunda District was, as a result also badly affected.

The Community Services Department, through the Municipal Health and Environmental Services has from time to time taken water samples 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.

The district is still having a challenge with ageing infrastructure at local municipalities and slow pace on maintenance, which have in some cases affected progress made regarding dealing with sewage spillages and illegal dumping.

With regards to management constraints, the municipality registered tremendous progress by substantively appointing the Chief Finance Officer. Progress has also been made with other three vacant senior management positions; Senior Manager Community Services, Senior Manager Local Economic Development and Planning and the Chief Audit Executive, the recruitment process was planned for completion in April 2020 and could not be realized due to the lockdown level five.

A number of planned targets were to a large extent not achieved due to the Covid-19 Pandemic and had to be pushed forward for implementation in the new financial year. The municipality had to develop ways and means of working and ensuring that the said targets will be achieved in the 2020/21 financial year.

Impact of Covid-19 on Service Delivery

The address by Honourable President Cyril Ramaphosa; announcing the national lockdown on the 23rd March 2020 to begin on the 26th March 2020, halted all operations that were to be undertaken by the district municipality.

The district municipality was only operating with essential staff, performing essential services, as per the Covid-19 regulations. This meant that the Disaster Risk Management Unit and the Municipal Health and Environmental Services had to be hard at work.

The third and fourth quarter targets set on the 2019/20 SDBIP, were badly affected by the Covid-19 pandemic lockdown and the declaration of the national state of disaster. As a result, not much work could be done to achieve the set targets.

In moving forward, we have concluded to execute strategies in dealing with the aftermath of the lockdown in terms of planning ahead for 2020/21 financial year by establishing new ways to respond to unforeseen risk and the new normal presented by Covid-19.

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 and/ or funding model 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

During the year under review, the municipality could not workshop and review policies, as they were anticipated to be reviewed in March 2020. The national lockdown affected the review of policies and other key activities involving gatherings of people.

Sector departments (COGTA, DLGHS) largely assisted during the 2019/20 financial year with the review of the organizational structure to improve the municipal transformation and organizational development function as our Key Performance Area.

The structure was approved by council in October 2019. During the 2019/20 council approved the merger of two departments, which reduced the departments from seven to five.

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 District also shares the Audit Committee with Maquassi Hills and the District 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

In conclusion, I am eternally grateful for the opportunity to lead the Dr KKDM in the midst of despair in respect of the Covid 19 pandemic which has affected every individual on the planet.

In reflecting on the municipal performance under review, I am inspired by the work done by the collective leadership and administrative team for the sacrifices they have made in pursuit of exploring prosperity and service deliver to our people.

Let me record my sincere gratitude to the Executive Mayor, the Speaker, Single Whip and all the oversight committees of Council and the entire municipal Council as a whole. Your expertise and enthusiasm are both appreciated.

My heartfelt gratitude also goes out to our frontline workers, District Coronavirus Command Council and the District Coronavirus Centre for coordination - thank you all for working during hard lockdown level five and four. I wish to categorically state that your personal sacrifice has not gone unnoticed, and well done and continue to do your best as we continue to fight Covid 19 Pandemic.

Peace be unto you all - Shalom.

Sincerely,



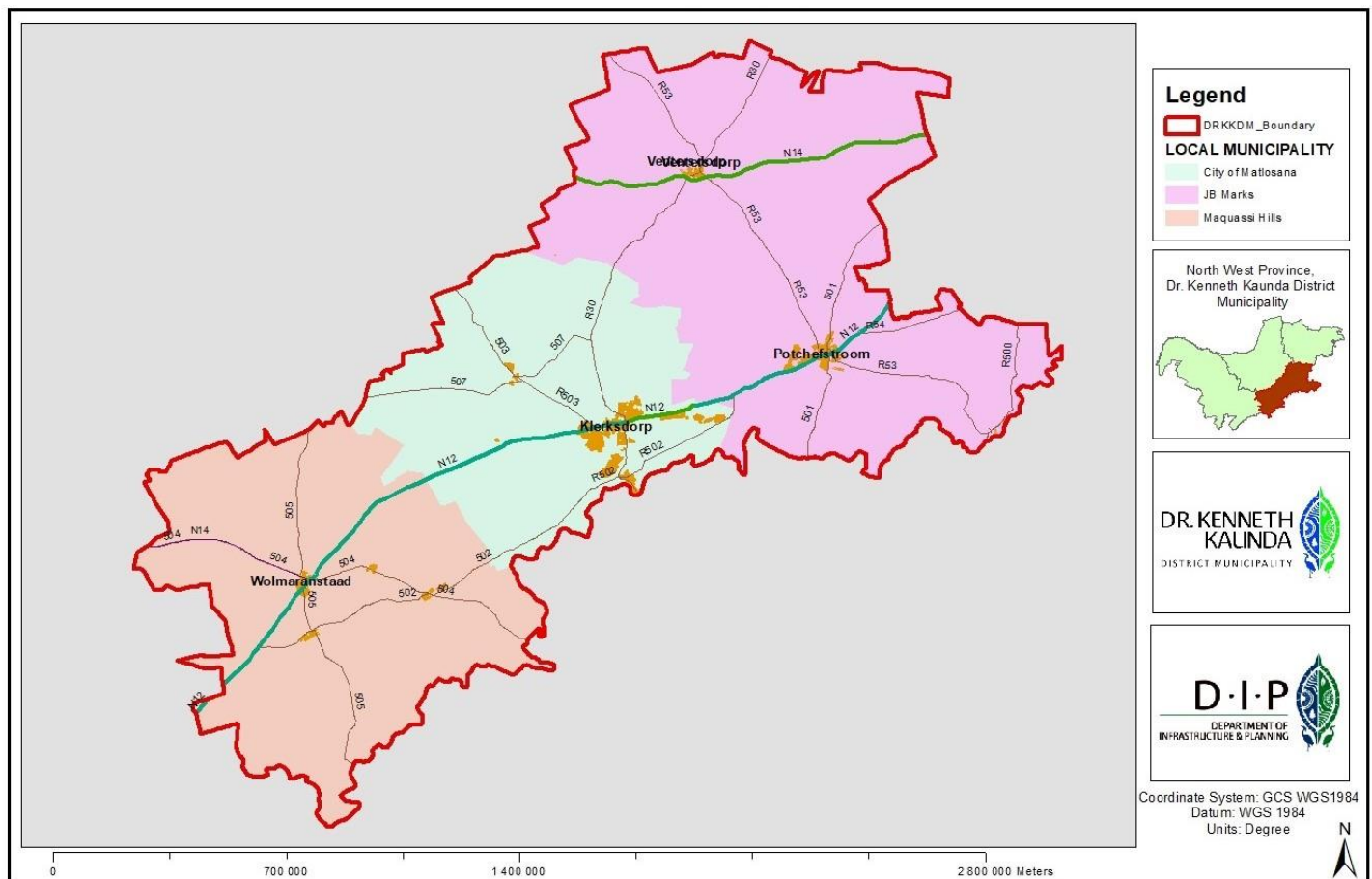
T.M Rampedi
Acting Municipal Manager

1.2.2. Municipal Functions, Pollution 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



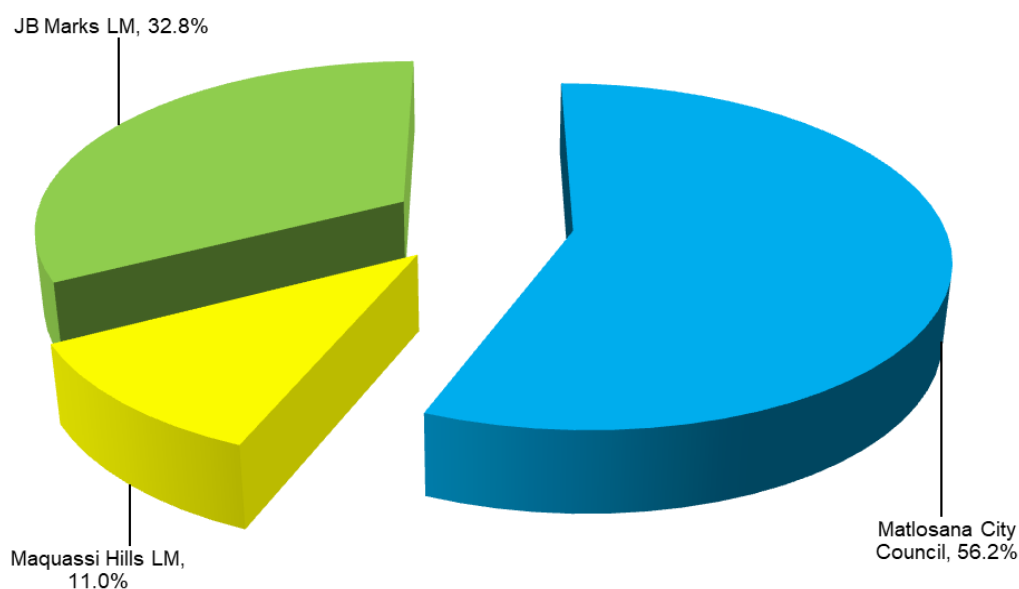
Total Population

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.

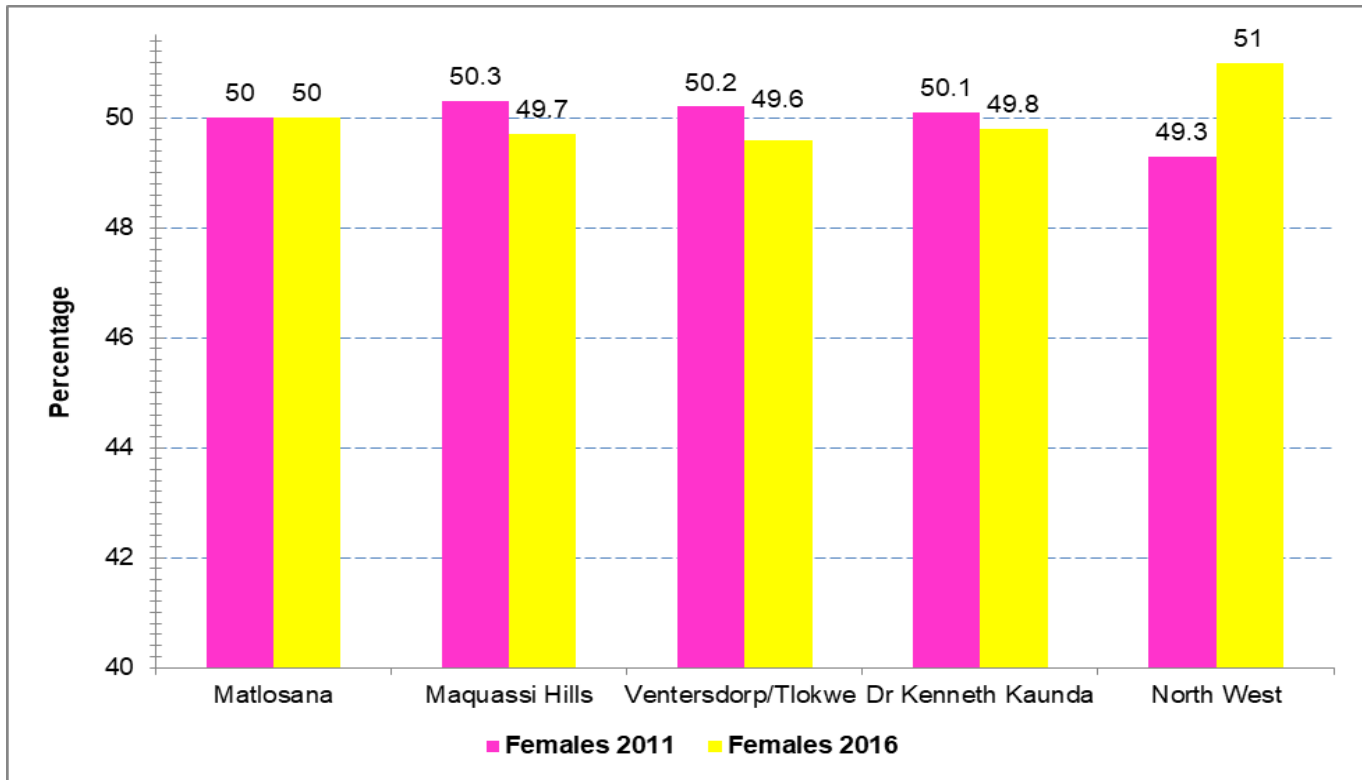


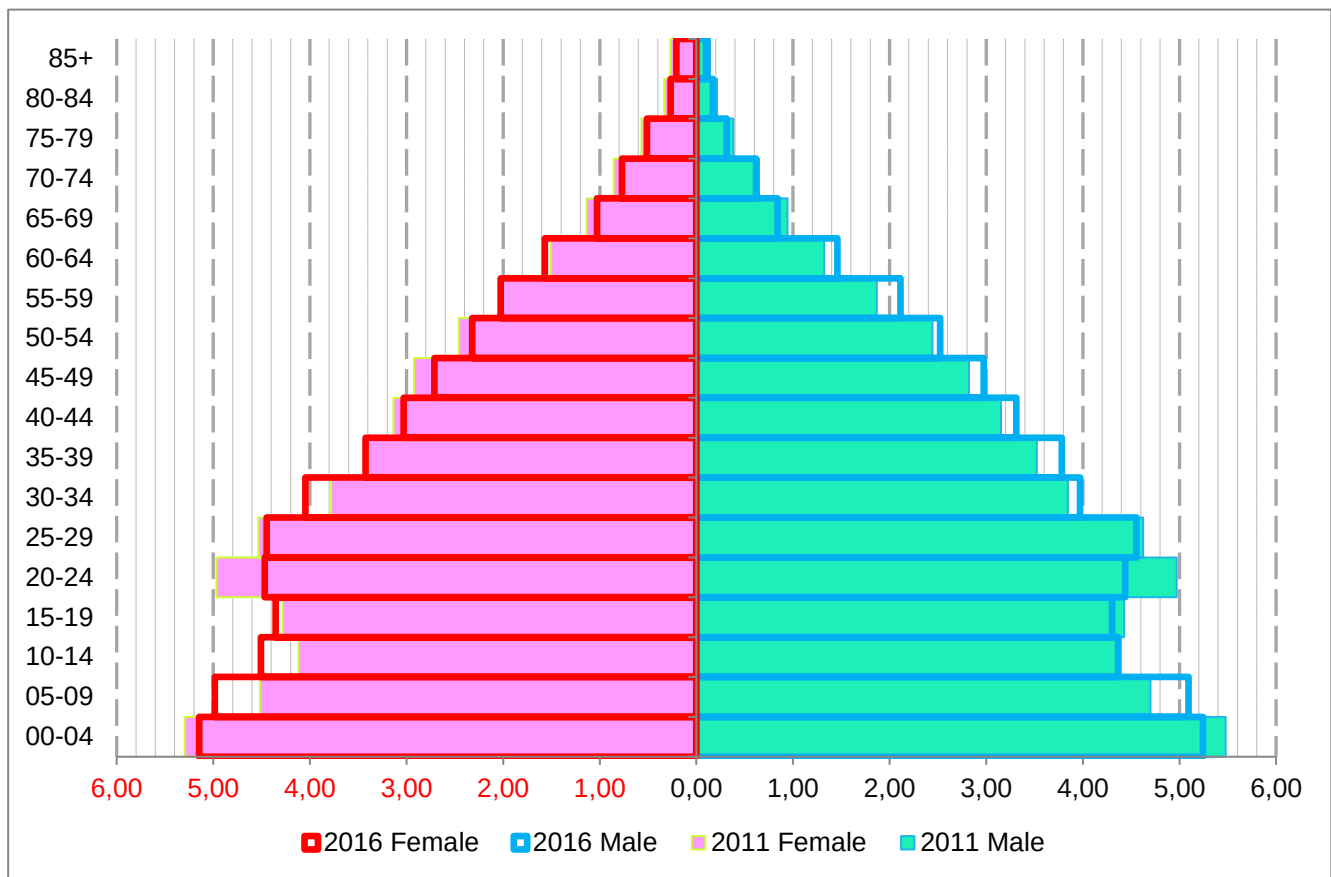
Figure 3: Percentage Female Population

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%)).

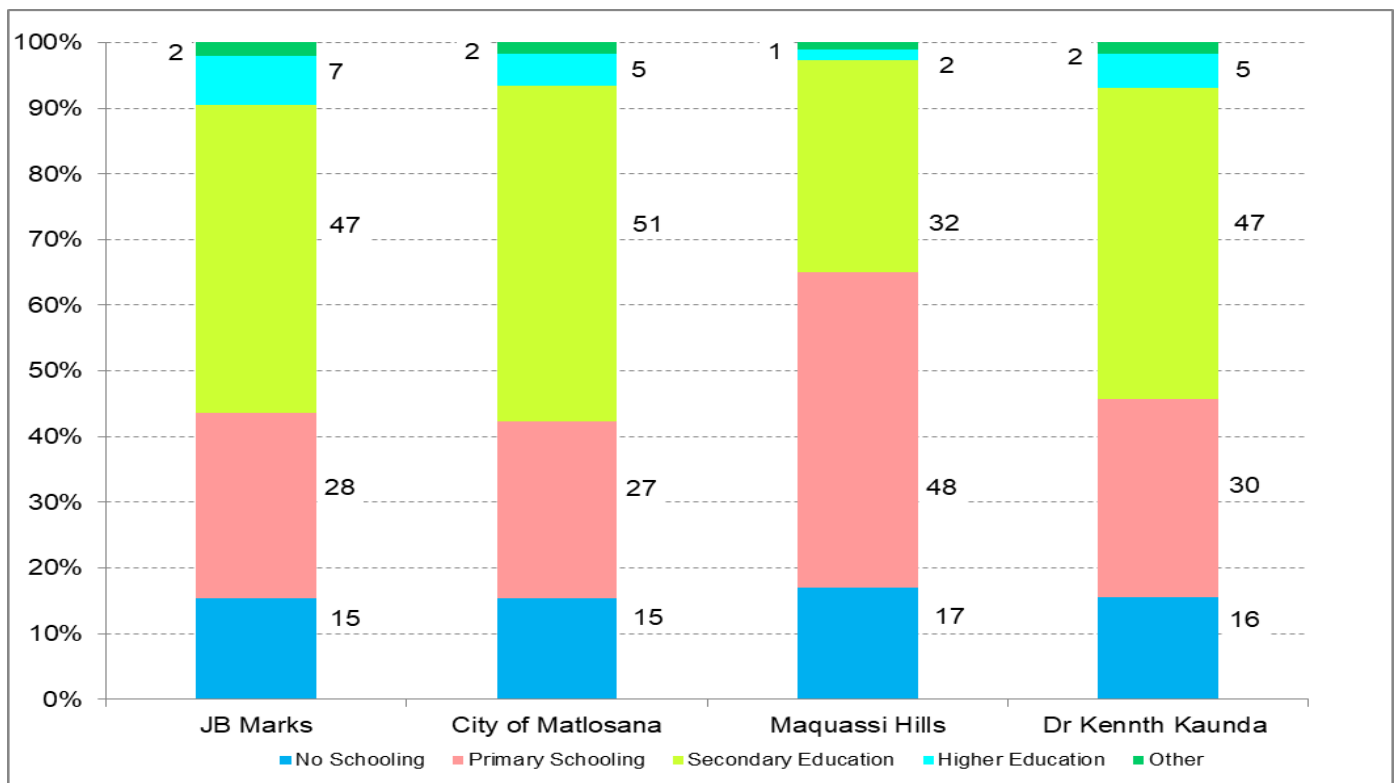
Matlosana has the highest proportion of the population with matric (51%), with the lowest proportion in Maquassi Hills (32%). Maquassi Hills has also a corresponding higher percentage of the population with a qualification of less than matric 48% (district average is 30%) and slightly higher percentage 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)

	Dr Kenneth Kaunda			City of Matlosana			Maquassi Hills			JB Marks		
	2001	2011	2016	2001	2011	2016	2001	2011	2016	2001	2011	2016
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

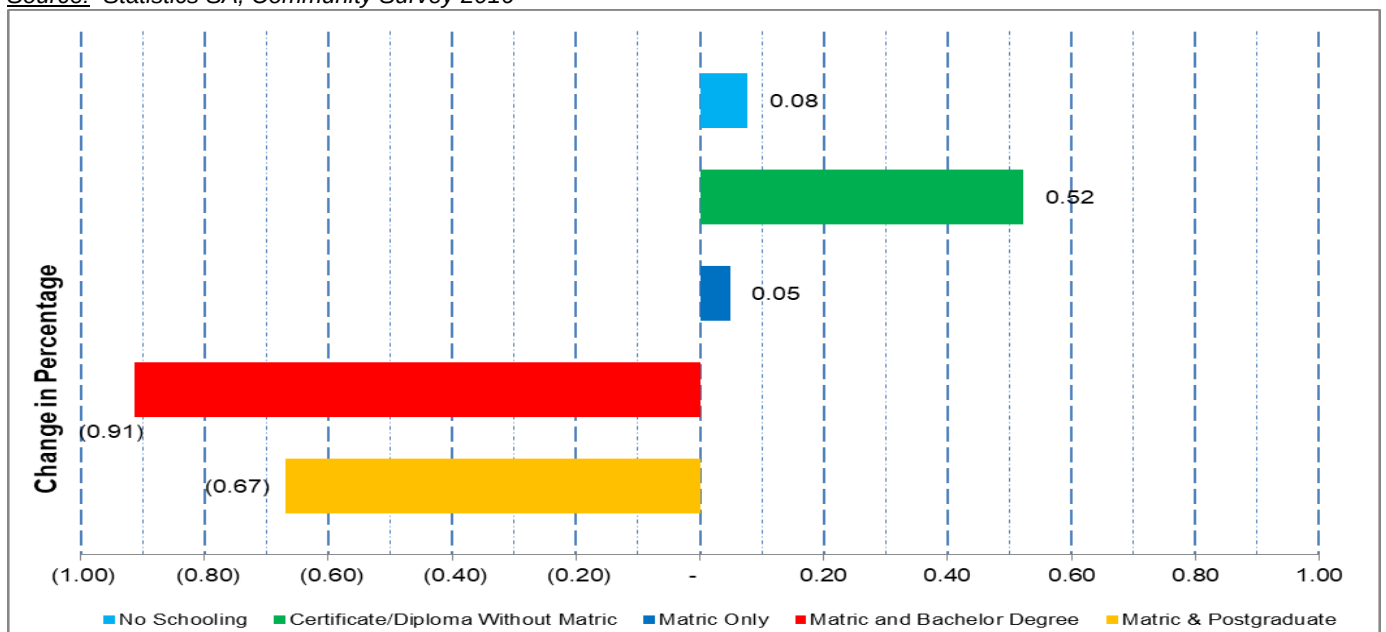
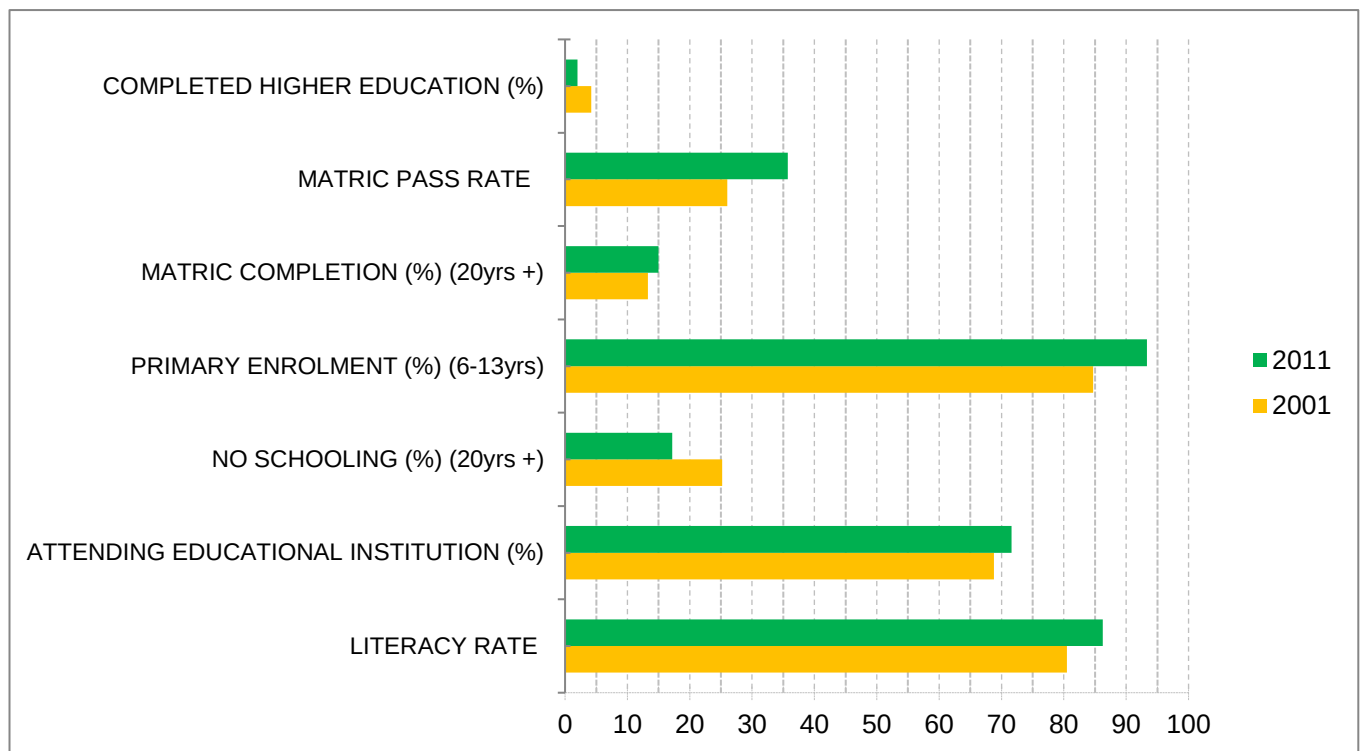


Figure 6 Spatial Analysis



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)).

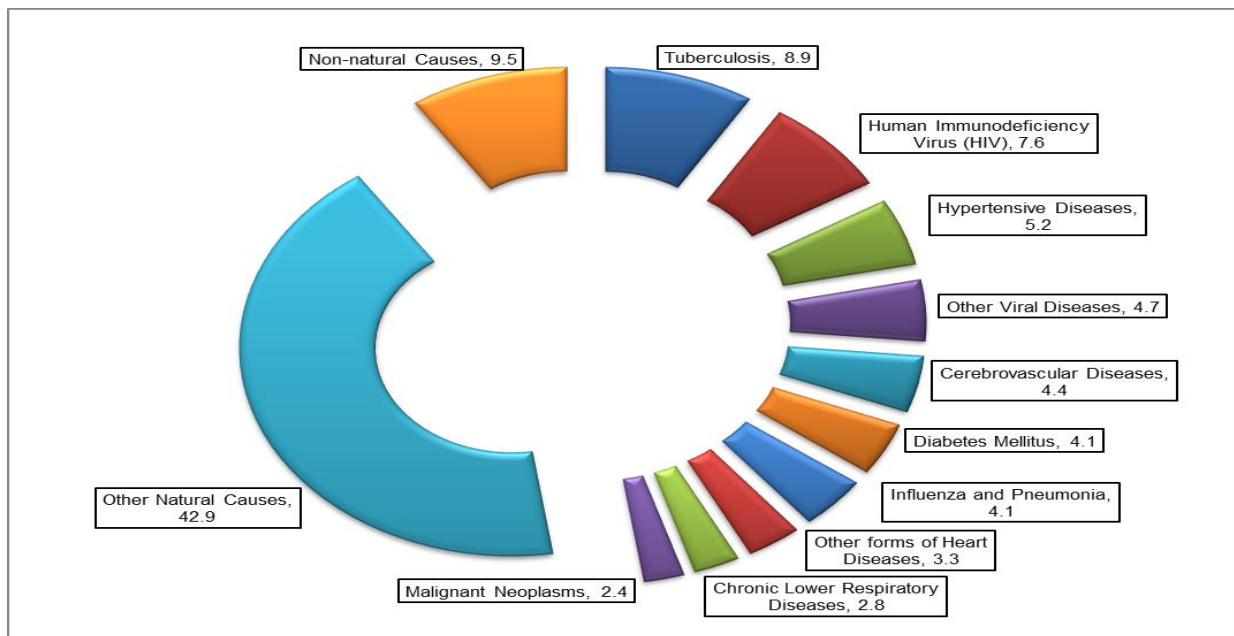


Figure7 (a): Percentage of Major Causes of Death

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%)

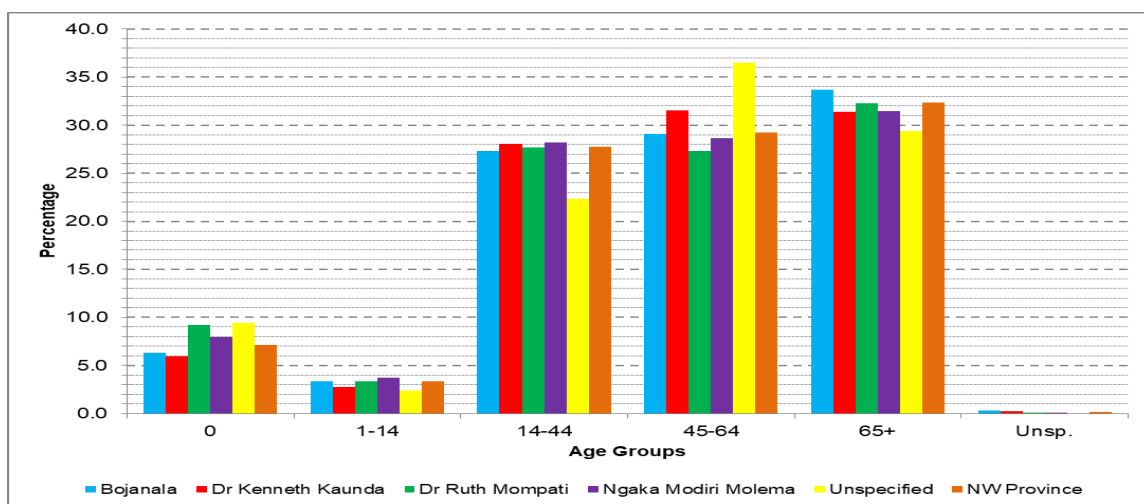


Figure 7(b): Percentage of Deaths by Age Groups

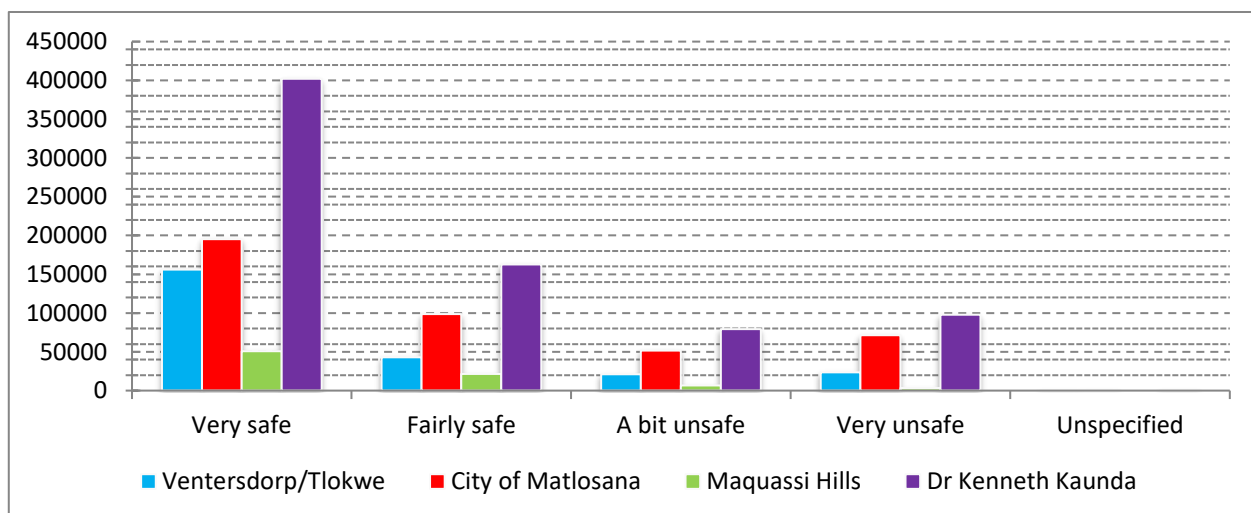
Source: Statistics SA, Mortality and Causes of Death in SA, 2015

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%).

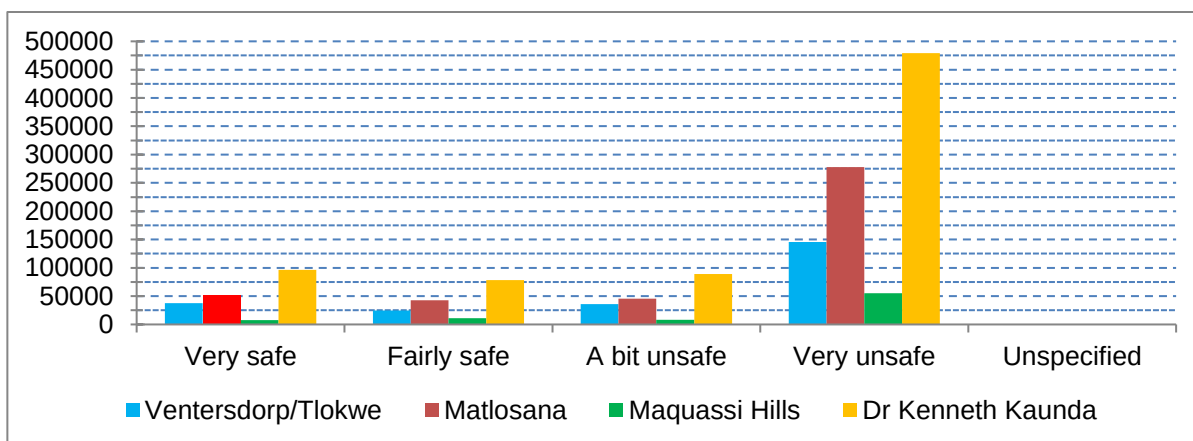
At least 60% of people feel very unsafe in the dark, with an average of 64% across the district. Maquassi Hills and Matlosana share the highest percentage, per population number of people who feel very unsafe in the dark at 67% and JB Marks at 60%. An average of people who feel very safe in the dark 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%
Dr Kenneth Kaunda	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.

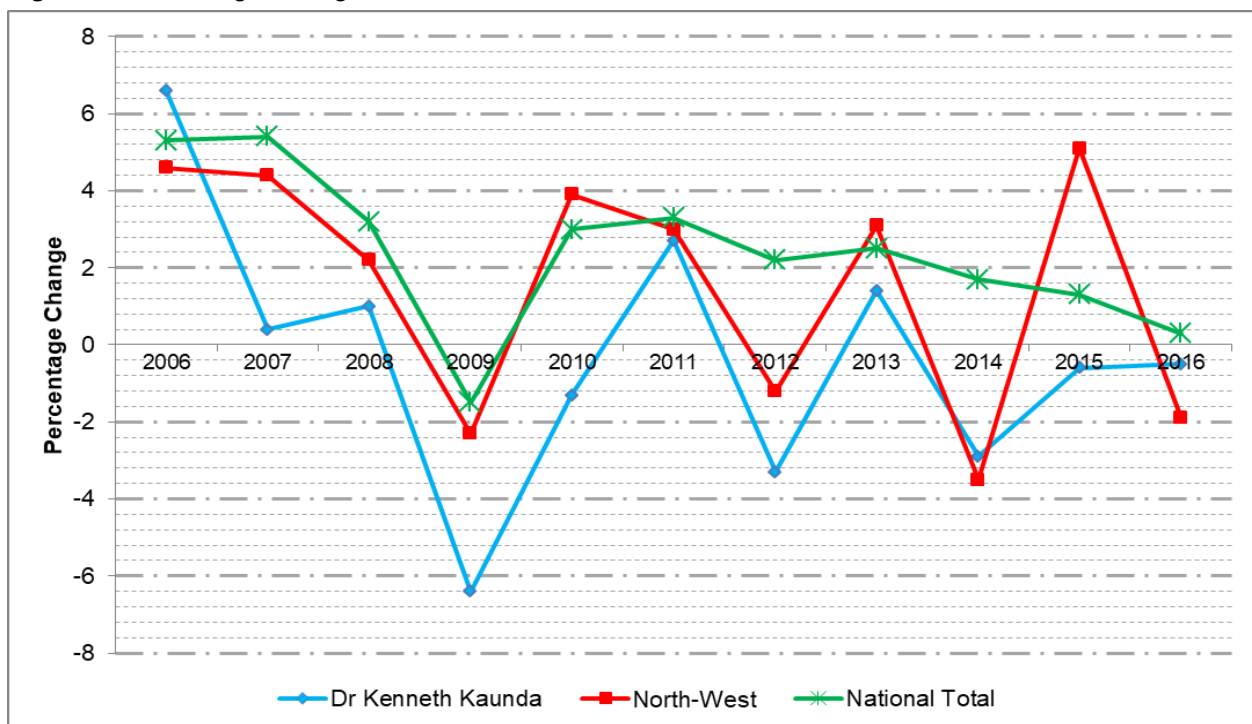
The greatest contributor to the Dr Kenneth Kaunda District Municipality economy is the City of Matlosana local municipality with a share of 58.88% or R 35.4 billion, increasing from R 17.1 billion in 2006. The economy with the lowest contribution is the Maquassi Hills local municipality with R 3.25 billion 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.	Agriculture	1.3	0.5	5.5	2.0
2.	Mining	2.6	3.4	1.5	1.2
3.	Manufacturing	0.4	0.3	0.4	0.5
4.	Electricity	1.0	0.8	0.5	1.3
5.	Construction	0.9	0.8	1.3	0.9
6.	Trade	1.0	1.0	1.0	1.0
7.	Transport	0.8	0.8	0.8	0.7
8.	Finance	0.8	0.8	0.7	0.8
9.	Community Services	1.1	1.0	1.1	1.4

Source: IHS Markit Regional eXplorer Version 1160

Household Income

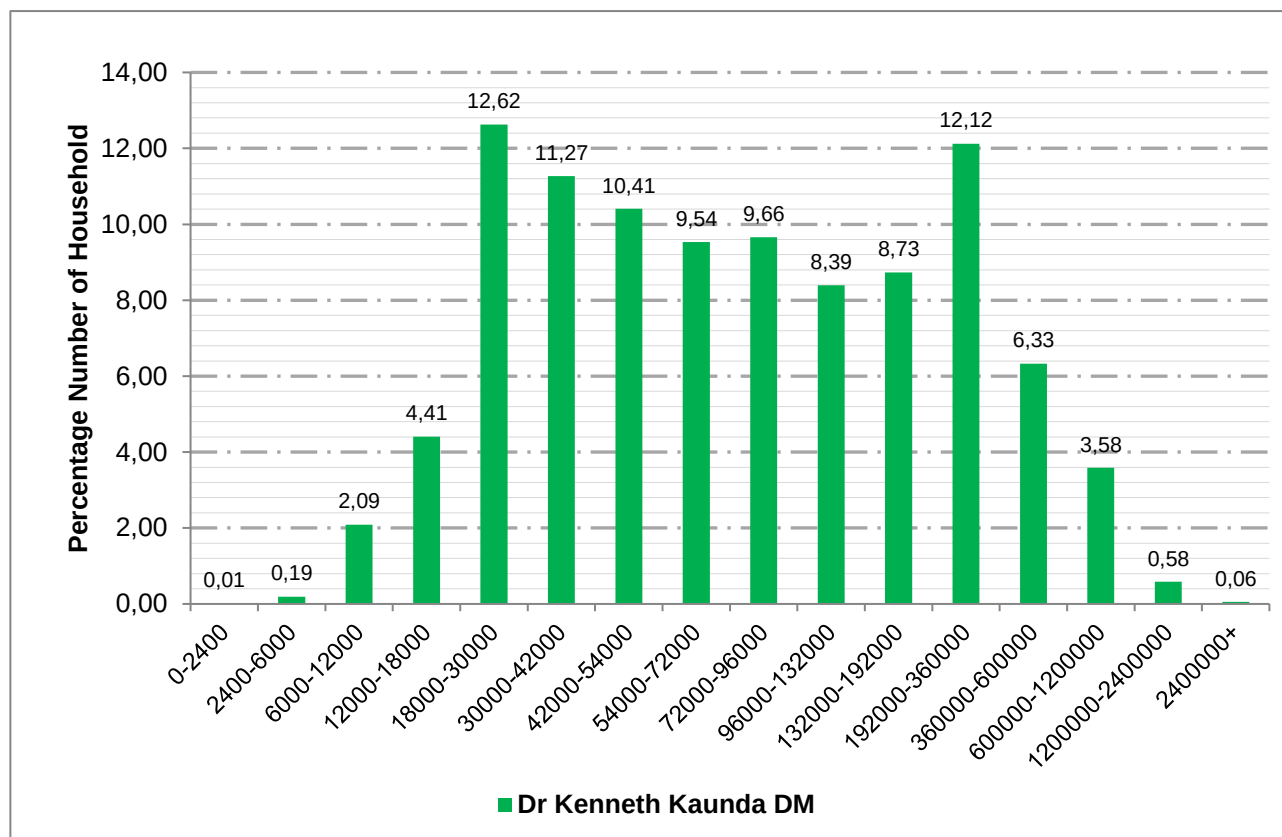
The income profiles (in Rands) of the municipalities within the district is depicted in **Table B.4.5** and illustrated in the accompanying graph (**Figure B.4.5**), showing the distribution of annual household income among the different income groups in the Dr. Kenneth Kaunda District Municipality, 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
2016				
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
Total Households	221400	125847	21750	73802

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.

Figure10: 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

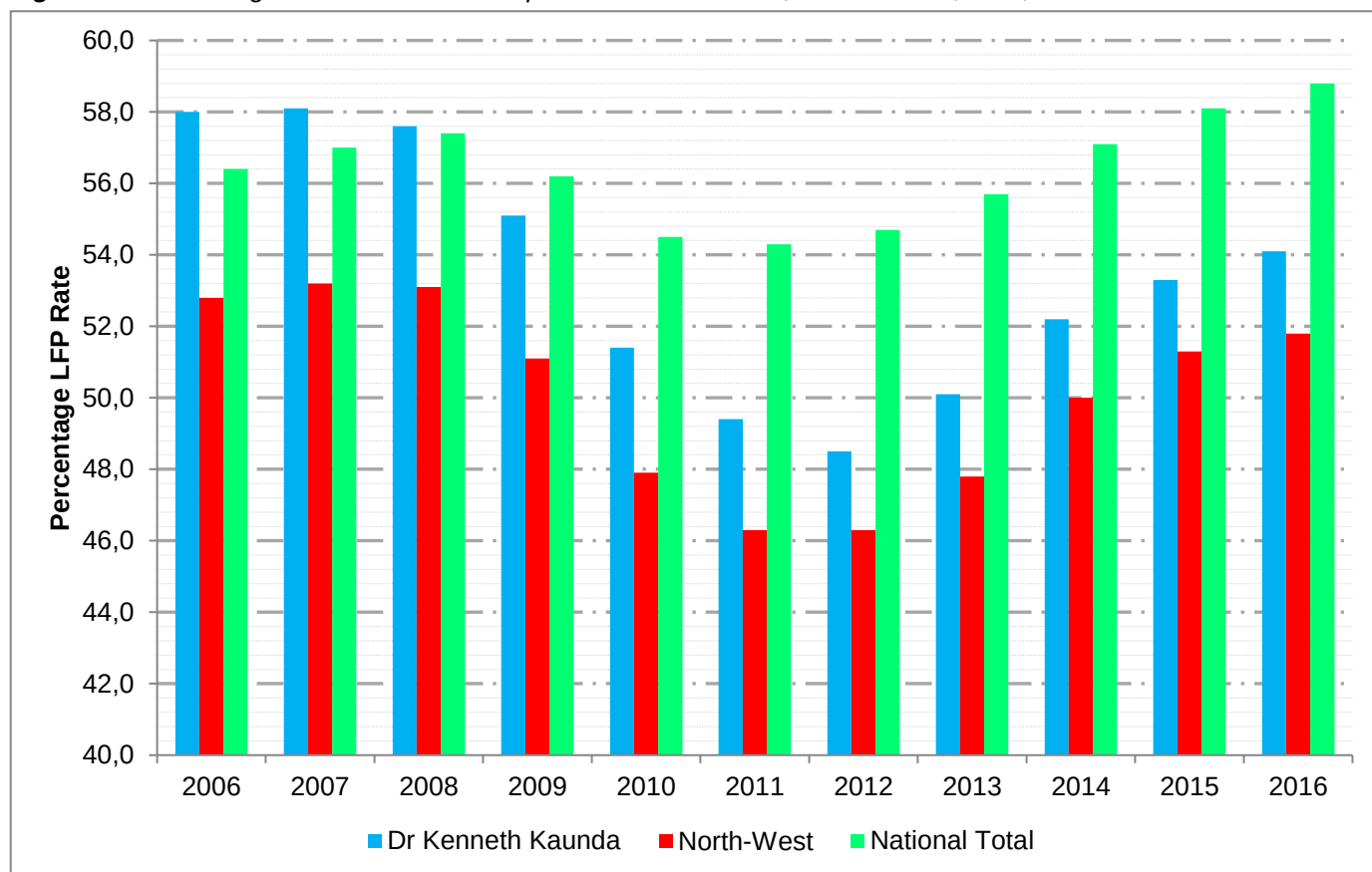
The figures also indicate a proportionally higher income profile in JB Marks LM compared to the other two local municipalities. More than 56% of the highest income earners, above R1 200 000 per annum come from this particular municipality. The Matlosana City Council, due to its high population size,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

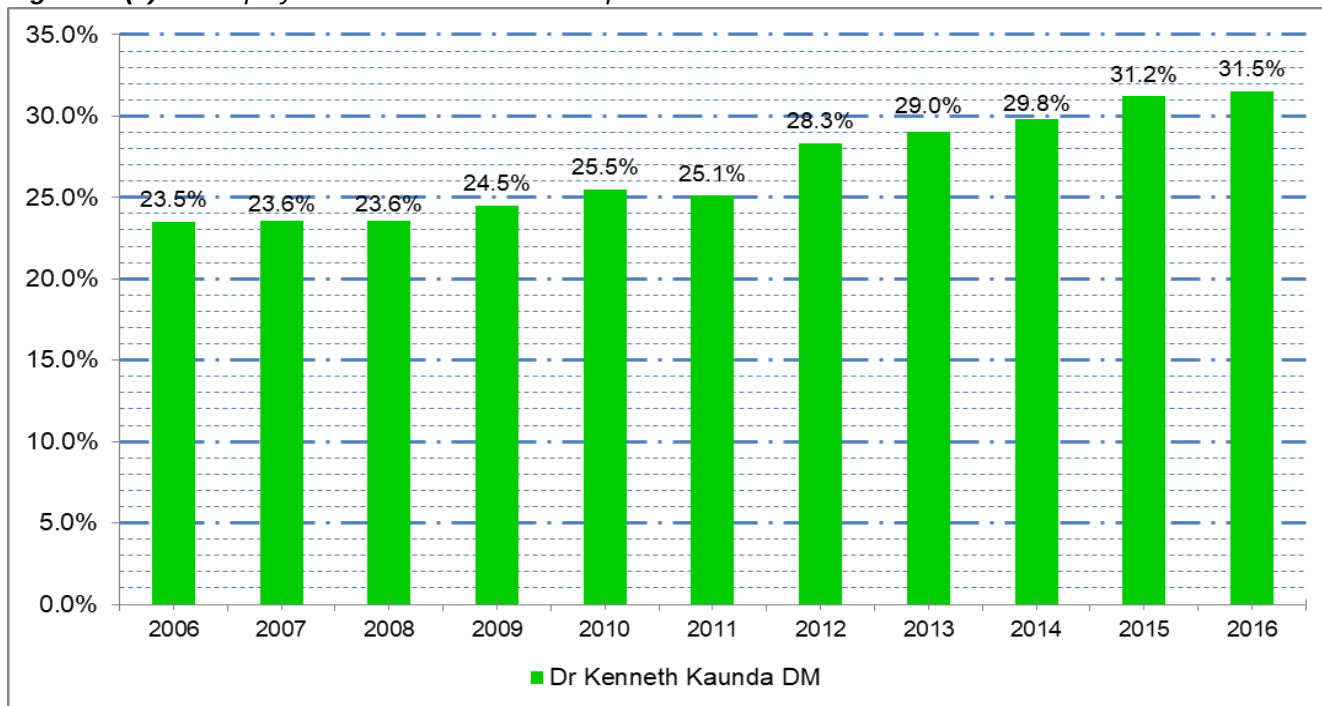
Unemployment Rate

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%).

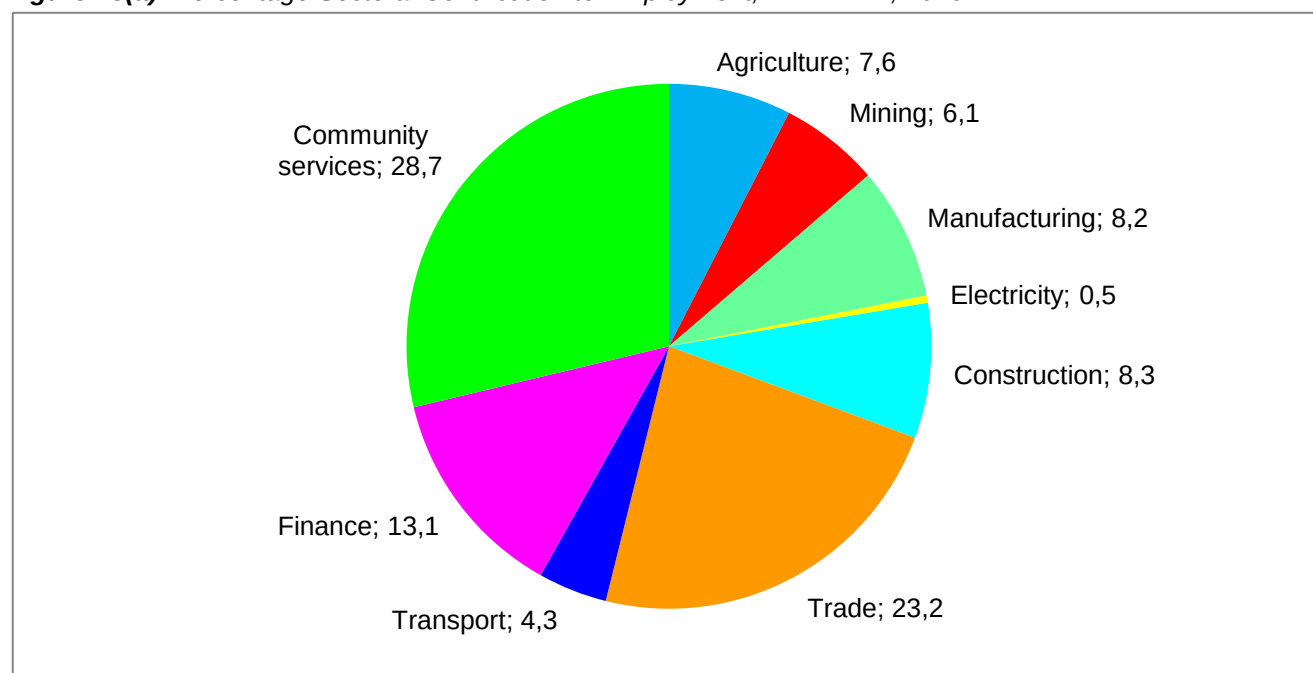
Figure 12(a): Unemployment Rate for the Total Population: Kenneth Kaunda DM



Source: IHS Markit Regional eXplorer

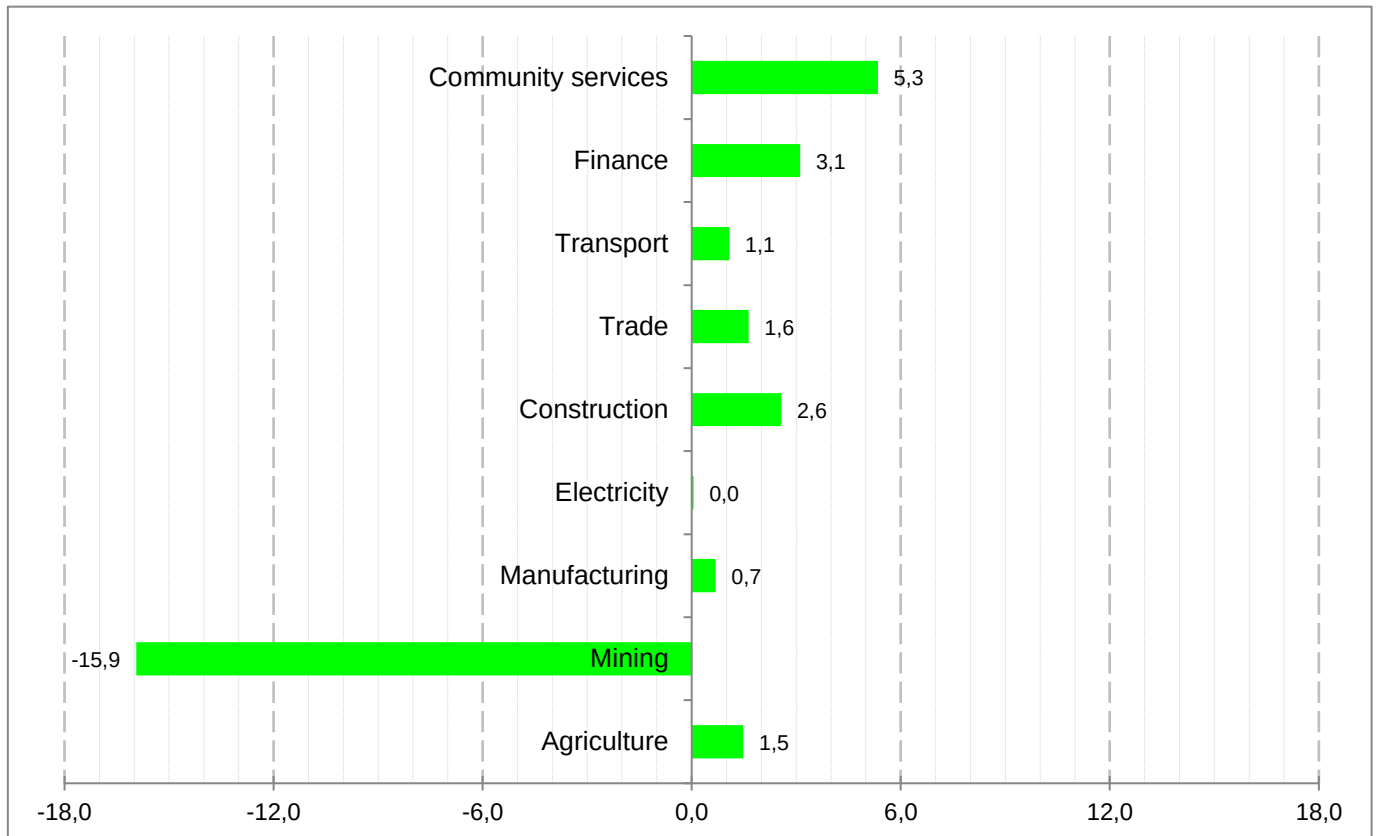
Sectoral Contribution to Employment

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 has for the period of review executed its Constitutional Mandate to promote a safe, clean, and healthy environment through environmental awareness campaigns.

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 R638.
- 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 (Matlosana Area)

Performance Highlights

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, air quality, waste management, sanitation, World Environmental Health day, and climate change and health & hygiene awareness on COVID-19.

- Law enforcement – Joint Operations programme for food premises conducted in Uraniaville on 04 July 2019.



-

-

- World Environmental Heath Celebration held in Klerksdorp CBD on 16 & 26 November 2019.



- Waste Management campaign conducted in Alabama on 25 November 2019



- Health and Hygiene awareness on COVID-19 conducted in Matlosana Mall on 18 March 2020.



- Health and Hygiene awareness on COVID-19 for community members conducted in Stilfontein, Jouberton, Alabama & Dawkinsville on 22 - 23 April 2020.



AREA	ACTIVITY	AREA	DATE
Matlosana	Food Safety Awareness	La Hoff & Flamwood	6 & 7 August 2019
	Food Safety Awareness	Uraniaville	23 August 2019
	Health & Hygiene awareness campaign for creches	Kanana, Jouberton, Klerksdorp, Alabama, Khuma	30 October 2019
	Food safety awareness campaign	Alabama, Jouberton, Kanana	13, 22 & 28 November 2019
	Hand washing campaign	Nkagisang Farm, Elandshuwel, songloed&Elandshuwel	07 February 2020
	Awareness for funeral undertakers on management of human remains related to COVID-19	All areas in Matlosana	24 – 31 March 2020
	Health and Hygiene awareness (COVID - 19) for informal food handlers	Jouberton Kanana Stilfontein Klerksdorp CBD Khuma Orkney	13, 14, 15 & 29 May 2020
	Health and Hygiene awareness (COVID - 19) for community members	Alabama Kanana Stilfontein Khuma	01, 03, 04, 05, 08 & 09 June 2020

PROJECTS

EPWP

October 2019 – June 2020

Fort three (43) EPWP beneficiaries were appointed for a period of nine months (9) months to assist with environmental awareness coupled with cleaning of illegal dumping and ensuring job creation.

7. Environmental Awareness Campaigns (Maquassi Hills Area)

Performance Highlights

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 Covid-19 awareness campaigns.

- Health Surveillance of premises for food premises (joint operation programme) which was held at different food premises in Tsweleng location, Wolmaransstad, Maquassi Hills, on the 16th August 2019.



- National School Nutritional Programme (NSNP) food safety awareness campaign held at Daeraad School, Maquassi hills on the 25th of September 2019.



- World Food Day commemoration campaign (Street food vendors) which was held at different street food vendors in Wolmaransstad CBD Maquassi Hills, on the 02nd of October 2019.



- Health and hygiene awareness campaign that was held at three (3) ECDs in Kgakala Location, Leeudoringstad on the 26 of November 2019.



- Workshop to all the funeral undertakers of Maquassi Hills on Regulations relating to the management of human remains that was held at Makiti Funerals Boardroom, Leeudoringstad on 21 of January 2020.



- Covid-19 awareness campaign for the Wolmaransstad taxi association held at Maquassi Hills Local Municipality on the 05 May 2020.



- Covid-19 awareness campaign training for all funeral undertakers of Maquassi Hills on the Environmental Health Guidelines on the Management of Human Remains in the Context of Covid-19 on the 11-15 May 2020.

PROJECTS**EPWP – ALL WARDS CLEANING****Maquassi Hills**

No active running project in 2019 / 2020.

INDIGENT BURIALS

There was only one (01) indigent burial application received and processed.

JULY 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
08 /7/ 2019	WM NTHAMANE	S&K DINTWE	R 5 500.00
TOTAL			R 5 500.00

AUGUST 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
12 /8/ 2019	O. LENONG	S&K DINTWE	R 2 150.00
TOTAL			R 2 150.00

SEPTEMBER 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
04 /9/ 2019	KB. JACOBS	MAMOKOMANE	R 5 500.00
09 /9/ 2019	N. MALEPE	S & K DINTWE	R 2 150.00
TOTAL			R 7 650.00

OCTOBER 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
10 /10/ 2019	I TSHABALALA	S & K DINTWE	R 5 500.00
TOTAL			R 5 500.00

November 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
18 /11/ 2019	EP PAKO	S & K DINTWE	R 5 500.00
18 /11/ 2019	Baby Rosy Phehello	S & K DINTWE	R 2 150.00
TOTAL			R 7 650.00

DECEMBER 2019

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
17 /12/ 2019	TPGOLO	S & K DINTWE	R 5 500.00
17 /12/ 2019	T BONGANI	JACOBS FUNERALS	R 5 500.00
TOTAL			R 11 000.00

JANUARY 2020

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
07 /01/ 2020	R MOTHIBENG	MAMOKOMANE	R 5 500.00
08 /01/ 2020	W. W. MOKHELE	S & K DINTWE	R 5 500.00
13 /01/ 2020	P FRANCOIS	JACOBS FUNERALS	R 5 500.00
24 /01/ 2020	BABY NYAKALLO AND LETHABOMANKWE (TWINS)	S & K DINTWE	R 2 150.00
24 /01/ 2020	BABY LESIE	S & K DINTWE	R 2 150.00
24 /01/ 2020	BABY KGAGODI	S & K DINTWE	R 2 150.00
TOTAL			R 22 950.00

FEBRUARY 2020**Maquassi Hills**

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
03 /02/ 2020	T. LESHOMO	S & K DINTWE	R 2 150.00
03 /02/ 2020	S. KLAAS	S & K DINTWE	R 5 500.00
03 /02/ 2020	N. J. MASILO	S & K DINTWE	R 5 500.00
14 /02/ 2020	T. J. M. MOGALE	JACOBS FUNERALS	R 5 500.00
14 /02/ 2020	M. P. LENYAI	JACOBS FUNERALS	R 5 500.00
14 /02/ 2020	T. M. TSHUKUDU	JACOBS FUNERALS	R 5 500.00
TOTAL			R 29 650.00

MARCH 2020

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
09 /03/ 2020	P T CHABALALA	S&K DINTWE FUNERAL HOME	R 5 500.00
16 /03/ 2020	O BEYA	JACOBS FUNERAL HOME	R 3 000.00
16 /03/ 2020	R MOTSHWAEDI	S&K DINTWE FUNERAL HOME	R 2 150.00
TOTAL			R 10 650.00

MAY 2020

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
05/05/2020	Baby SophyBondes	S&K DINTWE	R 2 150,00
05/05/2020	L D KADI	S&K DINTWE	R5 500.00
05/05/2020	M D MAFOKO	S&K DINTWE	R5 500.00
05/05/2020	C J MPISA	S&K DINTWE	R 5 500.00
TOTAL			R18650.00

JUNE 2020

DATE	NAME OF THE DECEASED	FUNERAL UNDERTAKER	AMOUNT
04/06/2020	L R MOKWENA	S&K DINTWE	R5 500,00
04/06/2020	O J SEBEGO	S&K DINTWE	R 5 500.00
04/06/2020	T RUITERS	S&K DINTWE	R 2 150.00
04/06/2020	F I VAN ASWEGEN	JACOBS FUNERALS	R 5 500.00
TOTAL			R 18 650.00

8. CONCLUSION

A clean and healthy environment is the responsibility of all South Africans. It is our responsibility as Municipal Health and Environmental Management Services Department to uphold and monitor principles as enshrined in the South African Constitution.

9. ENVIRONMENTAL AWARENESS CAMPAIGNS CONDUCTED (JB MARKS AREA)**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 awareness campaigns.

9.1 Health and Hygiene campaign conducted at SAVF old age home on 03 July 2019 in Ventersdorp



9.2 Food safety awareness campaign held on 04 July 2019 in Ventersdorp municipal lapa



9.3 Health and Hygiene conducted at Thuto Lesedi Day care center in Welgevonden in Ventersdorp on 20 August 2019



9.4 Food safety and Environmental campaign held on 18 September 2019 at Schoonspruit egg farm in Ventersdorp



9.5 Health and Hygiene at Legae la Tshepo Home base care center held on 13 November at Extension 2 hall in Tshing



9.6 Food safety awareness of food handlers held on 11 December 2019 at Food Express Restaurant in Ventersdorp



9.7 Health and Hygiene awareness campaign conducted at 2 funeral undertakers Lekabe and Eli Shammah on 23 January 2020 in Ventersdorp



9.8 Health Surveillance of premises conducted on 30 January 2020 in Ventersdorp



9.9 COVID 19 Awareness conducted from 23-26 March 2020 at different sector departments, Funeral undertakers and community at large in Ventersdorp





11. CONCLUSION

A clean and healthy environment is the responsibility of all South Africans. It is our responsibility as Municipal Health and Environmental Management Services Department to uphold and monitor principles as enshrined in the South African Constitution.

TRANSPORT, ROADS & INFRASTRUCTURE DEVELOPMENT SERVICES HIGHLIGHTS

1. Introduction

1. 1 Rural Roads Asset Management Systems (RRAMS)

The National Department of Transport (NDoT) has identified forty-four (44) rural district municipalities (among them being Dr Kenneth Kaunda DM) in the country as beneficiaries of their rural roads asset management systems grant in order to assist and support the management of rural roads through the development of RRAMS. Municipalities will thereafter be expected to make budget provisions to sustain this project by:

- Updating RRAMS information every two years; and
- Ensuring human capacity development for the operation of the RRAMS

The scope and purpose of this grant is to assist rural municipalities to setup RRAMS and collect rural data in line with the Road Infrastructure Strategic Framework for South Africa (RIFSA) with the following measurable outputs:

- Collection of road inventory data including condition assessment and traffic data
- Setting up pavement and bridge management system compatible with national standards

The Dr Kenneth Kaunda District Municipality had been successfully implementing this RRAMS programme from the 2014/2015 financial year to date. In terms of the planned activities for 2019/2020 the following activities were executed, namely:

- 1058.19 kilometres of unpaved municipal road network within its jurisdiction was done covering the three local municipalities of Matlosana, JB Marks & Maquassi Hills.
- 75 Traffic counts within Matlosana area only were done to assess the impact of traffic moving in and out of this area on its road network.

1.2 Expanded Public Works Programme (EPWP)

The Cabinet Committee for the Economic Sectors, Employment and Infrastructure Development (ESEID) in its meeting of 28 November 2018 approved the Expanded Public -March 2024. The proposal subsequently served at the Cabinet Meeting of 05 December 2018 that provided additional comments. These comments have been subsequently been included in the reworked proposal.

The objective of the EPWP Phase IV is: "To provide work opportunities and income support to poor and unemployed people through the labour-intensive delivery of public and community assets and services, thereby creating community development."

The Dr Kenneth Kaunda District Municipality has been given a five (5) year target of creating work opportunities using the EPWP framework as follows:

- Infrastructure Sector: 298 job opportunities (Year 1: 54, Year 2: 57, Year 3: 60, Year 4: 63, Year 5: 66)
- Environment & Culture Sector: 427 job opportunities (Year 1: 84, Year 2: 85, Year 3: 85, Year 4: 86, Year 5: 87)
- Social Sector: 46 job opportunities (Year 1: 9, Year 2: 9, Year 3: 9, Year 4: 9, Year 5: 10)

2. Overview

The Technical Services has for the period of review executed these two programmes successfully in line with the condition of the grants as published on the Division of Revenue Act.

3. Description of the Activities

During the period under review the following activities were executed in terms of the functions of the LED and Planning Department; unpaved municipal road network assessment, traffic counts for RRAMS and construction of 25 dry sanitation units at Oblate farm & 15 VIP toilets at Doornkop under the EPWP.

4. Performance Highlights

Rural Roads Asset Management Systems (RRAMS)

(i) Unpaved Roads assessed

The assessment of unpaved municipal road network covered the three (3) local municipalities as follows:

- Matlosana: 554.78 kilometres
- JB Marks: 298.1 kilometres
- Maquassi Hills: 205.3 kilometres

The total length of kilometres of unpaved municipal road network covered is 1058.19 kilometres. For the year under review, the JB Marks & Maquassi Hills' Unpaved Road Management System (URMS) reports were produced while Matlosana's report will be completed in the first quarter of 2020/2021. The URMS reports provide the local municipalities with clear guidelines on which maintenance technology to be used to address the state of unpaved road network in their areas as well as the total costs to be incurred.

(ii) Traffic Counts

A total of 75 traffic counting stations were covered in the Matlosana area as part of the traffic impact studies planned for the year under review. The results of these studies provide a bird's eye view regarding the impact of traffic movement within the Matlosana area on its road network. This also assists the local municipality to plan accordingly in terms of its annual routine road maintenance programme.

PICTURES OF SOME OF THE ASSESSED ROADS



PICTURES OF SOME OF THE ENUMERATORS PERFORMING TRAFFIC COUNTS



(b) Expanded Public Works Programme (EPWP)

The 25 dry sanitation units constructed at Oblate Farm next to Tigane was to address the sanitation challenges that this community had been experiencing for the a period of almost 4 years wherein their VIP toilets were not drained posing a serious health risk. The project was done labour intensively with labour force drawn from the same community. The advantages of this technology are that less maintenance is to be incurred by the local municipality instead the community will maintain them through the support of the district municipality and the manufacturers of these dry sanitation units. The project duration was 9 months and that enabled the community to have a decent meal on the table for a prolonged period of time. By so doing, the EPWP guidelines were strictly adhered to as one of its main objectives is to address poverty and unemployment in our country. A total of 26 job opportunities were created.

The other project, Doornkop sanitation will only be completed at the end of the first quarter of 2020/2021 due to the challenges of COVID-19 pandemic which delayed the commencement of the project.

PICTURES OF SOME OF THE COMPLETED TOILET UNITS AT OBLATE FARM



5. CONCLUSION

Rural Roads Asset Management System (RRAMS) is a programme intended to assist local municipalities to have a clear picture on their road network and plan accordingly with regards to maintenance programme thereof. Secondly, the continued support of the National Government in funding the Expanded Public Works Programme enables the local government sphere to address the challenges of poverty & unemployment using programme that will enable the creation of labour intensive activities within our communities.

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.

- Disaster Risk Management
- Public Information Education and Relations

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

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 project is now in the third year.

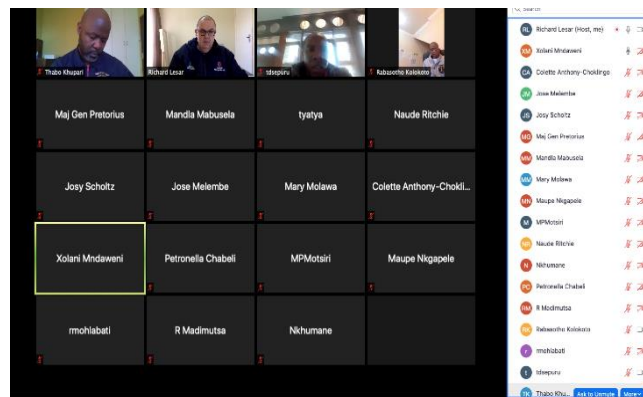
The Disaster Risk Section also conducted three Community Based Disaster Risk Assessments during the year. During this process the community is actively involved in the risk assessment and are encouraged to make inputs and comment on the relevance of the assessment. The assessments were conducted in:

- Matlosana – Kanana Ward 25
- Maquassi Hills – Lebaleng Ward 11
- Matlosana – Khuma Ward 38



COVID-19

The Dr Kenneth Kaunda District Disaster Centre coordinated the COVID-19 response. The JOC and Command Centre meetings were held in the Stilfontein SAPS Station and the Command Council was held in the DKKDM Disaster Centre. The meetings were moved to a virtual platform in May 2020.



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:

- Chris Hani Secondary School
- Jouberton Ext 16 Stadium
- BESAFE Centre Sessions at Maquassi Hills Local Municipality



IGR Structures

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 meetings took place during the year:

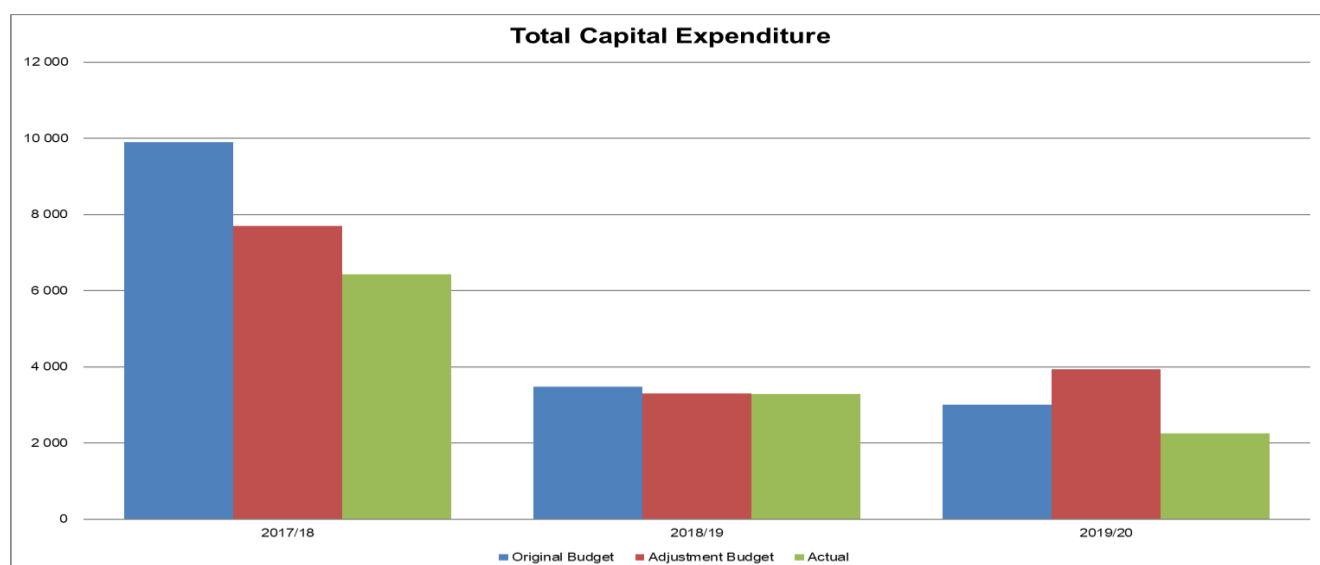
- Advisory Forum
 - 8 August 2019
 - 17 March 2020
 - 23 June 2020 (Virtual Meeting)

1.2.4. Financial Health Overview

Financial Overview: 2019/2020			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	196 082	196 529	193 506
Taxes, Levies and tariffs	-	-	
Other	4 007	6 773	7 666
Sub Total	200 089	203 302	201 172
Less: Expenditure	196 732	198 966	168 768
Net Total*	3 357	4 336	32 404
* Note: surplus/(deficit)			

Operating Ratios: 2019/2020	
Detail	%
Employee Cost	53,6
Repairs & Maintenance	1,2
Finance Charges & Impairment	0,0

Total Capital Expenditure: 2017/18 to Year 2019/20			
			R'000
Detail	2017/18	2018/19	2019/20
Original Budget	9 905	3 472	3 010
Adjustment Budget	7 705	3 297	3 930
Actual	6 436	3 290	2 259



1.3. AUDITOR GENERAL'S REPORT SUMMARY

The Dr Kenneth Kaunda District Municipality received an Unqualified Audit opinion (with material findings) on the consolidated and separate Annual Financial Statements for the 2019/20 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 2020
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for 2019/20 (previous financial year)	
4	Submit draft 2019/20 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 2020
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 2020
12	Municipalities receive and start to address the Auditor General's comments	November to December 2020
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January to April 2021
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 2021
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	LEADER
Executive Mayor (BF)	Alderman. B.E. Segotso- Mosiane
Speaker (BM)	Cllr. D.P. Masiu
Single Whip (BF)	Alderman. N.M. Koloti
LOCAL ECONOMIC DEVELOPMENT AND PLANNING DEPARTMENT	
MMC Sports, Arts and Culture (BM)	Cllr. Z. Mphafudi
MMC District Economic Development and Tourism (BF)	Cllr. H. Mbele
MMC Technical Services (Infrastructure) (BM)	Cllr. S. Valipathwa
COMMUNITY SERVICES DEPARTMENT (Disaster Risk Management and Public Safety & Municipal Health and Environment Management Services)	
MMC Community Services (BF)	Alderman. M. Martins
CORPORATE SERVICES DEPARTMENT	
MMC Corporate Services (BF)	Alderman. M. Mojahi
FINANCE DEPARTMENT	
MMC Financial (BM)	Cllr. M. Zephe

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
Senior Manager: Corporate Services	SC. Abrams
Chief Financial Officer	LP. Steenkamp
Senior Manager: Community Services (Acting)	KT. Tshukudu
Senior Manager: Local Economic Development and Planning (Acting)	TM. Rampedi
Chief Audit Executive (Acting)	R. Seremo

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
Chief Risk Officer	L. Motepe
Manager: Municipal Information Security Standards	L. Kalolo
Manager: Communications	X. Mndaweni

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 envisage 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;

Advisory Fora

08 August 2019
17 March 2020
23 June 2020 (Virtual)

The following IGR for IDP were held within the district:

Technical IGR Meeting: 05 December 2019
IDP Coordinating Committee Meetings: 13 February 2020
IDP Representative Forum Meeting: (Not held, due to Covid-19 restrictions)

The District municipality also resuscitated the following IGR structures in the 2019/2020 financial year. But due to the Covid-19 national lockdown, not all meetings could be held as scheduled

- District PMS Forum
- District LED Forum

2.2.5. District Development Model

Cabinet approved the New District Based Service Delivery Model on the 21st August 2019 as an important innovation in the implementation of service delivery programmes. The model currently focuses on the forty-four (44) districts and eight (8) metros. The model will ensure coherence and integration in planning, budgeting and implementation of service delivery projects in all districts and metros by all three spheres of government – national, provincial and local.

The model is anchored on the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), which provides for a framework for a coordinated and integrated alignment of developmental priorities and objectives between the three spheres of government. It is also meant to enhance other alignment initiatives like integrated development plans with a clear focus of implementing one plan in each district across all spheres of government.

The President of the Republic of South Africa is the champion of the model, supported by the Deputy President, the entire national executive, Provincial Premiers, provincial executives, District and Local Mayors together with their executives.

The Dr Kenneth Kaunda District Municipality was invited to the following preparatory and draft development meetings regarding the introduction of this model:

DATE	MEETING	PURPOSE
15/10/2019	New District Coordination Model: Work Stream Demographic & District Profile Coordination (Venue: Mahikeng)	To introduce the NDCM to the NW Province through the Office of the Premier
21/10/2019	New District Coordination Model: Work Stream Demographic & District Profile Coordination (Venue: Orkney)	To introduce the NDCM to the Dr KKDM
05/11/2019	District Developmental Model Meeting (Venue: Mahikeng)	The purpose was to; - devolve the Developmental Model to the District Level and - establish the District Work Streams - prepare a programme to meet local municipality officials and mobilize them for the implementation of the Model. Presentations: - North West Approach towards the Implementation of the New District Development Model 2019. - North West Province: Towards implementation of the District Coordination Model: “One Plan”
14/11/2019	District Developmental Model Meeting (Venue: Orkney)	The purpose of the meeting was to: - to inform the municipal executive leadership of the status of the District Development Model (DDM) - discuss the approach and agree on a roll out process of the district development model. - assist in the preparation and formulation of strategies to align government processes towards the One Plan of the District. - finalize the establishment of the district teams that will be involved in the development of the Draft District Profiles (Plans) - apportion allocations of duties and the start with the development of the Dr Kenneth Kaunda district profile with the assembled team - let the team begin with the diagnostic study of the district as outlined in the development guidelines of the District Development Model (DDM)
25-27/11/2019	NW Districts Development Model Profiling Teams Work Sessions (Venue: Rustenburg)	The purpose of the sessions was to: - finalize the first draft district profiles of the District Development Model (DDM), - specifically identify the challenges as highlighted by the diagnosis in the different areas - present the different district draft profiles to the Office of the Premier and NW Cogta and hence the Provincial

DATE	MEETING	PURPOSE
		EXCO ○ compare the different models, in order to align the different approaches ○ submit the draft profiles of the District Development Model (DDM) to the Office of the Premier and NW Cogta for initial evaluation
09/12/2019	NW Districts Development Model Report Back Session (Venue: Mahikeng)	The purpose of the session was to ○ report to the districts on the evaluation of the diagnostic drafts by the Office of the Premier and National Cogta ○ discuss the upgrading of the diagnostic drafts to the level of draft district plans ○ discuss further plans to make the District Development Model (DDM) operational at district level in the form of district hubs ○ to further clarify the funding model of the DDM ○ to plan for the improvement of the current drafts and close the identified gaps in the drafts
18-19/12/2019	NW Districts Development Model Draft Improvement Sessions (Venue: Rustenburg)	The purpose of the sessions were to: ○ receive and evaluate the feedback that was submitted by the Office of the Premier and National Cogta ○ improve the draft diagnostic plans as evaluated by the Office of the Premier and National Cogta ○ align the different district statistical approaches to the diagnosis in order to make informed comparisons across districts ○ propose interventions to respond to the different challenges identified in the draft profiles ○ submit the draft plans to different councils for further inputs and improvements

The following work streams have been established as part of the implementation of this NDC model:

- Demographic and District Profile
- Governance and Financial Management
- Integrated Services Provisioning
- Infrastructure Engineering
- Spatial Restructuring
- Economic Positioning

These work streams will be complemented with the Monitoring, Evaluation and Reporting Systems as well as the Communication Strategy. The process will follow the normal strategic planning, implementation, monitoring and evaluation model; the proposed process of which is as follows;

High Level Index

1. Diagnostic Study
2. Trend & Scenario Analysis
3. Desired Future
4. Strategy Formulation
5. Implementation Plan
6. Monitoring and evaluation

The preliminary process entails the establishment of the institutional arrangements in which District Municipality Hubs will feed into and be monitored by the Department of Cooperative Governance and Traditional Affairs (COGTA) and the Premier's Office. The following are the conclusions from the meeting of 05 November 2019;

- The new district coordination Model will ensure that all spheres of government align resources to deliver services in a sustainable manner.
- The province will utilize the technical expertise in the district hubs to strengthen the capacity in project planning and implementation.
- Provincial COGTA and the Office of the Premier will further refine the alignment of the implementation plan to the municipal planning processes.
- The New District Coordination Model will assist to resolve governance challenges in the province.
- National COGTA will assist by deploying resources to help to refine and institutionalise the new district coordination model.

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

DATE	PURPOSE
06 February 2020	MPAC Meeting
13 February 2020	MPAC questions on the Annual Report and drafting of interview questions to executive and administration
17 February 2020	Project visits
18 February 2020	Project Visits
19 February 2020	Project Visits
24 February 2020	Interviews
24 February 2020	Interviews
26 February 2020	Public participation built up program- Maquassi Hills
27 February 2020	Public participation built up program- Matlosana
28 February 2020	Public participation built up program – JB Marks
04 March 2020	Public Participation- Management and Political Heads in the presence of the public
19 May 2020	MPAC meeting to finalize the report

2.3.4. Public Meetings

Name of municipality	Date of visit	Venue
City of Matlosana	26/02/2020	Mahemsvlei
Maquassi Hills Local Municipality	27/02/2020	Lovin Farm
JB Marks Local Municipality	28/02/2020	Matlwang Village
JB Marks Local Municipality	04/03/2020	Banquet Hall

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 remains an ongoing process and an important factor in change management in Dr Kenneth Kaunda District Municipality. Also, best practices are being formulated and evaluated within the field of risk management on a provincial level on a continuous basis. The Municipality Appointed Chief Risk Officer on second quarter of financial year to directly charged with coordinating, facilitating, implementation and reporting of risk management activities.

Strategic risk register for 2019/2020 was finalized and submitted to Audit Committee on the 3rd Quarter, Risk Management policy was also reviewed and due to National Lock Down could not be adopted by Council, and plans are advanced stage to adopt reviewed risk policy during 2020/2021 financial year.

The newly amended Public Audit Act will ensure that Risk Management takes on a bigger role in the municipality, especially with regards to consequence management and the overall performance of the municipality.

2.4.2. Anti-Corruption and Fraud

Section 83(c) of the Municipal Systems Act (MSA) refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), Section 112(1) (m) (i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) (b) of the MFMA further states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system, to minimize the likelihood of corruption and fraud.

Fraud and Anti-Corruption strategy was reviewed during the financial year and due to National lockdown the strategy could not be workshopped and adopted by Council, plans are advanced stage to adopt reviewed risk policy during 2020/2021 financial year.

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	No
The previous annual report (2018/2019)	Yes
The annual report (2018/2019) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2019/2020) and resulting scorecards	Yes
All service delivery agreements (2019/2020)	Yes
All long-term borrowing contracts (2019/2020)	N/A
All supply chain management contracts above a prescribed value (give value) for 2018/2019	Yes
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 2018/19	No
Contracts agreed in 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2019/20	Yes

3. CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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. Measures 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

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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

3.1.1 KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 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 MH&EMS	Activity	40 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2019	Achieved 51 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by June 2019	32 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2020	R740 000		R564 488	ACHIEVED 38 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2020	6 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	None	Campaign report with pictures
											R 240 000	37052300120FLP43ZZWD	R183 965				
											R 200 000	37052300140FLP43ZZWD	R189 373				
											R 300 000	37052301870FLP43ZZWD	R191 150				

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 2018/2019			REVISED KEY PERFORMAN CE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progres s to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circula r 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
															to deal with fake foods		
Municipal Health and Environmen tal Manageme nt Services	To provide environmen tal health services	Municipal Health Service	12 complian ce reports on drinking water samples taken tested	12 compliance repots on drinking water samples taken and tested	Nil	KPI 2 Number of compliance reports on drinking water samples taken and tested from JB Marks, Matlosana, and Maquassi Hills Local Municipalities submitted MH&EMS	Output	12 compliance reports on drinking water samples taken tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by June 2019	Achieved 12 compliance reports on drinking water samples taken tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities by June 2019	12 compliance reports on drinking water samples taken and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by 30 June 2020	R450 000 Shared Vote	370522733 30FLP94ZZ WD	R420 955	ACHIEVED 12 compliance reports on drinking water samples taken and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by 30 June 2020	None	None	Complia nce reports, Samplin g 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	57 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 and 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 JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2019	Achieved 57 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by June 2019	48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2020	R 450 000 Shared Vote	37052273330FLP94ZZWD	R420 955	ACHIEVED 52 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2020	4 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
Municipal Health and Environmental	To provide environmental health services	Environmental Management Services	2 activities on Air Quality	2 activities on Air Quality Management	Nil	KPI 4 Number of activities conducted on	Activity	2 activities conducted on Air Quality	Achieved 3 activities conducted on Air Quality	4 activities conducted on Air Quality Management	R100 000 R90 000	37052270310FLP02ZZWD	R9 250 R0	NOT ACHIEVED 2 activities	Activities on Air Quality Management	Activities on Air Quality	Air Quality Activity Report

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Management Services			Management	nt		Air Quality Management within Dr. Kenneth Kaunda District MH&EMS		Management within Dr. Kenneth Kaunda District by June 2019	Management within Dr. Kenneth Kaunda District by June 2019	within Dr. Kenneth Kaunda District by 30 June 2020	R10 000	37052260600FLP02ZZWD	R9 250	conducted on Air Quality Management within Dr. Kenneth Kaunda District by 30 June 2020	ment were not conducted in the 3 rd and 4 th Quarters due to Level 5 COVID-19 lockdown. A proposal was developed for the 3 rd Quarter, but was not implemented	y Management have been planned for and budgeted in the 2020/ FY and will be conducted as per the approved SDBIP	with pictures
Technical Services	To promote physical infrastructure development services	Municipal Planning	1215.63 km of Paved Roads Assessed	1058.19 km of unpaved Roads Assessed	Nil	KPI 5 Total kilometres of unpaved Roads Assessed TIS	Output	1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019	Achieved 1215.63km of Paved Roads Assessed within Dr Kenneth Kaunda District Municipality by June 2019	1058.19km of unpaved Roads Assessed by 31 December 2019	R 2 606 000 SHARED VOTE	35052272560RUP34Z ZWD	R 2 606 000	ACHIEVED 1058.19km of unpaved Roads Assessed by 31 December 2019	None	None	2 Quarterly Reports on the 1058.19 km of assessed unpaved 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Technical Services	To promote physical infrastructure development services	Municipal Planning	New	75 Traffic Counts	Nil	KPI 6 Number of total Traffic Counts Completed TIS	Output	-	-	75 Traffic Counts Completed within Dr Kenneth Kaunda District Municipality by 30 June 2020	R2 606 000 SHARED VOTE	35052272560RUP34Z ZWD	R 2 606 000	ACHIEVED 75 Traffic Counts Completed within Dr Kenneth Kaunda District Municipality by 31 March 2020	None	None	2 quarterly reports on 75 traffic data
Technical Services	To promote physical infrastructure	Municipal Planning	1 x Draft District Spatial Development Framework covering Maquassi Hills Area only	DrKKDM SDF developed	Nil	KPI 7 Number of Reviewed District Spatial Development Framework developed TIS	Output	-	-	1 x Reviewed District Spatial Development Framework developed by 30 June 2020	R1,067, 000 (there was a virement which reduced the budget to R887 000)	35052272560FLP9 6ZZWD	R411 300	NOT ACHIEVED Draft SDF for Matlosana is complete. The draft for JB Marks is still in progress. Final SDF for Maquassi-	The delay because of Covid-19, which affected consultation	The finaliz e by the 4 th quarter of 2020/ 21. Due to the challenges	1 draft Matlosana SDF & 1 JB Marks SDF 1 final Matlosana SDF & 1 JB Marks SDF

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
														Hills is complete		of Covid -19, the remaining processes for the finalization of the District SDF might be affected. Consultations will be done in the 1 st and 2 nd quarters of the 2019/20 FY	1 FINAL District SDF

KPA 1	
Number of Targets Achieved	Number of Targets Not Achieved
	
5 out of 7	2 out of 7
The following departments contributed towards Basic Service Delivery and Infrastructure Development KPA	
Municipal Health and Environmental Management Services	4
Planning	3

KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.1.2. 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 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 8 Percentage of posts advertised filled as per the approved funded structure CS	Output	100% of posts advertised filled as per the approved funded structure by June 2019	Not achieved The following positions were not filled: Committee Officer Creditors Controller Admin Officer Internal Audit Only 8/11 Positions were filled -Director Corporate Services -Deputy CFO -HR Officer -IT Officer -Assistant IT Officer -CFO -PMS Manager -Disability Coordinator	100% of posts advertised filled as per the approved funded structure by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED The following positions were not filled: Manager EM Chief Audit Executive SNR Manager-Community Services SNR Manager-LED Planning Records clerk Accountant payroll Accountant budget Accountant financial management Accountant contract management Platoon commander Coordinator awareness training Chief fire officer	Slow Recruitment Processes Due to lock down the processes could not be finalised.	Shortlisting and interviews processes to be done after the lock down	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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
													Senior records officer Senior internal auditor Manager administration records management Only 41 Positions were filled Aide Camp Manager Communications Chief Risk Officer Audit Admin Officer Receptionist X2 Committee Officer Chief Finance Officer Credit Control Admin Clerk Fire Fighters X20 GIS Specialist Agency Board Member X4 General				

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
														Workers X6			
Human Resources	To ensure municipal excellence	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 management	KPI 9 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 CS	Output	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	Not Achieved Only one person were appointed in those categories: -Director Corporate Services (Black Female)	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 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED 4 females were appointed	Due to lock down the processes could not be finalized.	HR processes are at an advanced stage. Positions to be filed in the 1 st Quarter of 2020/21 FY.	Report on employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan
Human Resources	To ensure municipal excellence	Municipal Planning	Workplace skills plan submitted to LGSETA in April 2019	Timeous submission report on the workplace skills plan submitted to LGSETA	Nil	KPI 10 (1) Workplace skills plan submitted to LGSETA CS	Output	1) Report on the workplace skills plan submitted to LGSETA by 30 April 2019	Achieved (1) Report on the workplace skills plan submitted to LGSETA by 30 April 2019	(1) Workplace skills plan submitted to LGSETA by 30 April 2020	OPEX	-	OPEX	ACHIEVED (1) Workplace skills plan submitted to LGSETA on 28 May 2020	LGSETA granted an extension for submission of Workplace Skills Plan to 31 May, due to the National	None	Workplace Skills Plan Proof of submission to LGSETA

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
															Lockdown		
Human Resources	To ensure municipal excellence	Municipal Planning	3 training committee meetings held	4 training committee meeting to be held by June 2020	Nil	KPI 11 Number of training committee meetings held CS	Output	-	-	4 training committee meeting to be held by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED 2 training committee meeting to be held by 30 June 2020	The meetings could not be held due to the National lockdown	The training committee meetings have been planned for in the 2020/21 SDBIP, and will be held as planned	Minutes, attendance registers and training committee reports

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Human Resources	To ensure municipal excellence	Municipal Planning	New project	2 Workshops on developing labour relations or dispute resolution with management of the Municipality by June 2020	Nil	KPI 12 Number of workshops on labour relations or dispute resolution with management of the Municipality CS	output	-	-	2 Workshops on labour relations or dispute resolution with management of the Municipality by 30 June 2020	OPEX	-	OPEX	ACHIEVED 2 Workshops on labour relations or dispute resolution with management of the Municipality by 30 June 2020	None	None	Minutes and attendance registers
Human resources	To ensure municipal excellence	Municipal Planning	New Project	4 OHS comprehensive inspections	Nil	KPI 13 Number of comprehensive inspections on OHS conducted in all Dr Kenneth Kaunda District Municipal Offices CS	Activity	-	-	4 comprehensive inspections on OHS conducted in all Dr Kenneth Kaunda District Municipal Offices by 30 June 2020	OPEX	-	OPEX	ACHIEVED 4 comprehensive inspections on OHS conducted in all Dr Kenneth Kaunda District Municipal Offices by 30 June 2020	None	None	Inspection reports
Human Resources	To ensure municipal excellence	Municipal Planning	New project	1 Review the employment Equity Plan by June	Nil	KPI 14 Number of Employment Equity Plan reviewed CS	Output	-	-	1 Employment Equity Plan reviewed by October 2019	OPEX	-	OPEX	ACHIEVED The reviewed Employment Equity Plan was Submitted	None	None	1 Employment Equity Plan

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
				2020										to Dept of Labour			
Legal Services	To ensure municipal excellence	Municipal Planning	2018/19 Contract registers updated	2019/20 Contract registers updated	Nil	KPI 15 Number of updated Contract registers submitted to Council CSBTC	Output	4 updated Contract registers submitted to Accounting Officer by June 2019	Achieved 4 updated Contract registers submitted to Accounting Officer by June 2019	4 updated Contract registers submitted to Council by 30 June 2020	OPEX	-	OPEX	ACHIEVED 4 updated Contract registers submitted to Council by 30 June 2020	None	None	Contract register updated

KPA 2	
Number of Targets Achieved	Number of Targets Not Achieved
	
5	3
The following department contributed towards Municipal Transformation and Institutional Development	
Corporate Services	8

KPA 3: LOCAL ECONOMIC DEVELOPMENT

3.1.3. KPA 3: LOCAL 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
District Economic Development and Tourism	To promote socio-economic development	Regional Tourism Municipal Planning Municipal Health Services Disaster Management	130 Jobs created through LED Initiatives, EPWP, CBP and Capital projects	258Jobs created through LED Initiatives	Nil	KPI 16 Number of Jobs created through LED Initiatives, EPWP and CBPs within the Dr Kenneth Kaunda District TIS MH&EMS SPK DED	Output	204 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by June 2019	Achieved 204 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by June 2019 EPWP 81 Infrastructure 30 CBPs 93	258 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 March 2020	R 6 334 000		R 5 828 513	ACHIEVED 258 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 December 2019	None	None	1. Report on Jobs created through EPWP and CBPs 2. Signed employment contracts and appointment letters.
											R 1 790 000 (MH&EMS)		R 1 675 406				
											R 1 700 000	3705226 4500FL P44ZZWD	R 1 663 796				
											R 70 000	3705227 2420FL P44ZZWD	R0				
											R 20 000	3705228 0050FL P44ZZWD	R0				
											R 1 844 000 (TIS)		1 838 418				
											R 1 844 000	35052599 410FLP47 ZZWD	1 838 418				
											R 2 000 000 (Speaker)		R1 626 299				
											R1 700 000	31102264 500FLP13 ZZWD	R 1 588 844				
											R50 000	31102260 600FLP13 ZZWD	R12 075				
											R130 000	31102305 110FLP13 ZZWD	0				

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 2018/2019			REVISED KEY PERFORMAN CE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
											R50 000	31102306 100FLP13 ZZWD	R0				
											R70 000	31102320 600FLP13 ZZWD	R25 380				
											R 700 000 (DED)		R700 000				
											R 700 000	36052264 500FLMR CZZWD	R700 000				
District Economic Development Tourism	To promote socio-economic development . To grow an inclusive and sustainable tourism economy, as well as promote inward and outward trade investment and participation.	Regional Tourism	4 tourism / trade marketing exhibitions hosted / participated	To host/participate in 5 tourism / trade marketing exhibitions	Nil	KPI 17 Number of tourism / trade marketing exhibitions hosted/participated DED	Activity	4 tourism marketing exhibitions hosted/attended by June 2019	Achieved 4 tourism marketing exhibitions hosted/attended by June 2019	1 Tourism / trade marketing exhibitions hosted/participated by 30 June 2020	R400 000		R5400	ACHIEVED	None	None	Report on the exhibition
											R23 000	3605230 0120FL P71ZZWD	R0	1 tourism / trade exhibition hosted by September 2019. #Shapa Round ko N12			
											R100 000	3605230 5760FL P71ZZWD	R0				
											R200 000	3605230 1870FL P71ZZWD	R0				
											R22 000	3605230 5770FL MRCZZWD	R0				
											R35 000	3605230 5980FL P71ZZWD	R0				
											R20 000	3605226 0600FL	R5400				

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 2018/2019			REVISED KEY PERFORMAN CE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
												P71ZZWD					
District Economic Developmen t: sports, arts, culture and heritage.	To transform the delivery of sports & recreation by ensuring equitable access and development at all levels, as well as develop, preserve, protect, and promote arts, culture & heritage.	Regional Tourism	5 sports, arts and culture initiatives supported	7 sports, arts and culture initiatives supported	NIL	KPI 18 Number of sports, arts and culture initiatives within Dr. Kenneth Kaunda District supported DED	Activity	-	-	3 sports, arts and culture initiatives within Dr. Kenneth Kaunda District supported by 30 June 2020	R500 000	36052280030FLP82ZZWD	R216 457	NOT ACHIEVED 2 arts and 1 culture initiatives within Dr. Kenneth Kaunda District supported by 30 June 2020 #Indigenous Games in September 2019 (Maquassi Hills) #Soul Cruize Music Festival in December 2019 (JB Marks). #LongT Music Festival in December 2019 (Matlosana)	Sporting event cancelled due to Covid-19 Regulations in respect of contact sports	The ban on contact sports not yet lifted, in respect of Covid-19 level 3 risk adjustmen t	Report on sports and recreation initiatives 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 2018/2019			REVISED KEY PERFORMAN CE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
District economic development : ACT	To promote socio-economic development To develop, support and aid SMMEs and Cooperatives with Start-up and Business Expansion Grants.	Regional economic development	25 SMMEs / Cooperatives Businesses supported through Community Conditional Grants	30 SMMEs / Cooperatives Businesses financial supported	Nil	KPI 19 Number of SMMEs/Cooperatives Businesses supported within Dr. Kenneth Kaunda District DED	Output	Support 30 SMME / Cooperatives Business and (1) rural development initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by June 2019	Not Achieved Assisted 3 SMMEs / Cooperatives by end June 2019	Support 30 SMMEs / Cooperatives Business initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by 30 June 2020	R1 000 000	3605269 9410FL P77ZZWD	R0	NOT ACHIEVED Advertisement, Selection of Beneficiaries as well as site verification done by September 2019 Advert for supply and delivery placed on regional newspapers by December 2019 and closed in January 2020	Non setting of Bid Committees, due to unavailability of members.	Change/ beefing up of Bid Committee members	Report on SMMEs / Cooperatives Business development initiatives supported
District economic development : ACT	To promote socio-economic development To design innovative initiatives	Regional economic development	5 economic development initiatives implemented	5 Economic development initiatives programs	Nil	KPI 20 Number of Economic Development Initiatives supported / implemented within Dr.	Activity	5 district economic development initiative supported / implemented within	Not Achieved 4 district economic development initiative supported /	3 district economic development initiatives supported / implemented within Dr. Kenneth	R800 000		R60 200	NOT ACHIEVED	Non setting of Bid Committees, due to unavailability of members.	Change/ beefing up of Bid Committee members	Report on Economic Development initiatives programs supported / implemented
											R496 000	36052300 120FLP28 ZZR3	R0	Implemented a manufacturing training workshop for			
											R100 000	36052260 600FLP28 ZZWD	R18 000				

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 2018/2019			REVISED KEY PERFORMAN CE INDICATOR	KPI TYPE	2018/19 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
	focusing on macro-economic growth through increased employment creation and development al initiatives that has a potential for catalytic effect and sustainability .		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	Kenneth Kaunda District DED		2018/19 TARGET	2018/19 ACTUAL PERFORMANCE	Kaunda District implemented 30 June 2020	R44 000	36052280 030FLP28 ZZWD	R0	25 SMMES on Cellphone Repairs.			
											R60 000	36052301 870FLP28 ZZWD	R18 500	Advertised for the Review of LED Strategy.			
											R100 000	36052305 730FLP28 ZZWD	R23 700				

KPA 3	
Number of Targets Achieved	Number of Targets Not Achieved
	
2 out of 5	3 out of 5
The following department contributed towards Local Economic Development KPA	
District Economic Development and Planning	5

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

3.1.4. 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	8 MFMA section 71 reports submitted	8 MFMA section 71 reports submitted within legislative timeframe	Nil	KPI 21 Number of MFMA section 71 reports submitted within 10 working days to Provincial Treasury after the end of each month BTC	Output	12 MFMA section 71 reports submitted by June 2019	Achieved 12 MFMA section 71 reports submitted by end June 2019	8 MFMA section 71 reports submitted by 30 June 2020	OPEX	-	OPEX	ACHIEVED 8 MFMA section 71 reports submitted by 30 June 2020	None	None	8 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 22 Number of MFMA section 52 reports submitted BTC	Output	4 MFMA section 52 reports submitted by June 2019	Achieved 4 MFMA section 52 reports submitted by end June 2019	4 MFMA section 52 reports submitted by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED 3 MFMA section 52 reports submitted by 30 June 2020	Month end process delayed due to closing of offices due to Covid-19 cases	To be submitted in the 1 st month of the new Financial Year	4 quarterly reports (section 52 reports) signed off by the CFO

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2018/19 adjustment budget tabled by February 2019	2019/20 adjustment budget developed approved	Nil	KPI 23 2019/20 adjustment budget developed approved BTC	Output	2018/19 adjustment budget developed approved by February 2019	Not Achieved 2018/19 adjustment budget developed approved in March 2019	2019/20 adjustment budget developed approved by 28 February 2020	OPEX	-	OPEX	ACHIEVED 2019/20 adjustment budget developed approved by 28 February 2020	None	None	Council resolution and 2019/20 Adjustment Budget
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2018/19 budget compiled approved (MFMA, Sec 25)	2020/21 budget compiled approved	Nil	KPI 24 2020/21 budget compiled approved BTC	Output	Compiled 2019/20 budget compiled approved by May 2019	Achieved 2019/20 Budget approved 30 May 2019	Compiled 2020/21 budget compiled approved by 31 May 2020	OPEX	-	OPEX	ACHIEVED Compiled 2020/21 budget compiled approved by 31 May 2020 Council resolution No A.20/06/2020	None	None	Council Resolution and Approved 2020/21 budget
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 Annual Financial Statements submitted to AGSA by August 2018	2018/2019 Annual Financial Statements submitted to AGSA by August 2019	Nil	KPI 25 2018/19 Annual Financial Statements approved by council submitted to AGSA BTC	Output	Approved 2017/18 Annual Financial Statements by council submitted to AGSA	Achieved Approved 2017/18 Annual Financial Statements by council by end August 2018	Approved 2018/19 Annual Financial Statements by council submitted to AGSA by August 2019	OPEX	-	OPEX	ACHIEVED Approved 2018/19 Annual Financial Statements by council submitted to	None	None	Council Resolution and 2018/19 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
								by August 2018						AGSA by August 2019			
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 26 Percentage of municipality's budget actually spent on implementing its workplace skills plan BTCCS	Output	100% of municipality's budget actually spent on implementing its workplace skills plan by June 2019	Not Achieved 38.28% 3 interns were appointed	100% of municipality's budget actually spent on implementing its workplace skills plan by 30 June 2020	R 1 760 000		R1 747 556	NOT ACHIEVED 98.75% of municipality's budget actually spent on implementing its workplace skills plan by 30 June 2020	Some training were put on hold due to National Lockdown	Trainings to be included in WSP 2020/21 as the restrictions have been relaxed to allow some trainings to take place	Workplace skills plan detailed Report
											R350 000	33052303300FLP78Z ZHO	R350 000				
											R 60 000	32052300490FLP64Z ZWD	R59 670				
											R 200 000	33052300490FLP07Z ZWD	R196 590				
											R 150 000	33052305110FLP59Z ZWD	R143 428				
											R 1 000 000	33052305110FLP78Z ZHO	R997 868				
Budget and Treasury District Economic Development	To ensure internal municipal excellence	Municipal Planning	R3,000,000 transferred to District Economic Agency	R 3,100,000 of funds transferred to District Economic	R90,000 transfer to Tourism association	KPI 27 Total Amount of funds transferred to District Economic Agency,	Output	R 3,100,000 of funds transferred to District Economic Agency,	Not achieved 3,000,000 of funds transferred to District Economic	R 3,100,000 of funds transferred to District Economic Agency, Tourism	R3 100 000		R3 000 000	NOT ACHIEVED R3,000,000 of funds transferred to District	Non compliance in respire of returnable document	Assist in fast-tracking the submission of returnable	Proof of transfer made to District Economic Agency,
											R3 000 000	36052599460FLP33ZZWD	R3 000 000				
											R50 000	36052599420FLP31ZZWD	R0				

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
			and R100,000 to Secondary Co-operatives	Agency, Tourism Association and Secondary Co-operatives		Tourism Association and Secondary Cooperatives DEDBTC		Tourism Association and Secondary Co-operatives by March 2019	Agency, No payment claimed for Tourism Association and Secondary Co-operative from DED	Association and Secondary Co-operatives by Sep 2019	R50 000	36052599440FLP32ZZWD	R0	Economic Agency	ts	documents	Tourism Association and Secondary Co-operatives
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Acceptable norm of financial viability as expressed by the ratios 2019	Acceptable norm of financial viability as expressed by the ratios 2020	Nil	KPI 28 Financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) BTC	Output	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2019	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	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by 30 June 2020	OPEX	-	OPEX	ACHIEVED Debt Coverage Ratio: 1 month. Outstanding Service Debtors to Revenue: 5 months Cash/Cost Coverage Age Ratio: 1 month	None	None	financial viability ratios report
Budget and treasury	To ensure internal municipal excellence	Municipal Planning	New Project	4 assets verification report submitted	Nil	KPI 29 Number of assets verification report submitted BTC	Output	-	-	4 assets verification report submitted by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED 3 assets verification report submitted by	Offices closed due to Covid-19	Asset verification has been planned for in the 2020/21 FY. Asset	Assets verification reports

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
														30 June 2020		verification will be done as per the approved SDBIP	
Information, Communications and Technology	To ensure IT governance environment is established at Dr KKDM and Dr KKDM economic agency	Municipal Planning	IT policies developed and approved	ICT charter to be submitted to Council by June 2020	Nil	KPI 30 Number of ICT charter to be submitted and workshopped to Council ICT	Output	-	-	1 ICT charter to be submitted and workshopped to Council by Sep 2019	OPEX	-	OPEX	NOT ACHIEVED	No council workshop called for the period	Communicate with Corporate Services to arrange a workshop	ICT charter document
Information, Communications and Technology	To ensure internal municipal excellence	Municipal Planning	New project	Information, Communication and Technology policy framework reviewed by March 2020	Nil	KPI 31 Number of ICT policy Framework reviewed ICT	Output	-	-	1 ICT policy Framework reviewed by 31 March 2020	R300 000	34052270420FLP19ZZWD	R0	NOT ACHIEVED	SITA awaiting DRKKDM Organizational Structure to prepare the proposal	Submit the Organizational structure to SITA	ICT Policy framework reviewed

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Information, Communications and Technology	To ensure internal municipal excellence	Municipal Planning	9 reports from operating call center submitted	4 reports from operating call center submitted	Nil	KPI 32 Number of reports from operating call center submitted ICT	Output	-	-	4 reports from operating call center submitted by October 2019	R3 508 412	34052260610FLP27ZZWD	R3 508 412	ACHIEVED 4 reports from operating call center submitted by October 2019	None	None	Call Center Reports

KPA 4	
Number of Targets Achieved	Number of Targets Not Achieved
	
6 out of 12	6 out of 12
The following departments contributed towards Municipal Financial Viability and Management KPA	
Finance	7
Corporate Service	1
District Economic Development	1
Information Technology	3

KPA 5: GOOD GOVERNANCE AND PUBLIC PATICIPATION

3.1.5. 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 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 (8) budget related policies developed and reviewed	2019/20 (8) budget related policies developed and reviewed	Nil	KPI 33 Number of budget related policies workshopped adopted BTC	Output	8 Budget related policies workshopped adopted by May 2019	Achieved 8 Budget related policies workshopped adopted by end May 2019	8 Budget related policies workshopped adopted by 31 May 2020	OPEX	-	OPEX	NOT ACHIEVED	Due to Covid-19 restrictions	Budget related policies will be workshopped in the 1 st quarter of the new FY	Council Resolutions and budget related policies
District Economic Development	To promote socio-economic development	Municipal Planning	Draft Sport and Recreation strategy	Approval of Tourism, Sport and Recreation strategy	Nil	KPI 34 Number of Sport and Recreation strategy workshopped adopted DED	Output	1 Sport and Recreation strategy workshopped adopted by June 2019	Not Achieved Draft Sport and Recreation strategy compiled	1 Sport and Recreation strategy workshopped adopted by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED	Workshop of Policies did not take place due to Covid-19	To be done once Policy workshop takes place	Council Resolution and Tourism, Sport and Recreation Strategy
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	2016/17 Risk Assessment	risk assessment conducted for DRKKDM and District Economic Agency	Nil	KPI 35 Number of risk assessment conducted for DRKKDM RC	Output	1 Risk Assessment conducted for DRKKDM September 2018	Achieved 1 Risk Assessment conducted for DRKKDM by September 2018	1 risk assessment conducted for DRKKDM by September 2019	OPEX	-	OPEX	ACHIEVED 1 risk assessment conducted for DRKKDM by September 2019	None	None	Risk assessment register & AC minutes

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OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Internal Audit	To ensure internal municipal excellence	Municipal Planning	1 risk management policies reviewed for DRKKDM and District Economic Agency	Approval of reviewed risk management policy for DRKKDM	Approved Risk Management Policy for DRKKDM	KPI 36 Number of risk management policies reviewed for DRKKDM approved RC	Output	2 risk management policies reviewed for DRKKDM approved by June 2019	Not Achieved	1 Risk Management Policy reviewed for DRKKDM by Dec2019	OPEX	-	OPEX	NOT ACHIEVED The following were done -Risk Committee Charter -Draft anti-fraud and corruption strategy	The delay was caused by the appointment of the Chief Risk Officer, as the Policy needs expert inputs from the Chief Risk Officer	The Chief Risk Officer has been appointed and the Policy will be reviewed in the 4th quarter	Risk Management Policy
Internal Audit	To ensure internal municipal excellence	Municipal Planning	2 approved strategic risk based Audit Plans (DRKKDM – 2018/2019 – 2020/2021) (MHLM 2016/17 – 2018/19)	2 approved risk based strategic audit plans for the shared IA service	Nil	KPI 37 Number of approved risk based strategic audit plans for the shared IA service IA	Output	2 approved risk-based audit plans for DRKKDM and the District Agency by April 2019.	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	2 approved risk based strategic audit plans for the shared IA service (District Agency & MHLM) by September 2019	OPEX	-	OPEX	ACHIEVED 2 approved risk based audit plans for the shared IA service (District Agency & MHLM) by October 2019	None	None	2 Approved Strategic Risk Audit Plans

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Communications	To ensure internal municipal excellence	Municipal Planning	Reviewed Communications Strategy workshopped to council	Approval of reviewed Communications Strategy	Approved reviewed Communications Strategy	KPI 38 Number of reviewed Communication Strategy adopted COMM	Output	1 reviewed Communications Strategy adopted by December 2018	Not Achieved Communication strategy not reviewed	1 reviewed Communications Strategy adopted by December 2019	OPEX	-	OPEX	NOT ACHIEVED	The delay was caused by the appointment of the Communication Manager, as the Communication Strategy needs expert inputs from the Communication Strategy	The Communication Manager has been appointed and the Communication Strategy will be adopted in the 4th quarter	Council resolution and approved Communications Strategy
Communications	To ensure internal municipal excellence	Municipal Planning	New	4 of Newsletters produced	Nil	KPI 39 Number of District Newsletters produced COMM	Output	-	-	4 of Newsletters produced by end 30 June 2020	R200 000	320523 00150F LMRCZ ZWD	R126 000	NOT ACHIEVED 2 Newsletters produced by end 30 June 2020	The target was not achieved due to Covid-19 lockdown. The Service Provider could not go for print as the printing services were	Newsletters have been planned for and budgeted in the 2020/21 FY. The newsletters will be produced as per the approved SDBIP	4 Newsletters

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
															closed under level 5 of the regulations		
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	1IDP Representative Forum Meeting held	4 IDP Representative Forum Meeting	Nil	KPI 40 Number of IDP Rep Representative Forum Meetings conducted STRF	Output	1 IDP Representative Forum Meetings conducted by June 2019	Achieved 1 IDP Rep Representative Forum Meeting conducted by June 2019	1 IDP Representative Forum Meetings conducted by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED	Due to Covid-19 restrictions, which prevented gatherings	The IDP Rep Forum will be held as per the 2020/21 approved SDBIP	Report on IDP Rep Representative Forum Advertisements
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	5-year plan IDP Document for approved	2018/19 IDP reviewed and amended	Nil	KPI 41 Number of 2018/19 IDP Amended adopted by Council STRF	Output	(1) 2018/19 IDP reviewed adopted by Council by June 2019	Achieved (1) 2018/19 IDP reviewed adopted by June 2019	(1) 2020/21 IDP Amendments/Revised adopted by Council by 30 June 2020	OPEX	-	OPEX	ACHIEVED (1) 2020/21 IDP Amendments/ Revised adopted by Council by 30 June 2020	None	None	Council Resolution on and 2020/21 IDP amendment Advertisements

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	PMS Policy Framework reviewed	PMS Policy Framework for 2020/2021	Nil	KPI 42 Number of PMS Policy Framework reviewed adopted by Council PMS	Output	1 PMS Policy Framework reviewed adopted by December 2018	Achieved 1 PMS Policy Framework reviewed adopted in February 2019	1 PMS Policy Framework reviewed adopted by Council by 30 June 2020	OPEX	-	OPEX	ACHIEVED 1 PMS Policy Framework reviewed adopted by Council by 30 June 2020	None	None	1 PMS Policy Framework reviewed
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	2018/19 Top layer SDBIP approved	2020/2021 Top layer SDBIP	Nil	KPI 43 Number of Top layer SDBIP approved by Executive Mayor PMS	Output	(1) 2019/20 Top layer SDBIP approved by Executive Mayor by June 2019	Achieved (1) 2019/20 Top layer SDBIP approved by Executive Mayor by June 2019	(1) 2019/20 Top layer SDBIP approved by Executive Mayor by 30 June 2020	OPEX	-	OPEX	NOT ACHIEVED The new regulations issued allowed for the budget to be approved by end June 2020 which affected the 28 days SDBIP approval	The 2020/2021 SDBIP will be approved by the EM 28 days after approval of the budget, as required by the MFMA		2020/2021 Top layer SDBIP approved

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Performance Management System	To ensure internal municipal excellence	Municipal planning	2018/19 Mid-Year Term Performance Reports compiled	2019/20 Mid-Year Performance Assessment Report submitted to Executive Mayor submitted within legislative timeframe 25 January 2020	Nil	KPI 44 Number of Mid-Year Performance Assessment Report compiled approved by 	Output	(1) 2018/19 Mid-Year Performance Assessment Report compiled approved by January 2019	Achieved (1) 2018/19 Mid-Year Performance Assessment Report compiled approved by January 2019	(1) 2019/20 Mid-Year Performance Assessment Report compiled approved by 25 January 2020	OPEX	-	OPEX	ACHIEVED (1)2019/20 Mid-Year Performance Assessment Report compiled approved by 25 January 2020	None	None	Council Resolution on and 2019/20 Mid-Year Performance Assessment Report compiled
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	Approved 2017/18 municipal annual performance report(sec 46) and Annual Report	2018/19 annual performance report compiled	Nil	KPI 45 Timeous submission of 2018/19 annual performance report compiled and submitted to Auditor General 	Output	(1) 2017/18 annual performance report compiled submitted by August 2018	Achieved (1) 2017/18 annual performance report compiled submitted by August 2018	2018/19 annual performance report compiled and submitted to Auditor General by August 2019	OPEX	-	OPEX	ACHIEVED 2018/19 annual performance report compiled and submitted to Auditor General by August 2019	None	None	Annual performance report

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Municipal Information Security Standards	To ensure internal municipal excellence	Municipal Planning	Approved Security policy byDecember 2018	Workshop approved Security policy	Nil	KPI 46 Number of Security policy workshopped to officials MISS	Output	1 Security policy workshoppe d to officials June 2019	Not achieved	1 Security policy workshopp ed to officials 31 March 2020	OPEX	-	OPEX	ACHIEVED 1 Security policy workshoped to officials by 31 March 2020	None	None	Attendan ce register of officials on Security Policy worksho p conduct ed
Municipal Information Security Standards	To ensure internal municipal excellence	Municipal Planning	New Project	1 security company contracted to provide security by June 2019	Nil	KPI 47 Number of security service provider contracted to provide safety and security to municipality MISS	Output	-	-	1 security company contracted to provide security by September 2019	R 2 750 000	320522 85400F LMRCZ ZWD	R 2 743 680	ACHIEVED 1 security company contracted to provide security by September 2019	None	None	Contract and appoint ment letter
Municipal Information Security Standards	To ensure internal municipal excellence	Municipal Planning	New Project	4 assessme nt report of the effectiveness of security controls produced	Nil	KPI 48 Number of Internal assessment reports of the effectiveness of security controls produced MISS	Output	-	-	4 assessme nt report of the effectiveness of security controls produced by 30 June 2020	OPEX	-	OPEX	ACHIEVED 4 assessment report of the effectiveness of security controls produced by 30 June 2020	None	None	Monthly reports and assessm ent sheets

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Speaker	To ensure internal municipal excellence	Municipal Planning	council meetings coordinate	6 council meetings	Nil	KPI 49 Number of council meetings SP	Output	8 council meetings coordinated by June 2019	Achieved 13 Meetings coordinated by June 2019 #6 Special # 7 Ordinary	6 council meetings coordinate by 30 June 2020	OPEX	-	OPEX	ACHIEVED 8 council meetings coordinate by 30 June 2020	None	None	Council minutes
Speaker	To ensure internal municipal excellence	Municipal Planning	2017/2018 Municipal oversight report submitted to Council	2018/2019 Municipal oversight report submitted to Council	Nil	KPI 50 Number Municipal oversight report submitted to Council SP	Output	-	-	1 Municipal oversight report submitted to Council by end 31 March 2020	OPEX	-	OPEX	ACHIEVED 1 Municipal oversight report submitted to Council In May 2020	None	None	Public Participati on minutes & Attendance Registers

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Speaker	To ensure internal municipal excellence	Municipal Planning	New project	1 UIF&W benchmarking exercise	Nil	KPI 51 Number of benchmarking exercise SP	Output	-	-	1 UIF&W benchmarking exercise by September 2019	OPEX	-	OPEX	ACHIEVED A benchmarking exercise has been conducted through engagement with Rustenburg local Municipality and from that a need to further engage with a district municipality was pursuit with a planned visit to Ehlanzeni District municipality and possibly Garden Route District municipality	None	None	1 report written to Council

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	Celebrated with elderly during Mandela Day in Matlosana recreational Hall	Conduct 1 Poverty alleviation programme	Nil	KPI 52 Number of celebrations with elderly during Mandela Day to be held in Matlosana recreational Hall EM	Activity	1 celebration with elderly during Mandela Day to be held in Matlosana recreational Hall by July 2018	Achieved 1 celebration with elderly during Mandela Day held in Matlosana recreational Hall by July 2018.	1 celebration with elderly during Mandela Day to be held in Matlosana recreational Hall by July 2019	R 156 995	31052300 120FLP61 ZZWD	R 120 000	ACHIEVED 1 celebration with elderly during Mandela Day held in Matlosana recreational Hall in Sept 2019	None	None	Report on Mandela Activity held

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic developm ent	None	168 Students benefited	250 students to be assisted with financially by April 2020	82	KPI 53 % of students within Dr. Kenneth Kaunda District validated for assistance awarded with financial assistance in Higher learning institutions EM	Output	-	-	100% of students within Dr. Kenneth Kaunda District validated for assistance awarded with financial assistance in Higher learning institutions by 30 April 2020	R2 400 000	310525 99400F LP63ZZ WD	R1 813 489	NOT ACHIEVED 95% of students within Dr. Kenneth Kaunda District validated for assistance awarded with financial assistance in Higher learning institutions by 30 June 2020	5% of students could not be paid due to outstanding documents	The target has been planned for and budgeted in the 2020/21 FY and will be achieved as planned	Reports on students awarded financial

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic development	None	5 Supported students that applied for financial assistance	Support of 5 educational request	Nil	KPI 54 Number of educational request supported EM	Output	5 educational requests supported by March 2019	Achieved 5 educational requests supported	13 educational request supported by 30 June 2020	R200 000	31052549400FLP36ZZWD	R60 000	NOT ACHIEVED 8 educational request supported by 30 June 2020	1) Additional information not received from other approved applicants 2) Didn't receive any new requests because of lockdown regulations 3) Offices closed	The easing of the lockdown regulations would have made the environment conducive for communities to access government services	Report on students /institutions offered financial assistance/support

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Executive Mayor	To promote socio-economic developm ent	None	200 food parcels supplied to distressed families identified	Supply of 200 food parcels to distressed families identified	Nil	KPI 55 Number of food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified EM	Output	200 food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by June 2019	Achieved 200 food parcels supplied to distressed families within Dr. Kenneth Kaunda District by June 2019	100 food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by 30 June 2020	R300 000	31052699 400FLP69 ZZWD	R200 000	ACHIEVED 200 food parcels supplied. Fundraising initiative with community radio station to supply food parcels to distressed families could not take place	None	None	List of Benefici aries
Executive Mayor	To promote socio-economic developm ent	None	4 gender workshops held	Hold 5 Gender workshop s	Nil	KPI 56 Number of Gender activity programs held within Dr. Kenneth Kaunda District EM	Activity	5 Gender activity programs held within Dr. Kenneth Kaunda District by June 2019	Achieved 5 Gender activity programs within Dr. Kenneth Kaunda District by June 2019	3 Gender activity programs held within Dr. Kenneth Kaunda District by 30 June 2020	R290 000		R83 825	NOT ACHIEVED 1) 330 girl children benefited from the sanitary towels project 2) District Men's Parliament	Lockdown regulation s. No movemen t and activity allowed during lockdown .	The easing of the lockdown regulations would have made the environme nt conducive for activities to be organised	Report on Gender worksho ps held
											R90 000	310523 00120F LP53ZZ WD	R7 500				
											R 90 000	310522 60600F LP53ZZ WD	R42 075				
											R60 000	310523 01870F LP53ZZ WD	R0				

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circula r 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
											R50 000	310523 05730F LP53ZZ WD	R34 250	held			
Executive Mayor	To promote socio-economic developm ent	None	New project	Host 1 women's month activity	Nil	KPI 57 Number of women's month activities hosted EM	Activity	-	-	1 women's month activity hosted by August 2019	R150 00		R136 800	ACHIEVED Gender based violence dialogue held by September 2019	None	None	Report on women's month activity hosted
											R83 000	31052260 600FLQ0 5ZZWD	R83 000				
											R67 000	31052305 730FLQ0 5ZZWD	R53 800				
Executive Mayor	To promote socio-economic developm ent	None	30 girls exposed to a working environme nt	20 boys and 20 girls exposed to a working environme nt	Nil	KPI 58 Number of girls and Boys within Dr. Kenneth Kaunda District exposed to a working environment EM	Output	20 boys and 20 girls within Dr. Kenneth Kaunda District exposed to a working environment by May 2019	Achieved 20 boys and 20 girls within Dr. Kenneth Kaunda District exposed to a working environment by May 2019	20 boys and 20 girls within Dr.Kenneh Kaunda District exposed to a working environme nt by 30 June 2020	R293 005		R267 805	NOT ACHIEVED	Due to Covid-19 Regulatio ns, the target could not be achieved	The target has been planned for and budgeted in the 2020/21 FY and will be achieved as planned	Report on boys and girls exposed to a working environ ment
											R267 805 Shared Vote	31052300 120FLP11 ZZWD	R266 005				
											R15 000	31052260 600FLP11 ZZWD	R0				
											R10 200	31052305 730FLP11 ZZWD	R1 800				

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 2018/2019			REVISED KEY PERFORMANC E INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE	
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE									
Executive Mayor	To promote socio-economic development	None	Nil	Provide 15 Schools with Sanitary Towels	Nil	KPI 59 Number of Schools provided with Sanitary towels EM	Output	-	-	15 Schools provided with Sanitary Towels by 30 June 2020	R267 805 Share Vote	31052300 120FLP11 ZZWD	R267 805	NOT ACHIEVED	Due to Covid-19 Regulations, the target could not be achieved	The target has been planned for and budgeted in the 2020/21 FY and will be achieved as planned		
Executive Mayor	To promote socio-economic development	None	4 assistive devices provided or fixed to identified disabled individuals	Provide 4 assistive devices provided or fixed to identified disabled individuals	Nil	KPI 60 Number of assistive devices provided or fixed to identified disabled individual within Dr. Kenneth Kaunda District EM	Output	4 assistive devices provided to identified disabled individual within Dr. Kenneth Kaunda District by June 2019	Achieved 4 Wheelchairs donated to beneficiaries by June 2019	20 assistive devices provided to identified disabled individual within Dr. Kenneth Kaunda District by Dec 2019	R300 000		R12 714	NOT ACHIEVED One girl child provided with a wheelchair	1) Applicants failing to submit additional documentat ions requested 2) No additional requests received because the lockdown didn't allow people to move around	The easing of the lockdown regulations would have made the environment conducive for people to move around and access government services	Report on proof of assistive devices provided to identified disabled individuals	
											R220 000		31052300 120FLP21 ZZWD					R12 714
											R50 000		31052260 600FLP21 ZZWD					R0
											R30 000		31052305 730FLP21 ZZWD					R0
Executive Mayor	To promote socio-economic development	None	District Older persons activity at the district	1 recreational Activities held for	Nil	KPI 61 Number of recreational activities held for Elderly	Activity	1 recreational and developmental Activities	Achieved 1 recreational and developmental activity held	1 recreational and activities held for	R250 000		R127 695	NOT ACHIEVED	Delay in the appointment of the service	The target was supposed to have been	Report on recreational Activities	
											R180 000		31052300 120FLP37 ZZWD					R121 995

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
	ent		and provincially supported	Elderly		EM		held for Elderly by December 2018	for Elderly held where a donation of sporting equipment to elderly sports was done	Elderly by December 2019	R45 000	31052260 600FLP37 ZZWD	R5 700		provider impacted negatively on this target	achieved in the 3 rd quarter as per the remedial actions. Covid-19 restrictions impacted on the achievement of the target	held for Elderly
											R25 000	31052305 730FLP37 ZZWD	R0				
Executive Mayor	To promote socio-economic development	None	2 RHR programs conducted	Conduct 3 RHR programs	Nil	KPI 62 Number of moral regeneration program conducted within Dr. Kenneth Kaunda District EM	Activity	4 moral regeneration programs conducted within Dr. Kenneth Kaunda District by June 2019	Not Achieved 1 Anti-Gang Working Session Held 1 Omama Besxaxa festival to mentally stimulate the elderly	2 moral regeneration program conducted within Dr. Kenneth Kaunda District by 30 June 2020	R290 000		R60 000	NOT ACHIEVED Elderly from the DRKKDM provided transport to attend a conference on counseling to the pitiable, needy and abused older persons	Covid-19 Lockdown regulations made it impossible for activities to be organised	The easing of the lockdown regulations would have made the environment conducive for activities to be organised	Report on moral regeneration programs conducted
											R90 000	31052300 120FLP66 ZZWD	R0				
											R 90 000	31052260 600FLP66 ZZWD	R0				
											R50 000	31052301 870FLP66 ZZWD	R0				
											R60 000	31052305 730FLP66 ZZWD	R60 000				
Executive Mayor	To promote socio-economic	None	3 youth programs or projects supported	4 youth programs or projects	9 youth programs or project	KPI 63 Number of youth projects within Dr.	Activity	12 youth projects within Dr. Kenneth	Not Achieved. *Achievers Book Club	4 youth projects within Dr. Kenneth	R380 000		R72 002	NOT ACHIEVED 1) Indigenous games were	*Delay in approving proposals *Lock down	The easing of the lockdown regulations	Report on Youth program or project
											R150 000	31052260 600FLQ0 6ZZWD	R33 000				

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 2018/2019			REVISED KEY PERFORMANC E INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlo g (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
	developm ent				s	Kenneth Kaunda District supported EM		Kaunda District supported by June 2019	assisted *Creative Minds Fashion Show*Support ed SABC High School Career Expo *Youth Dialogue	Kaunda District supported by 30 June 2020	R50 000	31052300 120FLQ0 6ZZWD	R0	held in M/Hills in collaboration with DED. 300 participants took part 2) One young entrepreneur from Matlosana assisted in hosting a music festival	regulations	would have made the environment conducive for activities to be organised	
											R50 000	31052308 170FLQ0 6ZZWD	R0				
											R130 000	31052305 730FLQ0 6ZZWD	R239 002				

KPA 5	
Number of Targets Achieved	Number of Targets Not Achieved
	
15 out of 31	16 out of 31
The following departments contributed towards Good Governance and Public Participation	
Finance	1
Local Economic Development & P	1
Office of the Executive Mayor	12
Office of the Speaker	3
Internal Audit	1
Strategic Planning	2
Performance Management System	4
Risk	2
Communications	2
Minimum Information Security Standards	3

KPA 6: SPATIAL RATIONALE

3.1.6. 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	Draft Dolomite Emergency Response Plan. Draft Dolomite By-Laws	Dolomite Emergency Response Plan. Draft Dolomite By-Laws	Nil	KPI 64 Number of Dolomite Emergency Response Plans & Dolomite By-Laws adopted Council DRM	Output	1 Draft Emergency Response Plan & 1 Draft Dolomite By-Law	Achieved Draft Emergency Response Plan & 1 Draft Dolomite By-Law by June 2019	1 Dolomite Emergency Response Plan & 1 Dolomite By-Law adopted Council by 30 June 2020	R2 000 000	38052272540FLP75Z ZR3	R2 000 000	NOT ACHIEVED	COVID-19 Pandemic did not allow for activities within communities and also hampered by-law processes	Implement in next quarter	Dolomite Emergency Response Plan and Dolomite By-Law adopted by Council
Fire Services	To ensure fire services	Fire Services	60 Fire Safety Inspections within Dr. Kenneth Kaunda District	60 Fire Safety inspections conducted	Nil	KPI 65 Number of Fire Safety Inspections within Dr. Kenneth Kaunda District conducted DRM	Activity	60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by June 2019	Achieved 60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by June 2019	60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by 30 June 2020	OPEX	-	OPEX	ACHIEVED 70 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by 30 June 2020	10 more inspections were done to address issues of noncompliance on tuck-shops that sell fireworks	None	Fire Inspection Reports
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	International Disaster Risk Reduction	International Disaster Risk Reduction	Nil	KPI 66 Number of International Disaster	Output	1 International; Disaster Risk	Achieved 1 International; Disaster Risk	1 International; Disaster Risk	R50 000 R15 000	38052260600FLP76Z ZWD	R15 000 R0	ACHIEVED 1 International;	None	None	Reports and Attendance

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
			event conducted	event conducted		Risk Reduction events held within Dr. Kenneth Kaunda District conducted DRM		Reduction event conducted by June 2019	Reduction event on 15 November 2018	Reduction event conducted by December 2019	R15 000	38052280030FLP76Z ZWD	R15 000	Disaster Risk Reduction event conducted by December 2019			Registers
										R20 000	38052300120FLP76ZZWD	R0					
											R 175 000		R111 403				
											R 15 000	38052260600FLP23Z ZWD	R15 000				
											R 83 000	38052280030FLP23Z ZWD	R20 438				
											R77 000	38052300120FLP23Z ZWD	R75 965				
Fire services	To ensure disaster risk management	Disaster Risk Management	6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District	BESAFE Centre Activities conducted	Nil	KPI 67 Number of BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted DRM	Activity	6 BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted by Mach 2019	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	6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2020	OPEX	-	OPEX	ACHIEVED 6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2020	None	None	Reports 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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
									22/2/19								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District	Winter Awareness Campaigns conducted	Nil	KPI 68 Number of Winter Awareness campaigns within Dr. Kenneth Kaunda District conducted DRM	Activity	1 Winter Awareness Campaign within Dr. Kenneth Kaunda District conducted by June 2019	Achieved 1 Winter Awareness Campaign within Dr. Kenneth Kaunda District conducted in May 2019	1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2020	R50 000		R15 000	ACHIEVED 1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2020	None	None	1 Report on Winter Awareness Campaign
											R15 000	3805226060FLP76ZZWD	R0				
											R15 000	38052280030FLP76ZZWD	R15 000				
											R20 000	38052300120FLP76ZZWD	R0				
											R 175 000		R111 403				
											R 15 000	38052260600FLP23ZWZWD	R15 000				
											R 83 000	38052280030FLP23ZWZWD	R20 438				
											R77 000	38052300120FLP23ZWZWD	R75 965				

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	4 Community Based Disaster Risk Assessment conducted within Dr. Kenneth Kaunda District	Community Based Disaster Risk Assessment conducted	Nil	KPI 69 Number of Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted DRM	Outcome	4 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by June 2019	Achieved 4 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by June 2019	3 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by 31 March 2020	R80 000	38052270420FLP24ZZWD	R3 200	ACHIEVED 3 Community Based Disaster Risk Assessment within Dr. Kenneth Kaunda District conducted by 31 March 2020	None	None	4 Reports on CBDRA conducted
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	New Project	Disaster Risk Management Annual Reports submitted to Council	Nil	KPI 70 Number of Disaster Risk Management Annual Reports submitted to Council DRM	Output	-	-	1 Disaster Risk Management Annual Report submitted to Council by September 2019	OPEX	-	OPEX	ACHIEVED 1 Disaster Risk Management Annual Report submitted to Council by September 2019	None	None	Annual Report. Item to Council
Disaster Risk Management	Good Governance	Disaster Risk Management	New Project	Disaster Risk Management IGR Forums conducted	Nil	KPI 71 Number of Disaster Risk Management IGR Forums conducted DRM	Activity	-	-	4 Disaster Risk Management IGR Forums conducted by 30 June 2020	OPEX	-	OPEX	ACHIEVED 21 Disaster Risk Management IGR Forum conducted by 30 June 2020	Additional meetings were held to due Covid-19	None	Attendance Register

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 2018/2019			REVISED KEY PERFORMANCE INDICATOR	KPI TYPE	2018/19 COMPARISON		REVISED ANNUAL TARGET	REVISED BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2019/20 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2018/19 TARGET	2018/19 ACTUAL PERFORMANCE								
Disaster Risk Management	Good Governance	Disaster Risk Management	New Project	Disaster Advisory Forums conducted	Nil	KPI 72 Number of Disaster Advisory Forums Conducted DRM	Activity	-	-	4 Disaster Advisory Forums Conducted by 30 June 2020	OPEX	-	OPEX	ACHIEVED 20 Disaster Advisory Forums Conducted by 30 June 2020	Additional meetings were held to due Covid-19.	None	Attendance Register

KPA 6	
Number of Targets Achieved	Number of Targets Not Achieved
	
8 out of 9	1 out of 9
Spatial Rationale KPA	
Disaster Risk Management	9

3.2. SERVICE PROVIDER ASSESSMENT FOR THE 2019/2020 FINANCIAL YEAR

POLITICAL OFFICE: OFFICE OF THE SPEAKER

SERVICE PROVIDER ASSESSMENT FOR THE 2019/2020 FINANCIAL YEAR

POLITICAL OFFICE: OFFICE OF THE SPEAKER

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Council Meeting CATERING	Redbindi Investment (Pty) Ltd	R 7 200	25/07/2019	25/07/2019	Once Off	None	YES (Q3 & 4)	4				Distribute service to other suppliers
Councillors Workshop CATERING	Kgosithato Trading Enterprise	R 7 200	22/08/2019	22/08/2019	Once Off	None		4				
Employee Workshop on Anti-Corruption CATERING	Ground Point Holdings	R18 050	12/09/2019	12/09/2019	Once Off	First time provider		4				
Council Meeting CATERING	Leronsa Trading Enterprise	R8 520	26/09/2019	26/09/2019	Once Off	None		4				
Bua le Puso Comm Engage Books	Z & E Group PTY (Ltd)	R 25 380.00	07/11/2019	07/11/2019	Once Off	None			4			
CBP Induction – MHLM	Commy Masego Trading Enterprise	R 2 375.00	11/11/2019	11/11/2019	Once Off	None			2			
CBP Induction – CoM	Omphemetse Lebogang Trading Enterprise	R 4 750.00	14/11/2019	14/11/2019	Once Off	None			5			

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
CBP Induction – JBM	Dxtra Trading & Projects	R 4 950.00	19/11/2019	19/11/2019	Once Off	First time provider			4			
Prov. Ward Comm Coord Forum	Baemedi Contractors	R 4 800.00	21/11/2019	21/11/2019	Once Off	First time provider			2			
Frames for Certificates	Marate PTY (Ltd)	R 760.00	22/11/2019	22/11/2019	Once Off	First time Provider			4			
Aldermanship Event	Ngwenya Hotel	R 28 692.50	26/11/2019	26/11/2019	Once Off	None			4			
Accommodation	City Lodge	R 3 190.00	27/11/2019	29/11/2019	Once Off	Delay to response			4			
Accommodation	Rustenburg Boutique Hotel	R 2 490.00	04/12/2019	06/12/2019	Once off	None			4			
Refreshments for Speaker's Office DRINKS	MTBT Trading	OPEX R1 182	30/01/2020	30/01/2020	Once off	None/First time provider				4		

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Council Meeting CATERING	Mamnkambane Trading Enterprise	OPEX R7 200	30/01/2020	30/01/2020	Once Off	None/First time provider				4		
Fruit Basket for Councilrs CIlr Welfare	Isona Prima Rosa	OPEX R 300	05/02/2020	05/02/2020	Once off	Frequently used				4		

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Special Council Meeting CATERING	The Key	OPEX R5 100	27/02/2020	27/02/2020	Once off	Frequently used				4		
MPAC Event Flowers	Isona &Prima Rosa	OPEX R600	04/03/2020	04/03/2020	Frequent	Frequently Used				4		
Service Delivery Event Fruit Pack	Bakoena Construction & Catering	OPEX R3 500	21/02/2020	21/02/2020	Once Off	First Time Provider				4		
Service Delivery Event Fruit Pack	MMadiks Business Enterprise	OPEX R 5 500	25/02/2020	25/02/2020	Once Off	First Time Provider				4		
Refreshments for Speaker's Office DRINKS	MTBT Trading	OPEX R1 182	30/01/2020	30/01/2020	Once off	None/First time provider				4		

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Council Meeting CATERING	Mamnkambane Trading Enterprise	OPEX R7 200	30/01/2020	30/01/2020	Once Off	None/First time provider				4		
Fruit Basket for Councillrs Cllr Welfare	Isona Prima Rosa	OPEX R 300	05/02/2020	05/02/2020	Once off	Frequently used				4		
Special Council Meeting	The Key	OPEX	27/02/2020	27/02/2020	Once off	Frequently used				4		

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
CATERING		R5 100										
MPAC Event Flowers	Isona &Prima Rosa	OPEX R600	04/03/2020	04/03/2020	Frequent	Frequently Used				4		
Service Delivery Event Fruit Pack	Bakoena Construction & Catering	OPEX R3 500	21/02/2020	21/02/2020	Once Off	First Time Provider				4		
Service Delivery Event Fruit Pack	MMadiks Business Enterprise	OPEX R 5 500	25/02/2020	25/02/2020	Once Off	First Time Provider				4		
Council Meeting, (Covid-19 Special)	Vibration Sound & Events	OPEX R78 056.25	19/05/2020	19/05/2020	Once off	First Time Provider	None				5	Recommended

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Council Meeting, (Covid-19 Special)	Success Media Group	OPEX R3 824.00	25/06/2020	25/062020	Once off	First Time Provider					4	
Sanitizers for Schools	Enigmatic Trading and Projects (Pty) Ltd.	R183 000.00	26/06/2020	26/06/2020	Once off	First Time Provider					4	

POLITICAL OFFICE: OFFICE OF THE EXECUTIVE MAYOR

OFFICE OF THE EXECUTIVE MAYOR ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Meeting Elderly-EM	Commy Masego Trading Enterprise		30/07/2019	30/07/2019	Complete			4				Good
Take Girl/Boy child to Work- Transport	Sodara Trading Enterprise		30/07/2019	30/07/2019	Complete			4				Good
Mandela Day 2019 – Food Hampers	Hope Sends Trading Projects		23/09/2019	23/09/2019	Complete			4				Good
Mandela Day-Transport	CP Virus Cabs		23/09/2019	23/09/2019	Complete			4				Good
Mandela Day-Transport	Dilaga Trading Enterprise		23/09/2019	23/09/2019	Complete			4				Good
Mandela Day-Transport	Fragile Trading - Avusa Projects		23/09/2019	23/09/2019	Complete			4				Good
Women Month - Catering	Posko Trading Pty Ltd		30/09/2019	30/09/2020	Complete			2				Fair
Women Month - Catering	Kaboentle Trading Enterprise		30/09/2019	30/09/2019	Complete			2				Fair
Women Month - Catering	Kgwabane Trading Enterprise		30/09/2019	30/09/2019	Complete			2				Fair
Women Month - Transport	Japs Trading (Pty) Ltd		30/09/2019	30/09/2019	Complete			4				Good
Women Month - Transport	Kwakwanta Trading Enterprise		30/09/2019	30/09/2019	Complete			4				Good
Women Month - Transport	Theoc"tium Trading Enterprise		30/09/2019	30/09/2019	Complete			4				Good
DR.KKDM Indigenous Games & Enterprise Pty Ltd-Transport	Tohmaz (Pty)Ltd		27/09/2019	27/09/2019	Complete			4				Good
DR.KKDM Indigenous Games & Enterprise Pty	Mtshepana Trading & Projects (Pty)Ltd		27/09/2019	27/09/2019	Complete			4				Good

**OFFICE OF THE EXECUTIVE MAYOR
ANNUAL PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS
2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Ltd - Transport												
DR.KKDM Indigenous Games & Enterprise Pty Ltd - Transport	Raphoto's Construction		27/09/2019	27/09/2019	Complete			4				Good
DR.KKDM Indigenous Games & Enterprise Pty Ltd – Water:600	Age of Hope Trading Enterprise		27/09/2019	27/09/2019	Complete			4				Good
Age in Action Conference Transport	5Women Workers Primary Co-op		12/11/2019	14/11/2019					4			Good
Age in Action Conference Transport	Sekang Construction & Projects		12/11/2019	14/11/2019					4			Good
Age in Action Conference Transport	Zenzele Transport		12/11/2019	14/11/2019	Complete				4			Good
District Men's Parliament - Catering	Sizakabi Trading		6/11/2019	6/11/2019	Complete				4			Good
District Men's Parliament - Catering	Joshtha Trading Enterprise		6/11/2019	6/11/2019	Complete				4			Good
District Men's Parliament - Catering	Andile Hope Construction Pty Ltd		6/11/2019	6/11/2019	Complete				4			Good
District Men's Parliament - Transport	MoorosiZile Enterprise (Pty) Ltd		6/11/2019	6/11/2019	Complete				4			Good
District Men's Parliament - Transport	Takalani Business Enterprise		6/11/2019	6/11/2019	Complete				4			Good

**OFFICE OF THE EXECUTIVE MAYOR
ANNUAL PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS
2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
District Men's Parliament - Transport	50-50 Dream Houses Cleaning & Construction		6/11/2019	6/11/2019	Complete				4			Good
Mayoral Cleaning Campaign - Catering	Construction & Projects		9/03/2020	12/03/2020	Complete					4		Good
Mayoral Cleaning Campaign - Catering	Monate-ThwaKitchen Pty Ltd		4/03/2020	5/03/2020	Complete					4		Good
Mayoral Cleaning Campaign - Catering	Lebogang Thuto Trading Enterprise		20/03/2020	20/03/2020	Complete					4		Good
Mayoral Cleaning Campaign - Catering	Koboentle Trading Enterprise		10/03/2020	10/03/2020	Complete					4		Good
Mayoral Cleaning Campaign Water:3000	Sibahle-Siphelele Trading Pty Ltd		4/02/202	4/02/2020	Complete					4		Good

POLITICAL OFFICE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ANNUAL PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
MPAC MEETING	Afroz Trading Enterprise	OPEX	13/11/2019	13/11/2019	completed	none			4			As requested
MPAC MEETING	Pebale (PTY) LTD	OPEX	06/02/2020	06/02/2020	completed	none				4		
MPAC MEETING	Kgosie thata catering and construction	OPEX	03/02/2020	03/02/2020	completed	none				4		
MPAC Public Participation with Locals	Tshego Seweti trading Enterprise	OPEX	26/02/2020	26/02/2020	completed	none				4		
MPAC Project inspection	Boleng Jwa kagoentle event	OPEX	18/02/2020	18/02/2020	completed	none				1		The service provider did not deliver at the required place and on the required time. The food was not as warm as requested and the cold drinks were not cold
MPAC MEETING	Havilla Holdings (PTY)LTD	OPEX	07/08/2019	07/08/2019	completed	none		4				
MPAC MEETING	Motembi Enterprise	OPEX	14/08/2019	14/08/2019	completed	none		4				
MPAC MEETING	Parazozo	OPEX	16/10/2019	16/102019	completed	none		2				The food was not freshly prepared
MPAC MEETING	Nashua NW	OPEX			completed	none				4		

OFFICE OF THE MUNICIPAL MANAGER

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Security	Pono Security Services	Municipality	01/10/2019	30/09/2022	Satisfied with the service they are providing	No shelter for the security officers deployed at DRM A guard house was procured			4	4	4	The service provider doing a good job
External Newsletter	Kwaame Communications		13/09/2019	30/09/2020	They have issued 2x Newsletters	Due to COVID-19 they could not print one newsletter on time			4	1	4	They failed to deliver 1 publication due to COVID-19 lockdown. They could not print
Billboards; Outdoor advertising & Social Media	Go Big Media		April 2020	June 2020	They pitched up 08 Billboards, 85 Pole ads and Increased our social media presence	Non					5	They were professional and delivered as per expectation. During July month they gave us free outdoor advertising

BUDGET AND TREASURY OFFICE

BUDGET AND TREASURY OFFICE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Solar Financial System	BCX	Own						4	4	4	4	

**BUDGET AND TREASURY OFFICE
ANNUAL PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS
2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Pension	Arch Act	Own						4	4	4	4	
Data cleaning/Expenditure classification on the Financial management System	KINNEE Trading (PTY)	Own	26 August 2019	September 2020	Complete	None		4	4	4	4	

LED & PLANNING

**TRANSPORT, ROADS AND TECHNICAL INFRASTRUCTURE DEVELOPMENT
ANNUAL PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS
2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Rural Asset Management System	Nalko Engineering & Projects cc	Conditional grant - RRAMS	01/10/2019	30/06/2020	Completed Gravel Road Maintenance System (GRMS) for JB Marks & Maquassi Hills LMs & Traffic Data Report	None			4	5	5	Service provider commenced in the 2 nd quarter after the conclusion of the appointment in September 2020. Appointment is for a period of 3 years

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Software Venus ana Solar financial System	Business Connection		01\07\2018	30\06\2021	current			5	5	5	5	
Telephone System	North West Telecoms		13\05\2018	Month to month	Only payment for voip lines			4	4	4	4	
Computer hardware and Software as and when	Dash Host (Pty) ltd		06\03\2020	05\03\2023	current			4	4	4	4	
Supreme VPN and Internet	Telkom		20\05\2016	19\05\2019	Month to month			3	3	3	3	
CTM()	Telkom		20\05\2016	19\05\2019	Month to month			5	5	5	5	

CORPORATE SERVICES

CORPORATE SERVICES

CORPORATE SERVICES ANNUAL ASSESSMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	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

DISASTER RISK MANAGEMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2019/2020 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
							2019/20	Q 1	Q 2	Q 3	Q 4	
Dolomite Risk Management	Kgomo Africa	DKKDM	2018/19	2020/21	75%	None	4	4	4	4	4	

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 2018/19	Total No 2019/20	Males 2018/19	Males 2019/20	Females 2018/19	Females 2019/20
Office of the Executive Mayor	13	12	6	6	7	6
Office of the Speaker	8	7	3	3	5	4
Office of the Single Whip	6	5	3	2	3	3
MPAC Office	2	2	0		2	2
Office of the Municipal Manager	15	17	8	9	7	8
Corporate Services	23	29	5	10	18	19
Budget and Treasury Office	14	20	4	9	10	11
Technical Services	6	7	4	5	2	2
Environmental Health	39	40	13	15	26	25
District Economic Development	8	5	4		4	2
Disaster Risk Management	9	30	5		4	17
TOTAL	143	174	66	59	77	99

Total Appointments during Financial Year 2019/20 = 41

Resignations during Financial Year 2019/20 = 3

Termination during Financial Year 2019/20 = 0

STATUS OF SENIOR MANAGERS APPOINTMENTS

During the 2019/2020 financial, Council took a decision to reduce the number of departments. The 2 tables below depicts the senior managers status before the merger and after the merger.

The below table indicates the status of Senior Managers appointments before the merger

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

The below table indicates the status of Senior Managers appointments after the merger

Designation	Status
Municipal Manager	Filled
Corporate Services	Filled
Chief Financial Officer	Filled
Senior Manager: Community Services	Vacant
Senior Manager: LED and Planning	Vacant
Chief Audit Executive	Vacant

4.2. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The following policies were workshopped and approved in 2018

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	ITEM A.	Annually

		2019	171/05/2019	
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 Tourism Policy	Workshopped (18/05/2018)	ITEM A. 313/11/2018	Annually
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 Plan	Workshopped (20/07/2018)	ITEM A. 215/08/2018	Annually

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	Average Injury Leave per Employee	Total Estimated Costs
Required basic medical attention	5	28	5.6	0
Temporary disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	5	28	5.6	0

Salary band	Total sick leave days	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post	Average sick leave per employees' days
Municipal Manager and Directors	6	1	1	3	
Managers	113	7	9	20	
Coordinators and Senior Officers	66	13	12	21	
Officials and Clerks	277	11	31	64	
Secretaries and/ or Pas	13	0	2	2	
Pest Controllers, Fire-fighters, Drivers and Cleaners	144	12	30	48	

NUMBER AND PERIODS 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	Gross misconduct	3/12/2018	Matter finalized awaiting for the outcomes	22/01/2020
General Worker	Harassment and physical assault	5/12/2019	Matter finalized internally Employee resumed work	18/03/2020

PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary Profile				
	Gender	Total Number of Employees in Group	Number of Beneficiaries	Expenditure on Rewards 2019/20	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:

Funding Source	Planned Budget - Employed	Planned Budget - Unemployed	Committed Budget Employed	Committed Budget - Unemployed
Mandatory Grant Funds	150000	0	0	0
Outstanding Mandatory Grant funds from previous year	50000	0	50000	0
Discretionary Grants funds	1500000	1750000	850000	1750000
Additional funding (Municipality/entity, donor funds,	2650000	3000000	0	0
Totals	4350000	4750000	900000	1750000

Total Actual Training Beneficiaries from 2019/2020

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 - Unemploy	Male - Unemploy	Total
Good Governance and Institutional	Good Governance and the linking of	Enhancing Good Governance	299	197	496	50	50	100
Financial Management	Municipal Financial Viability and	Financial viability and Management	67	51	118	50	50	100
Infrastructure Development Basic	Basic Service Delivery and Infrastructure	To promote physical infrastructure development , service . To provide	94	48	142	25	25	50
Municipal Planning	Sustainable Local Economic	To promote socio-economic development	28	55	83	50	50	100
Totals			498	364	839	94	109	203

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE as at 1 May 2019 - 30 April 2020 – EMPLOYED

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - EMPLOYED																					
Occupation Category	Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	No
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 Legislator	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 Government)	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
LEGISLATORS Totals			17	0	0	3	14	0	0	6	40	0	0	0	0	0	3	28	9	40	0
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 Manager	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-	Corporate Planning	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	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 Manager	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	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 Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-134901- 10	Environmental Health Manager	2	0	0	0	1	0	0	0	3	0	0	0	0	0	0	3	0	3	0
MANAGERS	2017-	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-	Human Resource	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	ICT / IT Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	Internal Audit Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	Municipal Finance	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	1	1	0
MANAGERS	2017-	Municipal Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0
MANAGERS	2017-	Policy and Planning	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-	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-	Public Relations	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0

MANAGER S	2017-143904-2	Security Risk Assessment Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGER	2017-	Strategic Planning	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS Totals			9	1	0	0	12	0	0	2	24	0	0	0	0	0	0	22	2	24	0
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 Technologist	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- 10	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-	Records Administrator	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0
PROFESSIONALS	2017-242302	Skills Development Practitioner	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-	Technical Officer	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS Totals			19	1	0	3	13	0	0	3	39	0	0	0	0	0	11	24	4	39	0
TECHNICALS AND ASSOCIATES	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 ASSOCIATES	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 ASSOCIATES	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 ASSOCIATES	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

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

CLERICAL SUPPORT WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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 WORKERS	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	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
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS Totals			0	0	0	0	4	0	0	0	4	0	0	0	0	0	2	2	0	4	0

PLANT AND MACHINE OPERATORS AND ASSEMBLERS	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
ELEMENTARY OCCUPATIONS	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 municipality (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	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	1	2	1	1	1
Chief financial officer	1		1	1	1	1
Senior managers	1		1	1	1	1
Supply Chain Management Officials						
Heads of supply chain management units	1		1	1		1
Supply chain management senior managers	1		1	1		1
TOTAL	5	1	6	5	3	5

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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Transfers recognised - operational	174 536	179 654	185 179	196 082	196 529	196 529	196 529	202 266	207 383	213 403
Other own revenue	1 612	1 948	1 656	1 057	1 928	1 928	1 928	1 487	826	864
Total Revenue (excluding capital transfers and contributions)	178 479	184 374	190 430	200 089	203 303	203 303	203 303	208 953	213 649	219 957
Employee costs	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors	8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Depreciation & asset impairment	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges	421	849	–	–	–	–	–	–	–	–
Materials and bulk purchases	751	2 432	2 676	3 539	3 674	3 674	3 674	5 119	3 785	3 869
Transfers and grants	5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141
Other expenditure	68 403	72 054	55 624	62 842	62 095	62 095	62 095	67 530	65 394	65 228
Total Expenditure	173 963	186 825	171 736	196 732	198 966	198 966	198 966	211 708	212 475	218 777
Surplus/(Deficit)	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Surplus/(Deficit) after capital transfers & contributions	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Capital expenditure & funds sources										

Capital expenditure	2 879	6 213	3 290	3 010	3 930	3 930	3 930	27 760	1 017	859
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2 879	6 213	3 290	3 010	3 930	3 930	3 930	27 760	1 017	859
Total sources of capital funds	2 879	6 213	3 290	3 010	3 930	3 930	3 930	27 760	1 017	859
Financial position										
Total current assets	20 534	17 617	42 919	15 569	56 301	56 301	56 301	25 894	24 000	26 000
Total non current assets	35 639	31 724	25 473	54 959	29 404	29 404	29 404	32 789	31 490	31 332
Total current liabilities	30 485	25 325	23 856	15 000	20 954	20 954	20 954	16 878	17 470	17 970
Total non current liabilities	13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
Community wealth/Equity	12 417	9 966	30 070	41 478	50 284	50 284	50 284	27 338	23 153	24 495
Cash flows										
Net cash from (used) operating	12 831	2 655	27 167	8 817	9 796	9 796	9 796	2 739	6 911	7 172
Net cash from (used) investing	(2 719)	(5 917)	(1 051)	(3 010)	(3 930)	(3 930)	(3 930)	(27 760)	(1 017)	(859)
Net cash from (used) financing	(746)	(722)	153	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	13 745	9 761	36 031	15 569	48 444	48 444	48 444	23 423	29 317	35 631
Cash backing/surplus reconciliation										
Cash and investments available	13 745	9 762	36 031	15 569	48 444	48 444	48 444	25 894	24 000	26 000
Application of cash and investments	(16 145)	22 441	21 039	14 333	12 171	12 171	12 171	15 952	16 486	16 986
Balance - surplus (shortfall)	29 890	(12 679)	14 991	1 236	36 273	36 273	36 273	9 943	7 514	9 014
Asset management										
Asset register summary (WDV)	35 997	31 724	46 974	51 720	29 404	29 404	29 404	32 788	31 490	31 332
Depreciation	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	1 900	–	–
Repairs and Maintenance	751	184	1 198	2 406	2 356	2 356	2 356	2 072	2 112	1 936

<u>Free services</u>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<u>Households below minimum service level</u>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

5.2. COMPONENT B: STATEMENT OF FINANCIAL PERFORMANCE

Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional									
<i>Governance and administration</i>	175 694	179 547	190 035	194 787	197 454	197 454	203 585	210 510	216 642
Executive and council	–	47	–	–	–	–	–	–	–
Finance and administration	175 694	179 500	190 035	194 787	197 454	197 454	203 585	210 510	216 642
Internal audit	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	–	1 067	396	350	897	897	1 197	523	547
Community and social services	–	1 067	396	350	897	897	1 197	523	547
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	2 785	3 760	–	4 952	4 952	4 952	4 171	2 616	2 768
Planning and development	2 785	3 760	–	4 952	4 952	4 952	4 171	2 616	2 768
Road transport	–	–	–	–	–	–	–	–	–
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	–	–	–	–	–	–	–	–	–
Energy sources	–	–	–	–	–	–	–	–	–
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	–	–	–	–	–	–	–	–	–

<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	178 479	184 374	190 430	200 089	203 303	203 303	208 953	213 649	219 957
Expenditure - Functional									
Governance and administration	115 982	126 323	118 968	121 284	123 782	123 782	128 499	131 813	136 314
Executive and council	49 268	56 648	42 407	55 408	56 834	56 834	60 926	63 213	65 825
Finance and administration	62 200	65 732	71 611	60 560	61 216	61 216	61 525	62 329	63 989
Internal audit	4 514	3 943	4 950	5 315	5 732	5 732	6 049	6 271	6 500
Community and public safety	37 995	35 312	40 314	49 946	50 373	50 373	52 715	55 061	55 892
Community and social services	37 995	35 312	40 314	49 946	50 373	50 373	52 715	55 061	55 892
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	19 986	25 190	12 454	25 502	24 812	24 812	30 494	25 601	26 571
Planning and development	19 986	25 190	12 454	25 502	24 812	24 812	30 494	25 601	26 571
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	173 963	186 825	171 736	196 732	198 966	198 966	211 708	212 475	218 777
Surplus/(Deficit) for the year	4 516	(2 450)	18 694	3 357	4 336	4 336	(2 755)	1 173	1 180

EXPENDITURE PERFORMANCE (REVENUE & EXPENDITURE)

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment				–	–	–	–			
Interest earned - external investments	2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Interest earned - outstanding debtors			–	–	–	–	–	–	–	–
Dividends received	2	2	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–		–	–	–	–	–	–	–	–
Licences and permits	–	313	396	–	–	–	–	500	523	547
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	174 536	179 654	185 179	196 082	196 529	196 529	196 529	202 266	207 383	213 403
Other revenue	1 570	1 122	1 253	1 057	1 928	1 928	1 928	987	303	317
Gains	39	510	8							
Total Revenue (excluding capital transfers and contributions)	178 479	184 374	190 430	200 089	203 303	203 303	203 303	208 953	213 649	219 957
Expenditure By Type										
Employee related costs	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors	8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Debt impairment	311	121	–							

Depreciation & asset impairment	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges	421	849	–							
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	751	2 432	2 676	3 539	3 674	3 674	3 674	5 119	3 785	3 869
Contracted services	35 568	43 519	33 201	28 150	29 928	29 928	29 928	28 987	29 886	28 987
Transfers and subsidies	5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141
Other expenditure	31 346	26 979	21 463	34 672	32 146	32 146	32 146	38 348	35 314	36 045
Losses	1 177	1 434	960	20	20	20	20	195	195	195
Total Expenditure	173 963	186 825	171 736	196 732	198 966	198 966	198 966	211 708	212 475	218 777
Surplus/(Deficit)	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–									
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Taxation										
Surplus/(Deficit) after taxation	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	4 516	(2 450)	18 694	3 357	4 336	4 336	4 336	(2 755)	1 173	1 180

5.3. COMPONENT C: STATEMENT OF FINANCIAL POSITION

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Current assets										
Cash	3 745	3 761	18 031	569	18 444	18 444	18 444	7 200	9 000	11 000
Call investment deposits	10 000	6 000	18 000	15 000	30 000	30 000	30 000	18 694	15 000	15 000
Consumer debtors	–	–	–	–	–	–	–	–	–	–
Other debtors	6 789	7 855	6 889	–	7 857	7 857	7 857	–	–	–
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–	–	–	–
Total current assets	20 534	17 617	42 919	15 569	56 301	56 301	56 301	25 894	24 000	26 000
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	33 969	30 171	24 824	51 720	28 264	28 264	28 264	27 249	25 650	25 612
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	1 607	1 554	649	3 239	1 139	1 139	1 139	5 539	5 839	5 719
Other non-current assets	63	–	–	–	–	–	–	–	–	–
Total non current assets	35 639	31 724	25 473	54 959	29 404	29 404	29 404	32 789	31 490	31 332
TOTAL ASSETS	56 173	49 341	68 393	70 528	85 705	85 705	85 705	58 683	55 490	57 332

LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	489	864	154	–	154	154	154	154	–	–
Consumer deposits										
Trade and other payables	29 515	24 461	22 929	14 333	20 028	20 028	20 028	15 952	16 486	16 986
Provisions	481		773	667	773	773	773	773	984	984
Total current liabilities	30 485	25 325	23 856	15 000	20 954	20 954	20 954	16 878	17 470	17 970
Non current liabilities										
Borrowing	–	–	–	–	–	–	–	–	–	–
Provisions	13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
Total non current liabilities	13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
TOTAL LIABILITIES	43 756	39 375	38 322	29 050	35 421	35 421	35 421	31 345	32 337	32 837
NET ASSETS	12 417	9 966	30 070	41 478	50 284	50 284	50 284	27 338	23 153	24 495
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	12 417	9 966	30 070	41 478	50 284	50 284	50 284	27 338	23 153	24 495
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	12 417	9 966	30 070	41 478	50 284	50 284	50 284	27 338	23 153	24 495

5.4. COMPONENT D: CASH FLOW

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–	–	–
Service charges								–	–	–
Other revenue	10 563	369	452	1 057	1 928	1 928	1 928	1 487	826	864
Transfers and Subsidies - Operational	174 983	178 821	185 290	196 082	196 529	196 529	196 529	202 266	207 383	213 403
Transfers and Subsidies - Capital				–	–	–	–	–	–	–
Interest	2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Dividends	2	2		–	–	–	–	–	–	–
Payments										
Suppliers and employees	(175 048)	(173 081)	(156 993)	(185 323)	(184 362)	(184 362)	(184 362)	(198 523)	(200 669)	(206 643)
Finance charges		(849)	–	–	–	–	–	–	–	–
Transfers and Grants		(5 380)	(5 178)	(5 949)	(9 144)	(9 144)	(9 144)	(7 691)	(6 069)	(6 141)
NET CASH FROM/(USED) OPERATING ACTIVITIES	12 831	2 655	27 167	8 817	9 796	9 796	9 796	2 739	6 911	7 172
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	160	669	1 023					–	–	–
Decrease (increase) in non-current receivables			1 216					–	–	–
Decrease (increase) in non-current investments		77						–	–	–

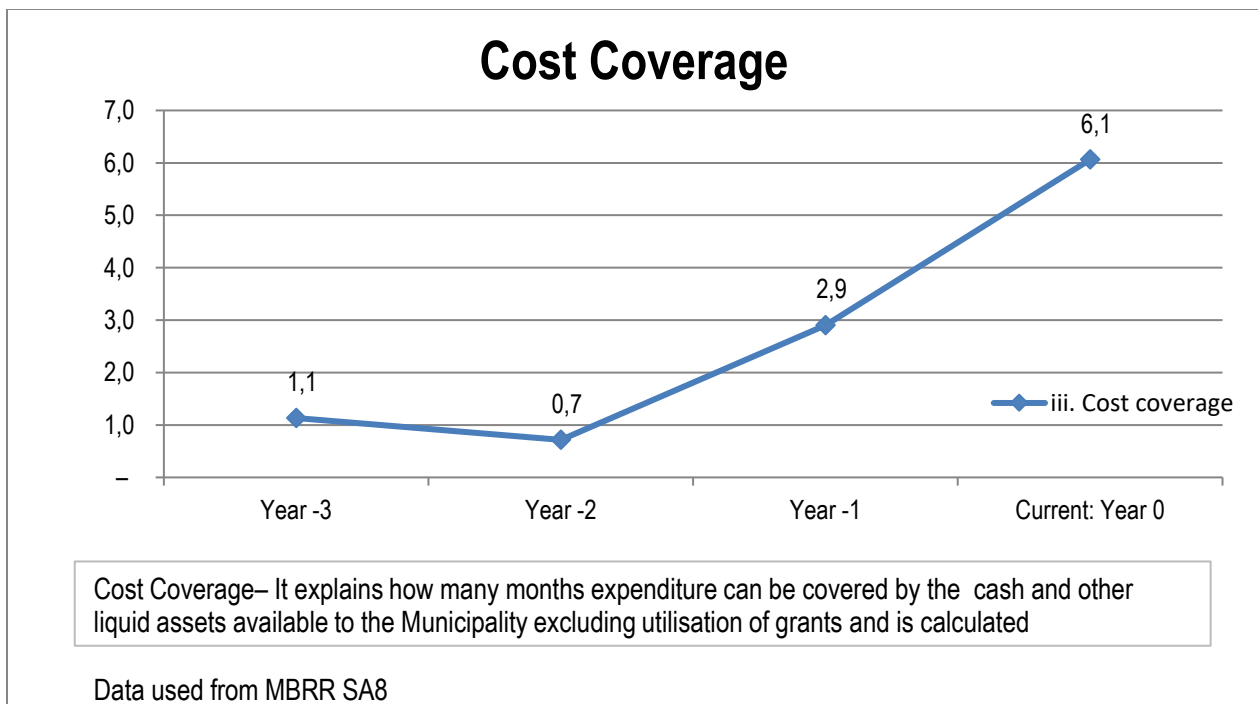
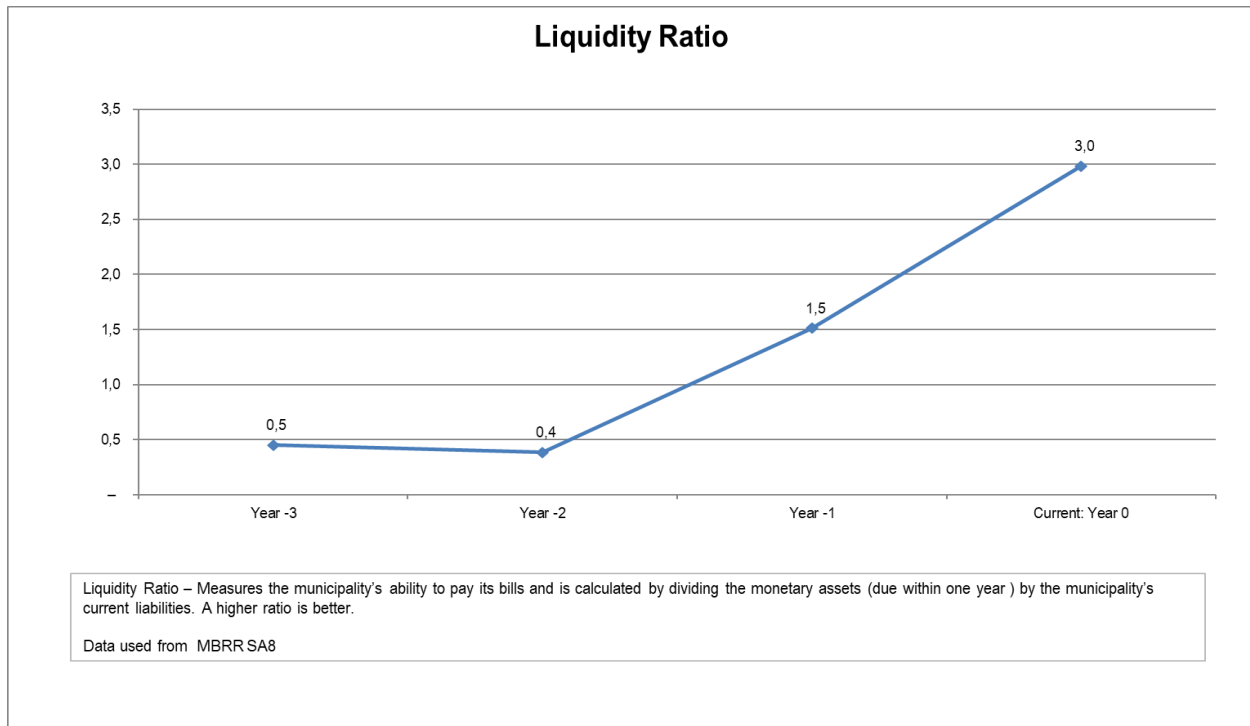
Payments										
Capital assets	(2 879)	(6 663)	(3 290)	(3 010)	(3 930)	(3 930)	(3 930)	(27 760)	(1 017)	(859)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 719)	(5 917)	(1 051)	(3 010)	(3 930)	(3 930)	(3 930)	(27 760)	(1 017)	(859)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–	–	–
Borrowing long term/refinancing								–	–	–
Increase (decrease) in consumer deposits								–	–	–
Payments										
Repayment of borrowing	(746)	(722)	153					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	(746)	(722)	153	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	9 366	(3 984)	26 269	5 807	5 866	5 866	5 866	(25 021)	5 894	6 314
Cash/cash equivalents at the year begin:	4 379	13 745	9 761	9 761	42 578	42 578	42 578	48 444	23 423	29 317
Cash/cash equivalents at the year end:	13 745	9 761	36 031	15 569	48 444	48 444	48 444	23 423	29 317	35 631

5.5. COMPONENT E: GRANTS

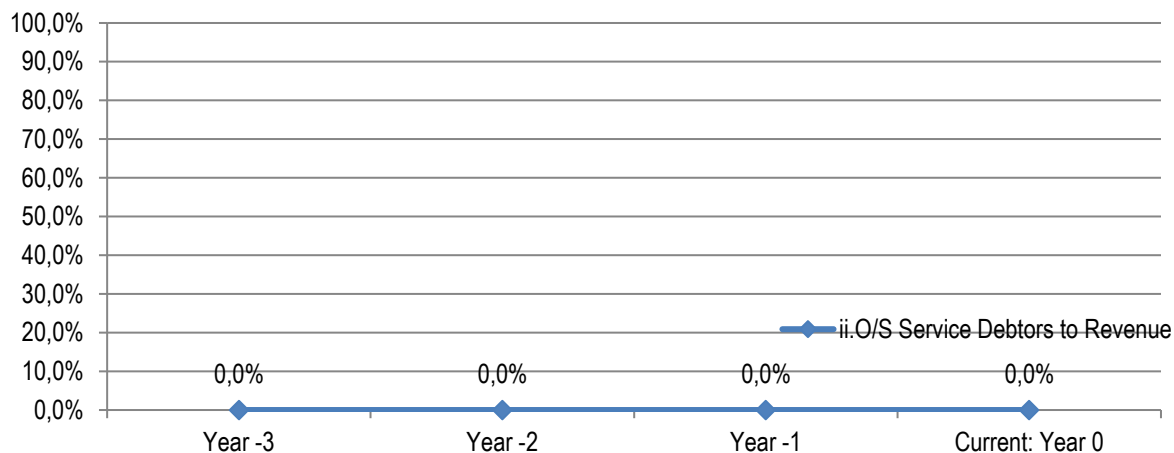
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
<u>Operating Transfers and Grants</u>									
National Government:	174 290	178 673	184 532	192 854	193 301	193 301	199 016	204 133	210 153
Local Government Equitable Share	19 609	20 039	21 710	24 622	24 622	24 622	26 461	28 439	30 151
Municipal Disaster Relief Grant					447	447			
Expanded Public Works Programme Integrated Grant	1 479	1 292	1 151	1 649	1 649	1 649	1 691		–
Local Government Financial Management Grant	1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement Grant			–						
RSC Levy Replacement	149 710	153 637	158 323	162 977	162 977	162 977	167 384	172 078	176 234
Rural Road Asset Management Systems Grant	2 242	2 455	2 348	2 606	2 606	2 606	2 480	2 616	2 768
Provincial Government:	–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant									
District Municipality:	–	–	–	–	–	–	–	–	–
<i>[insert description]</i>									
Other grant providers:	1 182	981	646	3 228	3 228	3 228	3 250	3 250	3 250
<i>Education Training and Development</i>	110	98	150	3 228	3 228	3 228	3 250	3 250	3 250

<i>Practices SETA</i>									
<i>Fire support grant</i>		455							
<i>DPSA (TIRELO BOSHA)</i>	1 072	429	496						
Total Operating Transfers and Grants	175 472	179 654	185 179	196 082	196 529	196 529	202 266	207 383	213 403
Capital Transfers and Grants									
National Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Education Training an</i>									
Total Capital Transfers and Grants	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	175 472	179 654	185 179	196 082	196 529	196 529	202 266	207 383	213 403

5.6. COMPONENT F: FINANCIAL RATIOS

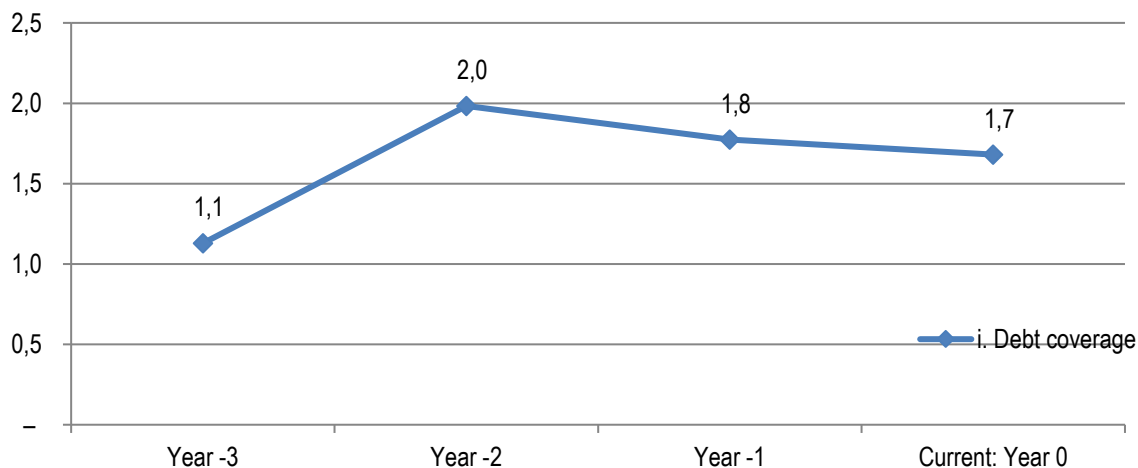


Total Outstanding Service Debtors



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.

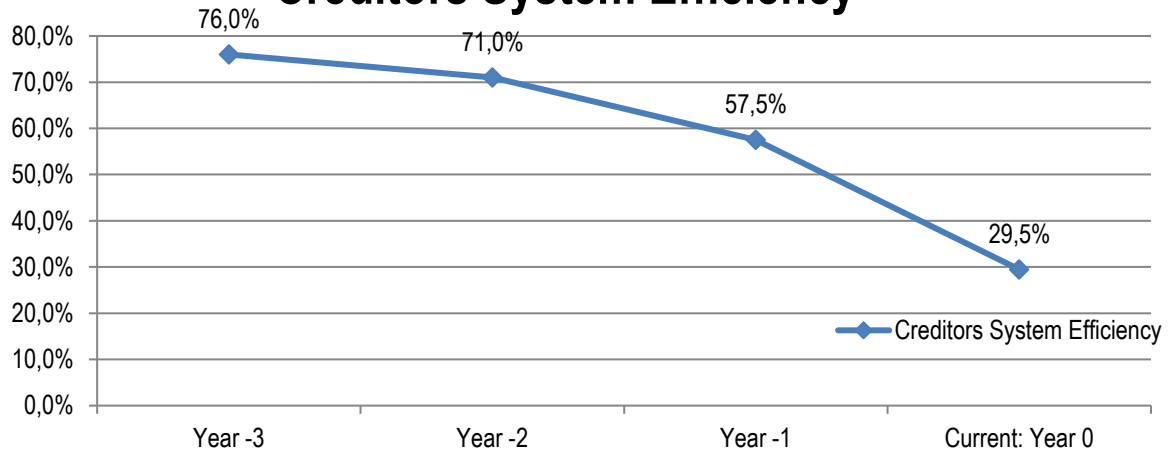
Debt Coverage



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

Data used from MBRR SA8

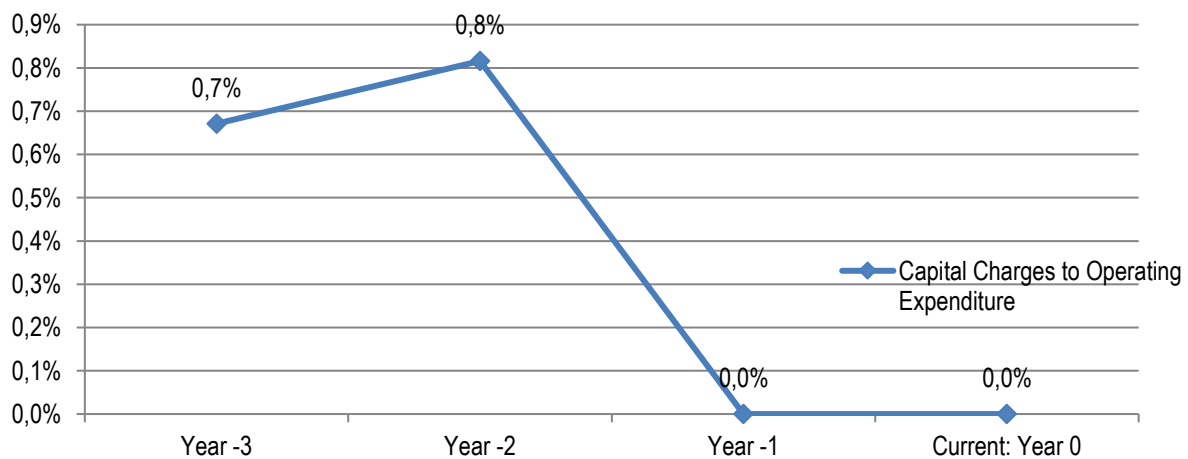
Creditors System Efficiency



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

Data used from MBRR SA8

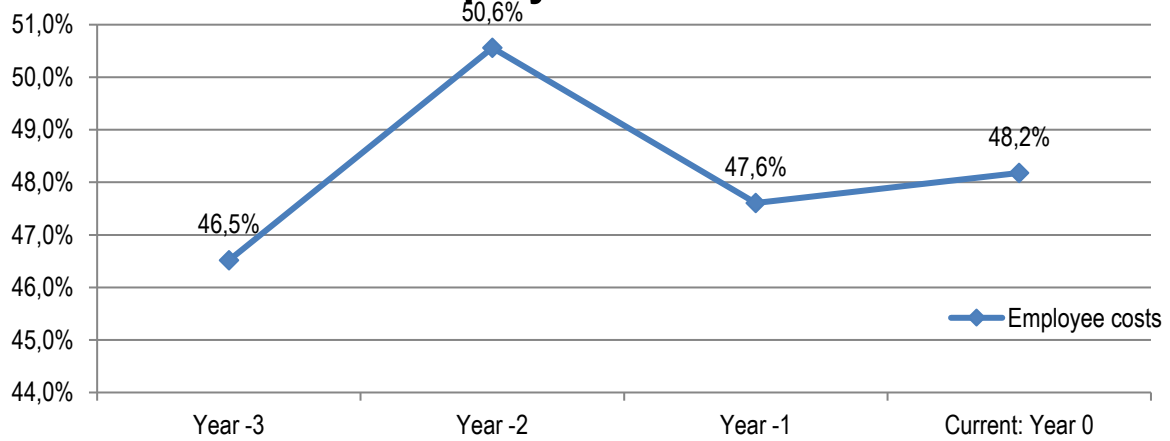
Capital Charges to Operating Expenditure



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

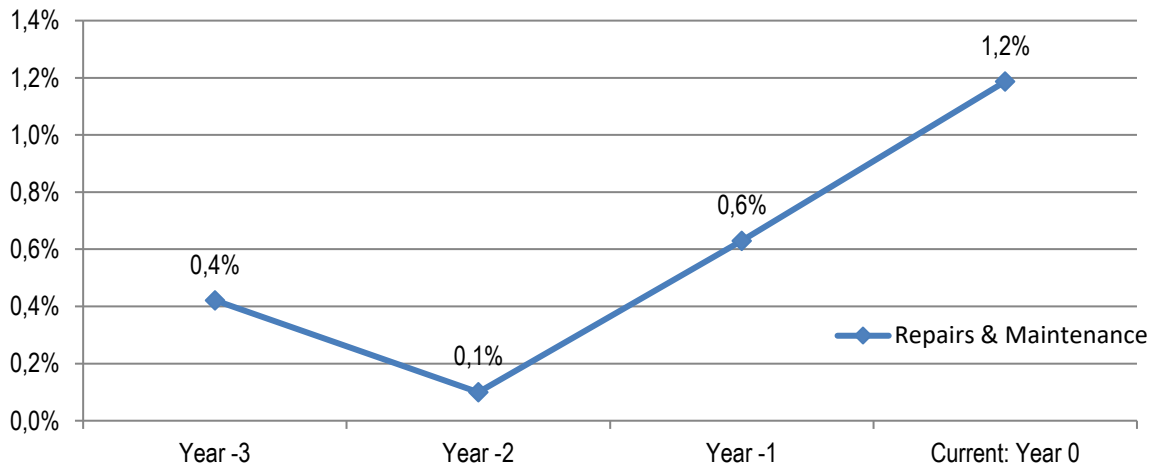
Data used from MBRR SA8

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.

Data used from MBRR SA8

5.7 COMPONENT G: AN ASSESSMENT OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

ITEM	ENTITY	Amount owed to DrKKDM	Amount owed by DrKKDM
VAT Receivable	SARS	R5 326 616	0
Municipal Services (Water, Electricity, Sanitation and Solid waste)	City of Matlosana	-	0
Property Rates	City of Matlosana	-	0

6. CHAPTER 6: AUDITOR GENERAL'S REPORT 2019/2020

6.1. COMPONENT A: 2019/2020 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

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 201 to 276, which comprise the consolidated and separate statement of financial position as at 30 June 2020, and the consolidated and separate statement of financial performance, statement of changes in net assets, and 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, 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 2020, 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, 2019 (Act No. 16 of 2019) (DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.
4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Unauthorised, irregular and fruitless and wasteful expenditure

7. As disclosed in note 33 to the consolidated and separate financial statements, unauthorised expenditure of R2 782 151 was incurred in the current year and the 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.

8. As disclosed in note 35 to the consolidated and separate financial statements, irregular expenditure of R57 310 700 was incurred in the current year and irregular expenditure of R147 383 928 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
9. As disclosed in note 34 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R404 195 was incurred in the current year and fruitless and wasteful expenditure of R10 989 425 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Restatement of corresponding figures

10. As disclosed in note 39 to the financial statements, a number of corresponding figures have been restated as a result of errors discovered during the year ended 30 June 2020.

Subsequent event

11. As disclosed in note 40 to the financial statements, the municipality's Economic Agency is wholly dependent on the Dr Kenneth Kaunda District Municipality for continued funding of operations. The Council of Dr Kenneth Kaunda District Municipality resolved in terms of Council Resolution no. A.26/07/2020 to implement section 109 of the Companies Act process to de-establish the entity.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the consolidated and separate financial statements

14. 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.
15. 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 consolidated and separate financial statements

16. 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.

17. 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

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. 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.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2020:

Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	63 – 118

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

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on pages 63 to 118 for information on the achievement of planned targets for the year and explanations provided for the under and over achievements for a number of targets.

Report on audit of compliance with legislation

Introduction and scope

25. 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.
26. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

27. The consolidated financial statements were not submitted to the Auditor-General, for auditing, within five months after the end of the financial year, as required by section 126(1)(b) of the MFMA.
28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

29. Reasonable steps were not taken to prevent irregular expenditure of R57 310 700 as disclosed in note 35 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by payments made on expired contracts and awards evaluated and adjudicated by the committees not properly constituted.
30. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R404 195, as disclosed in note 34 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by a payment for which none of the expected benefits were realised.

Consequence management

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

Strategic planning and performance management

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).

Procurement and contract management

34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
35. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year.

36. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by regulation 8(2) of the 2017 preferential procurement regulations. Similar non-compliance was also reported in the prior year.
37. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
38. 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. Similar non-compliance was also reported in the prior year.

Other information

39. 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 thereon and the selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
40. 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.
41. 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 consolidated and separate 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.
42. 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

43. 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 findings on compliance with legislation included in this report.
 - Leadership's oversight over the financial reporting and compliance with legislation did not deliver financial reports which were free from material misstatements. The expected behaviour has not been embedded in the daily practises of the municipality in all instances with various material non-compliance still being identified in the area of supply chain and contract management.
 - There remains a lack of discipline in ensuring that the necessary internal controls are designed, implemented, and monitored throughout the year which resulted in material misstatements not being prevented and detected. Management remains slow in responding to and addressing root causes of the prior year audit findings as well as implementing the recommendations by internal audit and the audit committee.

- The risk management activities still require attention as there are no fraud detection plan or policies in place for fraud prevention. This includes establishing a risk committee to ensure regular risk assessments, 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

16 April 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

6.2. COMPONENT B: 2019/2020 AUDIT COMMITTEE REPORT

Dr KK District Municipality – AUDIT COMMITTEE ANNUAL REPORT FOR THE 2019/2020 FINANCIAL YEAR

LEGISLATIVE REQUIREMENTS

The Audit Committee is pleased to present its annual report for the year ended 30 June 2020. 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 continued to be functional for the year under review.

The Committee considered fraud, risk management 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, ICT Governance, Risk Management processes and Performance Management Systems.

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

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

During the year under review the Committee held meetings and the attendance by each member is as follows:

Name of Member	Designation	Number of Meetings Attended.
A M Langa	Chairperson	7
Ms S Makhathini	Member	4
Ms M Ramataboe	Member	6
Adv. I Motala	Member	3
B Mathibela	Member	6

A total of seven meetings were held and the meetings duly formed a quorum with the majority of members in attendance. 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 reports to the Municipal Council. All its reports were adopted by the Council and the implementation of the resolutions is monitored regularly 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 2018/2019 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. The Committee noted with appreciation the efforts made by Management to update the Unauthorised, Irregular, Fruitless and Wasteful expenditure register, and further that the Council has referred some of the matters contained therein to the Municipal Financial Misconduct Disciplinary Board for processing.

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 and MSCOA implementation.

The Municipality successfully implemented MSCOA and is currently transacting on the new system although a few modules are yet to be implemented. The Committee noted with concern that the Development Agency, an entity of the District Municipality, was not fully processing financial transactions on the MSCOA system due to a number of reasons including but not limited to lack of capacity and resources.

RISK MANAGEMENT

Effective Risk management forms an integral part of the institution's objectives of implementing and maintaining effective risk management system which involves the identification, assessment and monitoring of risks that threaten the achievement of the District Municipality's objectives including any emerging risks. The Municipality's strategic risk register was updated based on risk assessments performed by Management with the assistance of the Internal Audit.

During the year under review the risk management committee was not fully functional and the Committee recommended to the Municipal Council that an independent Chairperson be appointed. The Municipality has since appointed a risk practitioner and such appointment is yielding positive results in the management of risk in the District Municipality. The annual Internal Audit plan as well as the three-year rolling plan is based on the strategic risk register compiled that is continually reviewed by the Risk Management Committee.

Quarterly reports were considered by the Audit Committee from the Risk Management Committee chaired by the Accounting Officer and such were reviewed by the Committee. The Committee is of the view that this area needs improvement.

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 satisfactory 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.

During the year under review, reviews were conducted by oversight bodies identified instances where the effectiveness of internal controls were compromised were identified and discussed with Management. Amongst these were recurring and new audit findings on internal control deficiencies. 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 to be inadequate to address root causes and ineffective as depicted by the control dashboard. The Committee continued to engage Management on such advised on measures to remedy the weaknesses identified.

REVIEW OF THE FINANCE FUNCTION

The Audit Committee as part of its functions reviewed the expertise and functioning of the finance function of the Municipality. In doing so the Committee assessed the experience of the Chief Financial Officer and other staff members in the Department and the Committee is noted that there is adequate expertise to fulfil the responsibility. However, the Committee also noted that additional resources are required in the Supply Chain Management function with specific attention needed in contract management.

INTERNAL AUDIT UNIT

The Municipality has an internal audit unit headed by the Manager Internal Audit who performed to a certain extent functions of a Chief Audit Executive and reports functionality 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 District Municipality.

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

- Quarterly Performance Management System Review;
- Supply Chain Management: COVID-19 Expenditure Review;
- Human Resource Review;
- Expanded Public Works Programme Review;
- Facilitation of Risk Assessment;
- Follow-up Audits.

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 municipality 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.

REVIEW OF ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee reviewed the 2019/2020 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 and omissions which were pointed out to management for rectification. Due to time constraints the corrected reports could not be considered by the committee. The Committee noted that despite challenges posed by the COVID-19 pandemic the District Municipality was able to compile the Annual Financial Statements internally, however, the Committee urged Management to ensure that in future the statements are to be submitted timeously to both Internal Audit and the Committee for proper review as required by the MFMA. The reviews confirmed that no new accounting policies were introduced and further that the annual financial statements were prepared on the going concern basis.

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 and concur with the external auditor's conclusions on the annual financial statements and the annual performance report for the 2019/2020 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
19/04/2021

6.3. COMPONENT C: 2019/2020 INTERNAL AUDIT REPORT

INTRODUCTION

This report highlights the outcomes of Internal Audit activities in the year (FY) 2019-2020 (July 2019 – June 2020) 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 2019 -20 Statistical Highlights

Delivery of Dr Kenneth Kaunda District Municipality's 2019/2020 Annual Internal Audit Plan:

- Planned projects including Ad-hoc assignments were ten (10);
- Achieved projects (07)
- Formal Ad-hoc assignments achieved (01) – Maarifa Waste Recycling Project ;
- The following 4 projects were moved to 2020/21 financial year due to Covid-19 restrictions;
 - HR Audit to overlap to 2020/2021 financial year.
 - EPWP Audit
 - Follow-up on Internal Audit findings
 - 4th quarter PMS Audit will be replaced by APR in the 2020/2021 Internal Audit Plan.
 - Records Management Audit
 - Review the revised 2019/2020 SDBIP

Delivery of Maquassi Hills Local Municipality's 2019/2020 Annual Internal Audit Plan:

- Planned projects were eight (08);
- Total achieved including Ad-hoc assignment and consulting services were (03);
- Project not reported at yet reported at year end (01)
- The following 5 projects were moved to 2020/21 financial year due to Covid-19 restrictions;
 - Follow-up on implementation of IA recommendations contained in the Risk Management Audit Report;
 - DORA compliance audit;
 - Follow-up audit on SCM and Revenue management audit;
 - Follow-up on AGSA findings;
 - Review of the APR and follow-up on falls in 2020/2021 Internal Audit Plan, and therefore, it will be removed from the 2019/2020 Internal Audit Plan and be included in the 2020/2021 Internal Audit Plan

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.

Delivery of Dr Kenneth Kaunda District Economic Development's 2019/2020 Annual Internal Audit Plan:

- Planned projects were eight (08);
- Total achieved including Ad-hoc assignment and consulting services were four (04);
- The following 4 projects were moved to 2020/21 financial year due to Covid-19 restrictions;
 - Records Management Audit;
 - Investigation of abandoned projects;
 - Governance Audit;
 - Follow-up on AGSA audit findings.

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 2019/2020 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 2019/2020 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 2019/2020 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's 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 2019/2020 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 2019/2020 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.

2019/2020 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: 2019/2020

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(a)	Expenditure Management	Reasonable steps were not taken to prevent irregular expenditure of R57 310 700 as disclosed in note 35 to the financial statements, as required by section 62(1)(d) of the MFMA. The amount consists of R20 998 902 in the 2019/20 financial year and irregular expenditure of R36 311 798 identified in the 2019/20 financial year relating to the previous financial years as a results of non-compliance with Supply Chain Management Regulations. The majority of the disclosed irregular expenditure was caused by payments made on expired contracts and awards evaluated and adjudicated by the committees not properly constituted.	(i). Ineffectiveness of the Bid Adjudication Committee, the committee in most instances was not able to form a quorum. (ii) Two senior managers' positions were vacant for very quiet long and were only filled in the 2020/21 financial year. (iii) Lack of review SCM regulations and SCM policy. (iv) Cost benefits involved from procuring on the expired contract.	(a). Two senior positions have already been filed during the 2020/21 Financial year, The Acting Municipal Manager has co-opted senior managers from the local municipalities within the Dr KKDM to participate in the Bid Adjudication Committee of the Dr KKDM. The composition of the Bid Adjudication Committee is now in line with SCM Regulation 29(2). The schedule of the Bid Adjudication Committee to be formalize. (b). The management is currently following the recruitment processes to appoint Chief Accountant: Contract and Performance Management to be able to assist the municipality in monitoring the contract	Municipal Manager/CF O Director Corporate Services/CF O/Municipal Manager	Done (01 December 2020). 30 June 2021

				register and assessing the performance of the service provider. (c). The official concerned on the irregular recruitment processes has resigned from the Dr KKDM and the expenditure will be tabled before the municipal council to recommending write-off.	N/A	N/A
1(b)	Expenditure Management	Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R404 195, as disclosed in note 34 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by a payment for which none of the expected benefits were realised. . The amount consist of R3 567,00 incurred in the current year and R400 628 identified in the current year relating to the previous financial year.	(a). Invoices not properly tracked by the user departments and results in interest for late payment of suppliers. (b). There is also a billing system problem with the financial service provider, the invoices are submitted with interest already accrued in the statement/invoice s.	(a). 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. (b). Engage the financial system service provider to negotiate the possibility of writing-off the interest. (c) The municipal manager to follow-up the criminal case opened against the service provider who failed to deliver or realise the expected outcome	CFO/Deputy CFO/Chief Accountant CFO Municipal Manager	Throughout 31 May 2021 31 May 2021

2	Consequence Management	Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure. As required in terms of section 32(2)(a) of the MFMA.	(i). The irregular expenditure register is still being investigations by the Financial Misconduct Board.	(a). Once the Financial Misconduct Board has finalized the investigation a report will be tabled before the municipal council with the recommendations. The Financial Misconduct Board is currently investigating instances of non-compliance with regard to the irregular expenditure.	Municipal Manager/CF O/Financial Misconduct Board.	30 June 2021
			(ii). Other matter on the Fruitless and Wasteful expenditure are still being investigated by Municipal Public Accounts Committee, other matter is investigated by National Prosecuting Authority.	(b). The R10 million on the Fruitless and Wasteful Expenditure will be removed from the register once the matter is finalized by the court of law, this case is being investigated by National Prosecuting Authority. The CFO will then raise a debtor to be written-off by council as irrecoverable, because once the matter if finalized, the money to be recovered will not be deposited back to the municipality the NPA will keep the money. Other matters are investigated by MPAC.	Municipal Manager/CF O/MPAC	30 June 2021

3			(iii). Over-spending on the budget as a results of inadequate budget provision.	(c). The unauthorised expenditure report was submitted to the Mayoral Committee and it was erroneously referred back to MPAC, The report will be submitted again to Mayoral Committee and Council in line with section 32 Of the MFMA.	CFO/Municipal Manager	30 June 2021
		Losses resulting from the irregular expenditure were not recovered from the reliable person as required in terms of section 32(2)	Oversight from municipal council. The council was waiting for all cases of irregular expenditure to be finalized.	The Speaker will invite the chairperson of the Financial Misconduct Board to present the report in order to be able to conclude on the issues in line with section 32(2)(c) of the MFMA.	Speaker	31 May 2021
	Financial Statements	The consolidated financial statements were not submitted to the Auditor-General, for auditing, within five months after the end of the financial year, as required by section 126(1)(b) of the MFMA.	The delays came from late submission of the audit file and other supporting documents of the Dr KKDM Economic Agency.	The AFS preparation plan of the Dr KKDM to incorporate the Economic Agency processes to be able to monitor the progress and timeous submission of both separate financial statements and the consolidated financial statement.	CFO	31 May 2021
		The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of liabilities, revenue and	Lack of adequate review of the Annual financial statements timeously.	(i). The CFO to ensure that all the recons are done and reviewed at least on a monthly basis.	CFO	30 June 2021
				(ii). CFO to develop a detailed Annual Financial Statements preparation plan	CFO	31 May 2021

		disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.		is developed and implemented. (iii). Review the financial statements to ensure that prior period error note comply with the requirements of GRAP 3 before submission of the annual financial statements. (iv). Submit the draft financial statements to internal audit with the audit file, Provincial Treasury and Audit Committee for review.	CAE CFO	06 August 2021 06 August 2021
4	Procurement and Contract Management	During the audit of contract management, it was noted that the contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required in terms of section 116(2)(c). Similar non-compliance was also reported in the prior year.	Lack adequate resources for monitoring and implementation of contract management in place.	The management is currently following the recruitment processes to appoint Chief Accountant: Contract and Performance Management to be able to assist the municipality in monitoring the contract register and assessing the performance of the service provider.	Director Corporate Service/Municipal Manager	30 June 2021

		The performance of contractors or providers was not monitored on a monthly basis as required in terms of section 116(2)(b). Similar non-compliance was also reported in the prior year.	Lack adequate resources for monitoring and implementation of contract management in place.	The management is currently following the recruitment processes to appoint Chief Accountant: Contract and Performance Management to be able to assist the municipality in monitoring the contract register and assessing the performance of the service provider.	Director Corporate Service/Municipal Manager	30 June 2021
		Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required in terms of SCM Regulation 19(a).	(i). The procurement was done mostly on the expired contract and in other instances, the tender was advertised and all service providers who applied for the tender were non responsive. There is also cost benefits involved in the procurement on expired contract, the cost to acquire new goods or service was tested and it expensive when compared to what	The CFO to do cost analysis in all expired contracts to be able to advise the municipality in terms of the procurement processes.	CFO/MM/SCM	31 May 2021

			the municipality is currently paying.			
		Bid documentation for procurement of commodities designed for local content and production, did not stipulate the threshold for local production and content as required by Regulation 8(2) of the 2017 Preferential Procurement Regulations.	Lack of review of SCM Regulations.	The CFO to ensure that all the tender documents for procurement of commodities designed for local contents and productions complies with SCM Regulation 8(2)) of the 2017 Preferential Procurement Regulations.	CFO/SCM	Throughout
		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.	(i). Ineffectiveness of the Bid Adjudication Committee, the committee in most instances was not able to form a quorum. (ii) Two senior managers' positions were vacant for very quiet long and were only filled in the 2020/21 financial year.	Two senior positions have already been filed during the 2020/21 Financial year, The Acting Municipal Manager has co-opted senior managers from the local municipalities within the Dr KKDM to participate in the Bid Adjudication Committee of the Dr KKDM. The composition of the Bid Adjudication Committee is now in line with SCM Regulation 29(2). The schedule of the Bid Adjudication Committee to be formalize.	Municipal Manager	Throughout

5	Strategic planning & performance.	Annual performance objectives and indicators were not included in Dr Kenneth Kaunda Economic Agency's multi-year business plan, as required by section 93B(a) of the MSA.	Non-compliance to section 93B(a) of the Municipal Systems Act.	The Leadership to ensure that the Dr Kenneth Kaunda Economic Agency's annual performance objectives and indicators are included in the entity's multiyear business plan as required by section 93B(a).	Manager PMS	The municipal council resolved in its council meeting to implement section 109 of the Companies Act to de-establish the entity. Council Resolution A.26/07/2020
6	Internal Control Deficiencies	Leadership's oversight over the financial reporting and compliance with legislation did not deliver financial reports which were free from material misstatements. The expected behaviour has not been embedded in the daily practices of the municipality in all instances with various material non-compliance still being identified in the area of supply chain and contract management.	(i). Delays in submission of statutory reports (ii) Delays in filling of vacant positions. iii) (Lack adequate resources for monitoring and implementation of contract management in place.	(a). The management to ensure all statutory reports are submitted on time to council. (b) All senior positions are all filled and other will be filed before the end of the 2020/21 financial year. (c) The management is currently following the recruitment processes to appoint Chief Accountant: Contract and Performance Management to be able to assist the municipality in monitoring the contract register and assessing the performance of the service	Municipal Manager/CF O Director Corporate Service/Municipal Manager Director Corporate Service/Municipal Manager	Throughout 30 June 2021 30 June 2021

			provider.			
		There remains a lack of discipline in ensuring that the necessary internal controls are designed, implemented, and monitored throughout the year which resulted in material misstatements not being prevented and detected. Management remains slow in responding to and addressing root causes of the prior year audit findings as well as implementing the recommendations by internal audit and the audit committee.	(i). Lack of adequate skills and knowledge of the financial system (ii) Vacancy rate in the Budget and Treasury Office and Internal Audit Unit (iii) Lack of adequate review of monthly recons and annual financial statements, applicable policies.	(a). Key officials were identified to attend a training on the financial system (b) The management is in the process to fill all the key vacant positions. The CAE positions is filled. Both deputy CFOs to ensure that all the relevant recons and register are update and submit to the CFO for review.	CFO Municipal Manager/Director Corporate Services Both Deputy CFOs	31 May 2021 31 May 2021 31 May 2021
		The risk management activities still require attention as there are no fraud detection plan or policies in place for fraud prevention. This includes establishing a risk committee to ensure regular risk assessments, and information technology and fraud prevention, are conducted and that a risk strategy is developed and monitored in order to address these risks.	Internal control deficiency	The Chief Risk Officer to develop the fraud prevention/detection policy to assist the municipal manager to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.	Chief Risk Officer	31 May 2021

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	Alderman 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	Alderman 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. C. Hattingh	Part-Time Councillor	Indirectly Elected
19	Cllr. H.F.C. Jordaan	Part-Time Councillor	Indirectly Elected
20	Alderman Cllr. L.M. Lebenya-Kortjaas	Part-Time Councillor	Indirectly Elected
21	Cllr. J.J. Le Grange	Part-Time Councillor	Indirectly Elected
22	Cllr. P.Z. Lesomo	Part-Time Councillor	Indirectly Elected
23	Cllr. S.V. Letshwiti	Part-Time Councillor	Directly Elected
24	Cllr. G.A. Mohoemang	Part-Time Councillor	Indirectly Elected
25	Cllr. L.S. Mokgalagadi	Part-Time Councillor	Indirectly Elected
26	Cllr. S.L. Mondlane	Part-Time Councillor	Indirectly Elected
27	Cllr. S.L. Moremi	Part-Time Councillor	Indirectly Elected
28	Cllr. P. Morulane	Part-Time Councillor	Indirectly Elected
29	Cllr. G. Mosenogi	Part-Time Councillor	Indirectly Elected
30	Cllr. W.A. Mostert	Part-Time Councillor	Directly Elected
31	Cllr. M.E. Mosweu	Part-Time Councillor	Indirectly Elected
32	Cllr. L.S. Motlhoiwa	Part-Time Councillor	Directly Elected
33	Cllr. A.S. Motladiile	Part-Time Councillor	Indirectly Elected
34	Cllr. K. Ndincede	Part-Time Councillor	Indirectly Elected
35	Cllr. M.N. Ntuli	Part-Time Councillor	Indirectly Elected
36	Cllr. A.O. Phutiyagae	Part-Time Councillor	Indirectly Elected
37	Cllr. E.M. Postma	Part-Time Councillor	Indirectly Elected
38	Cllr. H.F. Saudi	Part-Time Councillor	Indirectly Elected
39	Cllr. B. Tsabedze	Part-Time Councillor	Indirectly Elected
40	Cllr. M. Van Tonder	Part-Time Councillor	Indirectly Elected

APPENDIX B: COUNCILLORS, COMMITTEES AND COUNCIL ATTENDANCE

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
				%	%
Alderman Cllr. B.E. Mosiane -Segotso	FT	NONE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. D.P. Masiu	FT	NONE	AFRICAN NATIONAL CONGRESS	75%	25%
Alderman Cllr. N.M. Koloti	FT	NONE	AFRICAN NATIONAL CONGRESS	75%	25%
Alderman Cllr. M.I. Martins	FT	MMC COMMUNITY	AFRICAN NATIONAL CONGRESS	87%	13%
Cllr. H.N. Mbele	PF	MMC DED	AFRICAN NATIONAL CONGRESS	75%	25%
Alderman Cllr. M.M. Mojahi	FT	MMC CORPORATE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. Z.E. Mphafudi	FT	MMC TOURISM, SPORTS, ARTS & CULTURE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. S.P. Valipathwa	PT	MMC INFRASTRUCTURE	AFRICAN NATIONAL CONGRESS	87%	13%
Cllr. M. Zephe	FT	MMC FINANCE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. F.T. Mosothwane	PT	CORPORATE, COMMUNITY & DED	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. F.J. Botha	PT	MPAC	FREEDOM FRONT PLUS	87%	13%
Cllr. B.A.S. Campbell-Cloete	PT	DED	DEMOCRATIC ALLIANCE	75%	25%
Cllr. L.N. Dayiya	PT	MPAC	DEMOCRATIC ALLIANCE	87%	13%
Cllr. K.L. Van Zyl	PT	COMMUNITY SERVICES	DEMOCRATIC ALLIANCE	87%	13%
Alderman Cllr. C.J. Bester	PT	FINANCE & INFRASTRUCTURE	DEMOCRATIC ALLIANCE	75%	25%
Cllr. L.L. Cutswa	PT	COMMUNITY SERVICES,	AFRICAN NATIONAL	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
				%	%
		CORPORATE FINANCE &	CONGRESS		
Cllr. D. Gwili	PT	MPAC	AFRICAN NATIONAL CONGRESS	100%	None
Alderman Cllr. L.M. Lebenya-Kortjaas	PT	COMMUNITY, DED & FINANCE	AFRICAN NATIONAL CONGRESS	62%	38%
Cllr. J.J. Le Grange	PT	FINANCE & INFRASTRUCTURE	DEMOCRATIC ALLIANCE	100%	None
Cllr. P.Z. Lesomo	PT	COMMUNITY, DED& FINANCE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. S.V. Letshwiti	PT	DED	ECONOMIC FREEDOM FIGHTERS	87%	13%
Cllr. G.A. Mohoemang	PT	MPAC	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. S.L. Mondlane	PT	MPAC	AFRICAN NATIONAL CONGRESS	75%	25%
Cllr. S.L. Moremi	PT	CORPORATE, COMMUNITY & INFRASTRUCTURE	AFRICAN NATIONAL CONGRESS	87%	13%
Cllr. P. Morulane	PT	CORPORATE & FINANCE	ECONOMIC FREEDOM FIGHTERS	0%	0%
Cllr. G. Mosenogi	PT	CORPORATE& DED	DEMOCRATIC ALLIANCE	62%	38%
Cllr. W.A. Mostert	PT	CORPORATE SERVICES	DEMOCRATIC ALLIANCE	87%	13%
Cllr. M.E. Mosweu	PT	CORPORATE, FINANCE & INFRASTRUCTURE	ECONOMIC FREEDOM FIGHTERS	100%	None
Cllr. L.S. Motlhoiwa	PT	MPAC	DEMOCRATIC ALLIANCE	100%	None
Cllr. A.S. Motladiile	PT	COMMUNITY, FINANCE & DED	AFRICAN NATIONAL CONGRESS	87%	13%
Cllr. K. Ndincede	PT	MPAC	AFRICAN NATIONAL CONGRESS	87%	13%

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
				%	%
Cllr. M.N. Ntuli	PT	MPAC	AFRICAN NATIONAL CONGRESS	100%	None
Cllr. A.O. Phutiyagae	PT	CORPORATE, COMMUNITY , DED & FINANCE	AFRICAN NATIONAL CONGRESS	75%	25%
Cllr. E.M. Postma	PT	MPAC	DEMOCRATIC ALLIANCE	75%	25%
Cllr. H.F. Saudi	PT	MPAC	AFRICAN NATIONAL CONGRESS	75%	25%
Cllr. L.S. Mokgalagadi	PT	COMMUNITY & DED	DEMOCRATIC ALLIANCE	100%	None
Cllr. B. Tsabedze	PT	CORPORATE & FINANCE	AFRICAN NATIONAL CONGRESS	100%	None
Cllr .M. Van Tonder	PT	CORPORATE & INFRASTRUCTURE	FREEDOM FRONT PLUS	50%	50%
Cllr H.F.C. Jordaan	PT	DISTRICT ECONOMIC DEVELOPMENT & TOURISM, SPORTS ARTS AND CULTURE	FREEDOM FRONT PLUS	75%	25%
Cllr C. Hattingh	PR	MPAC	DEMOCRATIC ALLIANCE	50%	50%

APPENDIX C: PORTFOLIO COMMITTEES

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

APPENDIX D: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEMBERS (MPAC)

No	Committee Member
1.	G Mohoemang- Chairperson
2.	C Hattingh
3.	EM Postma
4.	K Ndincede
5.	D Gwili
6.	FJ Botha
7.	S Mondlane
8.	LS Motlhoiwa
9.	N Ntuli
10.	H Saudi
11.	L Dayiya

APPENDIX E: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	Director/Manager
Office of the Municipal Manager	Municipal Manager- Ms S.M Lesupi
Budget and Treasury Office	Chief Finance Officer- Mr L. Steenkamp
Corporate Services	Senior Manager Corporate Services- S.C. Abrams
Community Services	Senior Manager Community Services- K.T. Tshukudu (Acting)
Local Economic Development and Planning	Senior Manager Local Economic Development and Planning- T.M Rampedi (Acting)
Chief Audit Executive	Chief Audit Executive- R. Seremo (Acting)

APPENDIX F: MUNICIPAL FUNCTIONS

- Fire Fighting
- Regional Tourism
- Municipal Airport
- Municipal Planning
- Municipal Health Services
- Municipal Public Transport
- Cemeteries, Funeral Parlours and Crematoria
- Markets
- Municipal Abattoirs
- Disaster Management

APPENDIX G: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R' 000
Vote Description	Year - 2018 /2019	Current: 2019 /2020		Year 2019 / 2020 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Revenue by Vote						
Vote 01 - Executive & Council		-	-			
Vote 02 - Municipal Manager		-	-			
Vote 03 - Corporate Services	3 649	3 228	3 228	205	-15%	-15,00%
Vote 04 - Financial Services	186 385	191 559	194 225	195 091	0,02%	0,00%
Vote 05 - Technical Services		4 952	4 952	4 952	0,00%	0,00%
Vote 06 - Planning And Development		-	-			
Vote 07 - Municipal Health Services		350	450	477	27,00%	6,00%
Vote 08 - Public Safety	396	-	447	447	100,00%	0,00%
Total Revenue by Vote	190 430	200 089	203 302	201 172	112,02%	-9,00%

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R' 000
Vote Description	Year - 2018 /2019	CurrentT: 2019 /2020			Year 2019 / 2020 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Revenue By Source						
Property rates	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-
Interest earned - external investments	3 596	2 950	4 845	5 677	48%	15%
Interest earned - outstanding debtors	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Licences and permits	396	-	-	-	-	-
Agency services	-	-	-	-	-	-
Transfers and subsidies	185 179	196 082	196 529	193 506	-1%	-2%
Other revenue	1 253	1 057	1 928	1 989	47%	3%
Gains on disposal of PPE	8	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	190 430	200 089	203 302	201 172	0,54%	-1,06%

APPENDIX I: CONDITIONAL GRANTS

Conditional Grants: Excluding MIG						R' 000
Details	Current: 2019 /2020			Year 2019 / 2020 Variance		Major Conditions applied by Donor (continue below if necessary)
	Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify						
Rural Roads Asset Management Systems Grants						Transfer of the 1st tranche is conditional on submission of an approved business plan by 31 May 2019 Transfer of the 2nd tranche is conditional on submission of evidence of engagements and sharing of data with local municipalities and compliance with monthly and quarterly signed report submission to the national department of transport and the relevant provincial road authorities Road authorities must conduct regular condition assessments for paved and unpaved roads, structure, traffic data and any other inventory data District municipalities must provide local municipalities with validated information from the condition data collected to enable municipalities to identify and prioritise road maintenance requirements within their own budgets, to improve the condition and extend the lifespan of road infrastructure District municipalities must submit the above data to the national repository by 31 May 2019
	2 606	2 606	2 606	0%	0%	
Financial Management Grant						Strengthen capacity and up-skilling of officials in the budget and treasury office, internal audit and audit committees At least five interns in local municipalities and three interns in metropolitan and district municipalities must be appointed over a multi -year period. Municipalities must submit a plan for the retention of skills developed through the internship programme On-going review, revision and submission of FMG support plans to the National Treasury that addresses weakness in financial management Acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the municipal standard chart of accounts (mSCOA) Support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in Government Gazette 29967 of June 2007 Support the preparation and timely submission of annual financial statements for audits. Technical support to municipalities must include the transfer of skills to municipal officials
	1 000	1 000	1 000	0%	0%	
Expanded Public Works Programme						EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by the department of public works (DWP) and the ministerial determination updated annually on 1 November each year Eligible municipalities must sign a funding agreement with the DWP before the first grant disbursement, with their signed EPWP project list attached Municipalities must report quarterly on all EPWP projects via DWP's EPWP reporting system Reports must be loaded on the EPWP reporting system every month. The system closes 15 days after the end of each quarter in order for progress to be assessed Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual
	1 649	1 649	1 649	0%	0%	
Total	5 255	5 255				

APPENDIX J: CAPITAL EXPENDITURE

Capital Expenditure - New Assets Programme					R '000		
Description	2018/19	Budget Year 2019/20			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	Budget Year 2020/21	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class							
Infrastructure Total	-	-	-	-	3 900	-	-
Roads Infrastructure	-	-	-	-	-	-	-
Roads					-		
Storm water Infrastructure	-	-	-	-	-	-	-
Drainage Collection							
Electrical Infrastructure	-	-	-	-	1 500	-	-
HV Transmission Conductors					1 500		
Water Supply Infrastructure	-	-	-	-	-	-	-
Dams and Weirs							
Sanitation Infrastructure	-	-	-	-	2 400	-	-
Waste Water Treatment Works					2 400		
Community Assets	-	100	182	538	9 400	359	349
Community Facilities	-	100	182	538	9 400	359	349
Halls		100	182	538	200	209	219
Fire/Ambulance Stations					200	150	130
Parks					9 000		
Sport and Recreation Facilities	-	-	-	-	-	-	-
Indoor Facilities							
Heritage assets	-	-	-	-	-	-	-
Monuments							
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-
Improved Property							
Non-revenue Generating	-	-	-	-	-	-	-
Unimproved Property							
Other assets	1 538	1 190	1 048	-	2 400	-	-
Operational Buildings	1 538	1 190	1 048	-	2 400	-	-
Municipal Offices	1 538	1 190	510	-	2 400	-	-
Yards			538	-			
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	62	1 120	490	463	4 890	190	70
Servitudes							
Licences and Rights	62	1 120	490	463	4 890	190	70
Computer Software and Applications	62	1 120	490	463	4 890	190	70
Computer Equipment	-	310	660	803	1 480	-	-
Computer Equipment		310	660	803	1 480	-	-
Furniture and Office Equipment	403	290	449	94	920	247	220
Furniture and Office Equipment	403	290	449	94	920	247	220
Machinery and Equipment	-	-	319	361	270	220	220
Machinery and Equipment			319	361	270	220	220
Transport Assets	1 288	-	730	-	4 500	-	-
Transport Assets	1 288		730	-	4 500		
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							
Total Capital Expenditure on new assets	3 290	3 010	3 878	2 259	27 760	1 017	859

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

General Information

Legal form of entity	District Municipality
Mayoral committee	
Executive Mayor	B Mosiane-Segotso
Speaker	DP Masui
Chief Whip	NM Koloti
Chairperson MPAC	GA Mohoemng
Mayoral Committee	MM Hohaji (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)
	HH Mbele (District Economic Development)
Part time Councillors	Diketso Patric Masiu
	Ntombi Margaret Koloti
	Barei Mosiane-Segotso
	Mbulelo Zephe
	Martha Mnametholo Mojahi
	Magogodi Innocentia Martins
	Zanele Ezekiel Mphafudi
	LM Lebenuya - Kortjaas
	Hazel Htombenhle Mbele
	Frank Thapelo M osothwane
	Lawrence Siamisang Motlhoiwa
	Beatrice Aletta Susanna Campbell-Cloete
	Karina Lizette Van Z
	Willem Andries Mostert
	Linah Nokhuthazo Dayiya
	Sadi Victoria Letshwiti
	Francois Jacobus Botha
Directly Elected Councillors	Aletta Serame Motladiile
	Andries Ofebogeng Phutiyagae
	Bongiwe Tsabedze
	Dathini Gwili
	HFC Jordaan
	Goitsimodimo Andries Mohoemang
	Happy Frans Saudi
	Kayaletu Ndincede
	Lebenya Mpolokeng Lebenya-Kortjaas
	Lucia Lerato Cutswa
	Meisie Ntwelekazi Ntuli
	Pule Zachariah Lesomo
	Seetisho Lizzy Moremi
	Shorty Paul Valipathwa
	Stella Lebohang Mondlane
	Christiaan Johannes Bester
	Christian Hattingh
	Elizabeth Maria Postma
	Glen Mosenogi
	Johannes Jacobus Le Grange

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

General Information

	Lesego Sylvia Mokgalagadi Clark Madikgapa Elisa Mosweu Hendrik Frans Cornelius Jordaan Matthys Jacobus Van Tonder MJ van Rensburg
Accounting Officer	SM Lesupi(Municipal Manager) M Rampedi (Acting Municipal Manager from February 2021)
Chief Finance Officer (CFO)	Lucky Steenkamp
Registered office	Civic Centre Patmore Road Orkney 2620
Postal address	Private Bag X5017 Klerksdorp 2570
Bankers	ABSA
Auditors	Auditor General South Africa

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

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GRAP Generally Recognised Accounting Practice

MFMA Municipal Finance Management Act

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the 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 judgements and estimates.

The accounting officer acknowledges that he 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

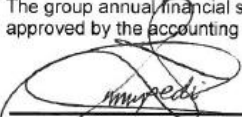
The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the 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 October 2020 and were signed on its behalf by:


Accounting Officer (Acting)
M Rampedi

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2020.

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 2020, the municipality had an accumulated surplus (deficit) of R 61 988 451 and that the municipality's total assets exceed its liabilities by R 61 988 451.

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. However, the annual financial statements for the Economic agency were prepared on the basis of accounting policies applicable to liquidation basis.

This is in line with the decision of the District Municipality's resolution to de-establish the entity and has subsequently appointed a committee to wind-up the operations of the entity. The resolution was taken on 16 July 2020 as per resolution A26/07/2020. This will affect the ability of the economic agency to continue operations.

3. Subsequent events

The Council of the Municipality resolved on 16 July 2020 in terms of Council Resolution no. A.26/07/2020 to implement section 109 of the Companies Act process to de-establish the Economic agency.

The municipality is not aware of any other 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
Dr Kenneth Kaunda District Economic Development
Agency

Shareholding
100%

7. Auditors

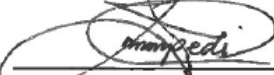
Auditor General South Africa will continue in office for the next financial period.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Report

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 October 2020 and were signed on its behalf by:



Accounting Officer (Acting)
M Rampedi

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2020	2019 Restated*	2020	2019 Restated*
Assets					
Current Assets					
Receivables from exchange transactions	7	2 338 548	1 452 561	2 243 218	1 347 921
VAT receivable	8	5 326 618	5 976 289	5 326 618	5 976 289
Non Current assets held for sale	9	348 583	323 849	-	-
Cash and cash equivalents	10	75 390 320	38 561 006	73 503 490	36 030 601
		83 404 069	46 313 705	81 073 326	43 354 811
Non-Current Assets					
Property, plant and equipment	2	19 991 231	24 712 151	19 991 231	24 712 151
Intangible assets	3	538 377	649 458	538 377	649 458
Investments in controlled entities	4	-	-	120	120
		20 529 608	25 361 609	20 529 728	25 361 729
Total Assets		103 933 677	71 675 314	101 603 054	68 716 540
Liabilities					
Current Liabilities					
Operating lease liability	12	-	153 600	-	153 600
Payables from exchange transactions	13	22 360 405	21 425 207	21 664 859	20 732 871
Payables from non-exchange transactions	14	1 014 006	582 816	1 464 006	1 032 816
VAT payable	15	2 650 584	2 324 140	-	-
Post retirement medical aid liability	5	287 000	263 019	287 000	263 019
Unspent conditional grants and receipts	16	1 051 738	1 163 577	1 051 738	1 163 577
Long service award liability	6	167 000	509 750	167 000	509 750
		27 530 733	26 422 109	24 634 603	23 855 633
Non-Current Liabilities					
Post retirement medical aid liability	5	11 670 000	11 550 602	11 670 000	11 550 602
Long service award liability		3 310 000	2 916 136	3 310 000	2 916 136
		14 980 000	14 466 738	14 980 000	14 466 738
Total Liabilities		42 510 733	40 888 847	39 614 603	38 322 371
Net Assets		61 422 944	30 786 467	61 988 451	30 394 169
Accumulated surplus	11	61 422 944	30 786 467	61 988 451	30 394 169

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2020	2019 Restated*	2020	2019 Restated*
Revenue					
Revenue from exchange transactions					
Sale of tender documents		88 800	65 120	78 800	44 920
Agency services		697 000	-	697 000	-
Commissions received		701 062	11 679	701 062	11 679
Other Income		39 397	-	-	-
Other income - refunds		35 037	-	35 037	-
Licensing and permits		477 332	395 518	477 332	395 518
Interest received - investment	17	5 839 887	3 674 829	5 677 254	3 595 948
Total revenue from exchange transactions		7 878 515	4 147 146	7 666 485	4 048 065
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	18	193 505 873	185 178 514	193 505 873	185 178 514
Total revenue		201 384 388	189 325 660	201 172 358	189 226 579
Expenditure					
Employee related costs	19	(99 518 727)	(92 627 235)	(97 442 027)	(90 647 860)
Remuneration of councillors	20	(10 253 749)	(9 850 183)	(10 253 749)	(9 850 183)
Board allowances		(189 616)	(360 136)	-	-
Depreciation and amortisation	21	(6 997 897)	(7 840 417)	(6 930 570)	(7 760 118)
Auditors remuneration		(456 713)	(652 299)	-	-
Service fees		(275 437)	(493 923)	-	-
Contracted services	22	(24 374 737)	(34 080 034)	(24 374 737)	(34 080 034)
Transfers and Subsidies	23	(1 873 489)	(2 178 050)	(4 873 489)	(5 178 050)
General Expenses	24	(26 738 512)	(23 813 551)	(25 961 289)	(23 280 276)
Total expenditure		(170 678 877)	(171 895 828)	(169 835 861)	(170 776 521)
Operating surplus		30 705 511	17 429 832	31 336 497	18 450 058
Gain on disposal of assets and liabilities		-	7 683	-	7 683
Actuarial gains/losses	5	1 073 140	1 196 003	1 073 140	1 196 003
Loss on non-current assets held for sale or disposal groups		(5 596)	(959 539)	(5 596)	(959 539)
		1 067 544	244 147	1 067 544	244 147
Surplus for the year		31 773 055	17 673 979	32 404 041	18 694 205

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Economic entity		
Opening balance as previously reported	11 951 422	11 951 422
Adjustments		
Prior year adjustments	1 161 066	1 161 066
Balance at 01 July 2018 as restated*	13 112 488	13 112 488
Changes in net assets		
Surplus for the year	17 673 979	17 673 979
Total changes	17 673 979	17 673 979
Opening balance as previously reported	30 395 163	30 395 163
Adjustments		
Prior year adjustments	(745 274)	(745 274)
Restated* Balance at 01 July 2019 as restated*	29 649 889	29 649 889
Changes in net assets		
Surplus for the year	31 773 055	31 773 055
Total changes	31 773 055	31 773 055
Balance at 30 June 2020	61 422 944	61 422 944
Note(s)		
Controlling entity		
Opening balance as previously reported	10 566 476	10 566 476
Adjustments		
Prior year adjustments	1 133 489	1 133 489
Balance at 01 July 2018 as restated*	11 699 965	11 699 965
Changes in net assets		
Surplus for the year	18 694 205	18 694 205
Net income (losses) recognised directly in net assets	18 694 205	18 694 205
Surplus for the year	18 694 205	18 694 205
Total recognised income and expenses for the year	37 388 410	37 388 410
Total changes	37 388 410	37 388 410
Opening balance as previously reported	30 394 170	30 394 170
Adjustments		
Prior year adjustments	(809 760)	(809 760)
Restated* Balance at 01 July 2019 as restated*	29 584 410	29 584 410
Changes in net assets		
Surplus for the year	32 404 041	32 404 041
Total changes	32 404 041	32 404 041
Balance at 30 June 2020	61 988 451	61 988 451
Note(s)		

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2020	2019 Restated*	2020	2019 Restated*
Cash flows from operating activities					
Receipts					
Government grant and subsidies		193 394 034	185 321 199	193 394 034	185 321 199
Interest income		5 677 254	3 674 829	5 677 254	3 595 948
Cash receipts from charges for goods and services		1 753 606	1 003 291	1 743 606	983 091
Income from investment		162 633	-	-	-
Other cash item		39 397	-	-	-
		201 026 924	189 999 319	200 814 894	189 900 238
Payments					
Employee costs		(98 241 784)	(91 469 513)	(96 174 394)	(88 929 352)
Suppliers		(49 877 030)	(59 563 449)	(49 126 449)	(59 009 599)
Auditors remuneration		(456 713)	(652 299)	-	-
Remuneration of councillors and board allowance		(10 443 365)	(10 210 319)	(10 253 749)	(9 850 183)
Transfer payments		(2 264 793)	(2 352 672)	(4 873 489)	(5 178 050)
		(161 283 685)	(164 248 252)	(160 428 081)	(162 967 184)
Net cash flows from operating activities	26	39 743 239	25 751 067	40 386 813	26 933 055
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(2 451 148)	(1 775 991)	(2 451 148)	(1 775 991)
Purchase of other intangible assets	3	(462 777)	(55 864)	(462 777)	(55 864)
Other cash items		-	1 216 164	-	1 216 164
Net cash flows from investing activities		(2 913 925)	(615 691)	(2 913 925)	(615 691)
Cash flows from financing activities					
Finance lease payments		-	(48 180)	-	(48 180)
Net increase/(decrease) in cash and cash equivalents		36 829 314	25 087 196	37 472 888	26 269 184
Cash and cash equivalents at the beginning of the year		38 561 006	13 473 810	36 030 601	9 761 418
Cash and cash equivalents at the end of the year	10	75 390 320	38 561 006	73 503 489	36 030 602

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

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						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of tender documents	10 000	80 000	90 000	88 800	(1 200)	
Agency fees	697 000	-	697 000	697 000	-	38
Commissions received	-	691 352	691 352	701 062	9 710	
Other income	-	-	-	74 434	74 434	38
Income received - Investments	2 950 000	1 895 000	4 845 000	5 839 887	994 887	38
Licensing and permits	350 000	100 000	450 000	477 332	27 332	
Total revenue from exchange transactions	4 007 000	2 766 352	6 773 352	7 878 515	1 105 163	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	196 082 400	447 000	196 529 400	193 505 873	(3 023 527)	38
Total revenue	200 089 400	3 213 352	203 302 752	201 384 388	(1 918 364)	
Expenditure						
Employee related costs	(109 481 966)	467 285	(109 014 681)	(99 518 727)	9 495 954	38
Board allowance	(340 000)	-	(340 000)	(189 616)	150 384	38
Remuneration of councillors	(11 841 911)	(119 000)	(11 960 911)	(10 253 749)	1 707 162	
Depreciation and amortisation	(5 490 000)	-	(5 490 000)	(6 997 897)	(1 507 897)	38
Audit fees	(400 000)	-	(400 000)	(456 713)	(56 713)	38
Contracted Services	(28 150 000)	(1 778 412)	(29 928 412)	(24 374 737)	5 553 675	
Transfers and Subsidies	(2 949 000)	(3 195 000)	(6 144 000)	(1 873 489)	4 270 511	
Other materials	(3 539 000)	(135 000)	(3 674 000)	-	3 674 000	
General expenses	(35 240 000)	2 525 758	(32 714 242)	(27 013 949)	5 700 293	38
Total expenditure	(197 431 877)	(2 234 369)	(199 666 246)	(170 678 877)	28 987 369	
Operating surplus	2 657 523	978 983	3 636 506	30 705 511	27 069 005	
Gain/(Loss) on disposal of assets	(20 000)	-	(20 000)	(5 596)	14 404	
Actuarial gains/(losses)	-	-	-	1 073 140	1 073 140	
	(20 000)	-	(20 000)	1 067 544	1 087 544	
Surplus before taxation	2 637 523	978 983	3 616 506	31 773 055	28 156 549	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	2 637 523	978 983	3 616 506	31 773 055	28 156 549	

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

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						
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of tender documents	10 000	80 000	90 000	78 800	(11 200)	37
Agency services	697 000	-	697 000	697 000	-	38
Commissions received	-	691 352	691 352	701 062	9 710	38
Other income	-	-	-	35 037	35 037	38
Licensing and permits	350 000	100 000	450 000	477 332	27 332	38
Interest received - investment	2 950 000	1 895 000	4 845 000	5 677 254	832 254	38
Total revenue from exchange transactions	4 007 000	2 766 352	6 773 352	7 666 485	893 133	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	196 082 400	447 000	196 529 400	193 505 873	(3 023 527)	38
Total revenue	200 089 400	3 213 352	203 302 752	201 172 358	(2 130 394)	
Expenditure						
Employee related costs	(107 119 966)	467 285	(106 652 681)	(97 442 027)	9 210 654	38
Remuneration of councillors	(11 841 911)	(119 000)	(11 960 911)	(10 253 749)	1 707 162	38
Depreciation and amortisation	(5 440 000)	-	(5 440 000)	(6 930 570)	(1 490 570)	38
Other materials	(3 539 000)	(135 000)	(3 674 000)	-	3 674 000	38
Contracted Services	(28 150 000)	(1 778 412)	(29 928 412)	(24 374 737)	5 553 675	38
Transfers and Subsidies	(5 949 000)	(3 195 000)	(9 144 000)	(4 873 489)	4 270 511	38
General Expenses	(34 672 092)	2 525 758	(32 146 334)	(25 961 289)	6 185 045	38
Total expenditure	(196 711 969)	(2 234 369)	(198 946 338)	(169 835 861)	29 110 477	
Operating surplus	3 377 431	978 983	4 356 414	31 336 497	26 980 083	
Gain/(Loss) on disposal of assets	(20 000)	-	(20 000)	(5 596)	14 404	
Actuarial gains/(losses)	-	-	-	1 073 140	1 073 140	38
	(20 000)	-	(20 000)	1 067 544	1 087 544	
Surplus before taxation	3 357 431	978 983	4 336 414	32 404 041	28 067 627	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	3 357 431	978 983	4 336 414	32 404 041	28 067 627	

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1. Presentation of Group Annual Financial Statements

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

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

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 have been 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

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.3 Consolidation (continued)

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Non-controlling interest in the net assets of the economic entity is identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets.

Changes in a controlling entity's ownership interest in a controlled entity that do not result in a loss of control are accounted for as transactions that affect net assets.

A Special purpose entity is consolidated when the substance of the relationship between the economic entity and the Special purpose entity indicates that the Special purpose entity is controlled by the economic entity.

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.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

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

The 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 5 and 6.

Useful lives of assets

The municipality's management determines the estimated useful lives and related depreciation charges for the assets. 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 5.

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.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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.

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

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

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Machinery and equipment	Straight line	2-12 years
Furniture and office equipment	Straight line	3-10 years
*Motor vehicle	Straight line	4 years
*Computer equipment	Straight line	3-5 years
*WiFi equipment	Straight line	3 years
*Telecommunication	Straight line	5 years
*Access control	Straight line	3 years
*Land	Straight line	No depreciation
*Car parks	Straight line	30 years
*Car ports	Straight line	10 years
*Fencing	Straight line	10 years
*Mobile offices	Straight line	10 years
*Mobile storage units	Straight line	10 years
*Buildings	Straight line	25 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 depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the economic entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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 disclosure line items.

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.

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Accounting Policies

1.6 Intangible assets (continued)

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, 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

1.8 Financial instruments

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

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

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

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

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

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

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

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Accounting Policies

1.8 Financial instruments (continued)

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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

A financial asset is:

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

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

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

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

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

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

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

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

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

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Accounting Policies

1.8 Financial instruments (continued)

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

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

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

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

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

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

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

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

Other financial Assets
Cash and cash equivalents
Receivables from exchange transactions
Non Current Assets Held for Sale

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
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

Other financial liabilities
Operating lease obligation
Unspent Conditional Grants
Payables from exchange transactions
Payables from non-exchange transactions

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

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Accounting Policies

1.8 Financial instruments (continued)

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

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

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

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

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Accounting Policies

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.

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Accounting Policies

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.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

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Accounting Policies

1.8 Financial instruments (continued)

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.

1.9 Statutory receivables

Identification

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

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

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

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

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

Recognition

The economic entity recognises statutory receivables as follows:

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

Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

- interest or other charges that may have accrued on the receivable (where applicable);

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Accounting Policies

1.9 Statutory receivables (continued)

- impairment losses; and
- amounts derecognised.

Accrued interest

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

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

1.10 Leases

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

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

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.

1.11 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.

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.

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Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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.

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.

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Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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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Accounting Policies

1.11 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.

1.12 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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Accounting Policies

1.12 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.

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.

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.

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Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

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.

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.

1.13 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.

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Accounting Policies

1.13 Employee benefits (continued)

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.

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 subsidised 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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Accounting Policies

1.13 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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Accounting Policies

1.13 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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;
- 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.

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Accounting Policies

1.13 Employee benefits (continued)

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.

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Accounting Policies

1.13 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.

1.14 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.

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

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

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Accounting Policies

1.14 Provisions and contingencies (continued)

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

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.

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

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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Accounting Policies

1.14 Provisions and contingencies (continued)

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.15 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.16 Revenue from exchange transactions (continued)

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the 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.

1.17 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

Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.17 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.

1.18 Investment income

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

1.19 Borrowing costs

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

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

1.20 Comparative figures

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

1.21 Unauthorised expenditure

Unauthorised expenditure means:

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

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

1.22 Fruitless and wasteful expenditure

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

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Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.22 Fruitless and wasteful expenditure (continued)

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

1.23 Irregular expenditure

Irregular expenditure as defined in section 1 of the 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.

1.24 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 2019/07/01 to 2020/06/30.

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.

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Group Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.25 Related parties

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

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

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

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

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

Management are those persons responsible for planning, directing and controlling the activities of the 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.

1.26 Value Added Tax

The Municipality is registered with SARS for VAT on the payment basis, in accordance with Section 15 (2)(a) of the Valueadded tax Act no 89 of 1991

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity			Controlling entity	
	2020	2019		2020	2019
2. Property, plant and equipment					
Economic entity	2020			2019	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment
Plant and machinery	5 674 065	(4 190 163)	1 483 902	5 360 525	(3 657 490)
Furniture and fixtures	5 345 935	(4 102 440)	1 243 495	5 203 916	(3 569 967)
Motor vehicles	7 959 157	(3 332 877)	4 626 280	7 959 157	(2 749 252)
IT equipment	5 094 195	(3 589 457)	1 504 738	4 309 257	(2 866 059)
Infrastructure	21 666 503	(15 345 688)	6 320 815	21 666 503	(11 477 337)
Community	7 823 974	(3 011 973)	4 812 001	7 436 628	(2 903 730)
Total	53 563 829	(33 572 598)	19 991 231	51 935 986	(27 223 835)
Controlling entity	2020			2019	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment
Machinery & Equipment	5 674 065	(4 190 163)	1 483 902	5 360 525	(3 657 490)
Furniture & Office Equipment	5 345 935	(4 102 440)	1 243 495	5 203 916	(3 569 967)
Transport Assets	7 959 157	(3 332 877)	4 626 280	7 959 157	(2 749 252)
Computer Equipment	5 094 195	(3 589 457)	1 504 738	4 309 257	(2 866 059)
Infrastructure Assets	21 666 503	(15 345 688)	6 320 815	21 666 503	(11 477 337)
Community Assets	7 823 974	(3 011 973)	4 812 001	7 436 628	(2 903 730)
Total	53 563 829	(33 572 598)	19 991 231	51 935 986	(27 223 835)

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Notes to the Group Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2020

	Opening balance	Additions	Disposals	Reclassificati on Adjustmen ts	Depreciation	Total
Machinery & Equipment	1 703 035	361 474	-	(112 980)	(467 627)	1 483 902
Furniture and Office Equipment	1 633 949	94 083	-	203 519	(688 056)	1 243 495
Transport Assets	5 209 905	-	-	-	(583 625)	4 626 280
Computer Equipment	1 443 198	802 885	(9 996)	(90 413)	(640 936)	1 504 738
Infrastructure Assets	10 189 166	-	-	(125)	(3 868 226)	6 320 815
Community Assets	4 532 898	537 981	-	-	(258 876)	4 812 001
	24 712 151	1 796 423	(9 996)	1	(6 507 348)	19 991 231

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2019

	Opening balance	Additions	Disposals	Reclassification on on Adjustment	Depreciation	Total
Machinery & Equipment	1 940 916	64 686	(2 810)	276 087	(575 844)	1 703 035
Furniture & Office Equipment	2 681 159	309 801	(45 999)	(479 233)	(831 779)	1 633 949
Transport Assets	5 372 302	1 287 968	(873 942)	-	(576 443)	5 209 905
Computer equipment	1 551 948	428 174	(47 880)	202 610	(691 654)	1 443 198
Infrastructure Assets	14 053 022	-	-	536	(3 864 392)	10 189 166
Community Assets	4 779 223	-	-	-	(246 325)	4 532 898
	30 378 570	2 090 649	(970 631)	-	(6 786 437)	24 712 151

Assets under investigation

Included under fixed assets above are assets amounting to R 386 056.00 which could not be physically verified by management as at 30 June 2020. Those assets comprise Machinery, Furniture and computer equipment. Management will be conducting further investigation in the 2020/2021 financial year to confirm their existence (Physical condition, custodian and location)

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

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand

3. Intangible assets

Economic entity

2020			2019		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
4 987 240	(4 448 863)	538 377	4 524 463	(3 875 005)	649 458

Computer software, other

Controlling entity

2020			2019		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
4 987 240	(4 448 863)	538 377	4 524 463	(3 875 005)	649 458

Computer software, other

Reconciliation of intangible assets - Controlling entity - 2020

Computer software, other

Opening balance	Additions	Amortisation	Total
649 458	462 777	(573 858)	538 377

Reconciliation of intangible assets - Controlling entity - 2019

Computer software, other

Opening balance	Additions	Amortisation	Total
1 559 493	55 864	(965 899)	649 458

Pledged as security

No assets were pledged as security for liabilities of the Municipality

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

		Economic entity		Controlling entity	
Figures in Rand		2020	2019	2020	2019
4. Investments in controlled entities					
Name of company	Held by	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
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.

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Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

5. Employee benefit obligations

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

Carrying value				
Present value of the post retirement medical aid benefit liability	(11 957 000)	(11 813 621)	(11 957 000)	(11 813 621)
Non-Current Portion of Liability	(11 670 000)	(11 550 602)	(11 670 000)	(11 550 602)
Current Portion of Liability (due in the next 12 months)	(287 000)	(263 019)	(287 000)	(263 019)
	(11 957 000)	(11 813 621)	(11 957 000)	(11 813 621)

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 2020 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 (employees) members and non members	140	94	140	94
Continuation (retiree and widow) members	6	5	6	5
	146	99	146	99

The unfunded liability and current - service cost of past service has been estimated to be as follows:

Member category - Unfunded liability				
In-service members	8 582 000	8 307 847	8 582 000	8 307 847
Continuation members	3 375 000	3 505 774	3 375 000	3 505 774
	11 957 000	11 813 621	11 957 000	11 813 621
Current service cost				
Year ending 30 June 2020 (current period)	695 389	685 389	695 389	685 389
Year ending 30 June 2021 (ensuing period)	715 000	685 389	715 000	695 389
	1 410 389	1 370 778	1 410 389	1 380 778

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 R 715 000 whereas the interest-cost for the next year is estimated to be R 1 286 000

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

5. Employee benefit obligations (continued)

Entity's own financial instruments

Assumptions used

Discount rate %	-	- 10.88	9.61	
Health Care Cost inflation rate	-	- 6.86	7.45	
Maximum subsidy inflation rate	-	- 4.77	4.89	
Net discount rate - health care cost inflation %	-	- 5.83	4.50	
Continuation of membership at retirement %	-	-	75	75
Proportion assumed married at retirement %	-	-	60	60
Average retirement age	-	-	62	62
Mortality during employment	-	- SA 85-90	SA 85-90	

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	11 813 621	11 290 054	11 813 621	11 290 054
Actuarial gains and losses	(1 375 357)	(1 001 889)	(1 441 932)	(1 001 889)
Interest cost	1 122 941	1 083 588	1 122 941	1 083 588
Current service cost	695 389	685 585	695 389	685 585
Benefits paid	(299 594)	(243 737)	(263 019)	(243 737)
	11 957 000	11 813 621	11 927 000	11 813 621

The municipality expected to contribute R 287,000 to its defined benefit plans in the following financial

This was an estimate of Contributions (benefits paid) towards Continuation members, based on the data at the previous valuation date. If the actual amount of benefits paid was used instead of this estimate, then the Actuarial Loss / (Gain) must change to exactly offset the impact, such that the Closing Accrued Liability remains unchanged. For example, if the actual amount of benefits paid was R100,000 less than the estimate provided, then the Actuarial Loss / (Gain) would have to reduce by R100,000 to leave the Closing Accrued Liability as is.

6. Long service award liability

Current Portion of Liability (due in the next 12 months)	167 000	509 750	167 000	509 750
Non-Current Portion of Liability	3 310 000	2 916 136	3 310 000	2 916 136
	3 477 000	3 425 886	3 477 000	3 425 886

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
6. Long service award liability (continued)				
Reconciliation for long service award				
Opening balance	3 425 886	3 426 948	3 425 886	3 426 948
Current service cost	344 612	340 278	344 612	340 278
Utilised during the year (benefits vesting)	(856 468)	(811 714)	(856 468)	(811 714)
Interest	260 753	276 240	260 753	276 240
Actuarial (gains)/loss	302 217	194 134	302 217	194 134
	3 477 000	3 425 886	3 477 000	3 425 886

The Municipality offers employees long service award for every five years of service completed, from ten years of service to 45 years of service, inclusive. Employees' long service awards are based on cost-to-company, referred to in this report as "earnings". The Projected Unit Credit Method has been used to value the liabilities.

Description the benefits awarded:	Completed Service (years)	Long Service Bonuses (% of Annual Earnings)
10 / 250 x annual earnings	10	4.0%
20 / 250 x annual earnings	15	8.0%
30 / 250 x annual earnings	20, 25, 30, 35, 40, 45	12.0%

In the month that each "Completed Service" milestone is reached, the employee is granted an long service award

Key assumptions

In estimating the unfunded liability for LSA of the Municipality a number of actuarial assumptions are required. The GRAP 25 Statement places the responsibility on management to set these assumptions, as guided by the principles set out in the Statement and in discussion with the actuary. It should be noted that the valuation method and assumptions do not affect the ultimate cost of the LSA arrangement – this is determined by actual experience and by the benefits provided. The method and assumptions influence how the past service liability and Current-Service costs are recognised over time.

Summary of the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year.

The earnings used in the valuation include an increase on 1 July 2020 of 6.25% as per the SALGBC Circular No.: 02/2020. The next general earnings increase was assumed to take place on 1 July 2021

This is the total value of the long-service awards that were expected to be awarded to eligible employees over the year, based on the data at the previous valuation date. Employees are usually entitled to take this award in whole or in part as cash, with the remainder taken as leave. Therefore, this figure should not be confused as being only the amount of cash paid out in respect of the award. It represents the amount actually paid out in cash AND the portion that was either taken or "stored" as leave.

If the actual amount of benefits vested is to be included instead in the above table, then the Actuarial Loss / (Gain) must change to exactly offset the impact, such that the Closing Accrued Liability remains unchanged. For example, if the actual amount of benefits vested was R100,000 lower than the estimate (based on last year's data), then the Actuarial Loss / (Gain) would have to reduce by R100,000 to leave the Closing Accrued Liability as is.

The liability at the Valuation Date was recalculated to show the effect of:

- A 1% increase and decrease in the assumed general earnings inflation rate;
- A 1% increase and decrease in the discount rate;
- A two-year increase and decrease in the assumed average retirement age of eligible employees;
- A two-fold increase and a 50% decrease in the assumed rates of withdrawal from service.

Summary of the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year:	Value p.a
Discount rate	7.74%
General earnings inflation rate (long-term)	4.19%
Net effective discount rate	3.41%

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Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

6. Long service award liability (continued)

Summaries per key demographic assumptions used

	Age	Female	Male
Withdrawal from service (sample annual rates)	20	9%	9%
	30	6%	6%
	40	5%	5%
	50	3%	3%
	55	0%	0%

Sensitivity results - 30 June 2020

	Change	Liability	% change
Central assumptions		3 447 000	
General earnings inflation rate	+1%	3 721 000	7%
General earnings inflation rate	-1%	3 257 000	-6%
Discount rate	+1%	3 251 000	-6%
Discount rate	-1%	3 731 000	7%
Average retirement age	+2 yrs	3 836 000	10%
Average retirement age	-2 yrs	3 132 000	-10%
Withdrawal rates	x200%	2 683 000	-23%
Withdrawal rates	x50%	4 012 000	15%

Sensitivity results - 30 June 2019

	Change	Liability	% change
Central assumptions		3 426 000	
General earnings inflation rate	+1%	3 658 000	7%
General earnings inflation rate	-1%	3 216 000	-6%
Discount rate	+1%	3 209 000	-6%
Discount rate	-1%	3 670 000	7%
Average retirement age	+2%	3 057 000	-11%
Average retirement age	-2%	3 776 000	10%
Withdrawal rates	-50%	3 948 000	15%

7. Receivables from exchange transactions

Employee costs in advance	1 203 612	602 000	1 203 612	602 000
Deposits	94 666	173 109	94 666	173 109
Accrual-interest on call deposit	529 200	162 497	529 200	162 497
Other debtors	415 505	410 315	415 505	410 315
Consumer debtors	95 330	104 640	-	-
Less: Allowance for doubtful debt	235	-	235	-
	2 338 548	1 452 561	2 243 218	1 347 921

8. VAT receivable

VAT	5 326 618	5 976 289	5 326 618	5 976 289
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9. Non current assets held for sale

Current assets	348 583	323 849	-	-
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All non current assets of the entity were classified as Held for Sale due to the intention of the shareholder to discontinue the operations of the entity. The assets have been disclosed at carrying value.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 625	6 625	6 600	6 600
Bank balances	45 383 695	20 554 381	43 496 890	18 024 001
Short-term deposits	30 000 000	18 000 000	30 000 000	18 000 000
	75 390 320	38 561 006	73 503 490	36 030 601

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
Current Account (Primary BankAccount ABSA KlerksdorpAccount no 950 000 627)	42 486 535	17 037 891	4 393 407	42 002 642	17 037 891	2 799 761
Current Account (Local Government Support Grant)ABSA Klerksdorp Account no405 643 8304	1 010 355	986 110	955 057	1 010 646	986 110	955 057
Standard Bank - Current account - 030713005	96 103	313 772	1 974 640	96 103	313 772	1 974 640
Standard Bank - Money Market - 038671867001	1 790 702	2 216 608	1 737 727	1 790 702	2 216 608	1 737 727
Total	45 383 695	20 554 381	9 060 831	44 900 093	20 554 381	7 467 185

11. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2020

	Capital replacement reserve	Total
Balance	1 653 645	1 653 645

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2020

	Capital replacement reserve	Total
Balance	1 588 167	1 588 167

12. Operating lease liability

Operating lease obligation	-	(153 600)	-	(153 600)
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Details of leases - liability

- Lease office space - Orkney	-	153 600
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Minimum lease payments due within one year
in the second year

-	1 742 400
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Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

12. Operating lease liability (continued)

Matlosana City Council :

Nature of the lease

The lease agreement is between City Council of Klerkorp and Southern District Municipality to lease property suited in Orkney to occupy as Municipal Offices.

Term of lease

The municipality will occupy the property in terms of the lease agreement as from 1 February 2002 for an indefinite period. Either party may cancel this lease agreement on 3 (three) months written notice

Amount of the lease:

The lease amount for the current financial year is R 50 376 per month (No liability calculated as lease can be cancelled within three months).

JB Marks Local Municipality

Nature of the lease

The lease agreement in between JB Marks Local Municipality and Dr Kenneth Kaunda District Municipality to lease Municipal Offices at the corner of Wolmarans Street and Walter Sisulu Avenue, Potchefestrom better known as the Old Corporate Services Offices

Term of the lease

The agreement commenced on 15 April 2019 and will of full force and effect for an initial period of 5(Five) years, provided that the lease shall have an option to renew this agreement on successful negotiations with the Lessor further subject thereto that if the Lessor requires the use of the building a three months' notice of cancellation of the lease will apply.

Amount of the lease:

Lessee shall pay the Lessor rental to the amount of R 1 200 per month.

Colombia Falls Properties 80 (Pty) Ltd

Nature of the lease:

The lease agreement is between Colombia Falls Properties 80 (Pty) Ltd and Dr Kenneth Kaunda District Municipality to lease property.

Term of the lease:

The lease shall be for a period of 3 (three) years commencing from 01 July 2017.

Amount of the lease:

The lease amount for the financial year was R145 200.

13. Payables from exchange transactions

Trade payables	4 897 148	7 190 598	4 201 602	6 498 262
Retention	308 059	308 059	308 059	308 059
Other creditors: Accrual - Compensation commissioner	3 457 687	2 899 794	3 457 687	2 899 794
Leave and bonus	13 696 647	11 025 892	13 696 647	11 025 892
Salary clearing account	864	864	864	864
	22 360 405	21 425 207	21 664 859	20 732 871

The average credit period on purchases is 30 days from the receipts of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the entity deals with. The entity has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

14. Payables from non-exchange transactions

Tax refunds payables	-	-	450 000	450 000
Bank reconciliation clearing account	1 014 006	582 816	1 014 006	582 816
	1 014 006	582 816	1 464 006	1 032 816

No credit period exists for payables from non-exchange transactions, neither has any credit period been arranged. No interest is charged on outstanding amounts.

The entity did not default on any payment of its creditors. No terms for payment have been renegotiated by the entity.

The management of the entity is of the opinion that the carrying value of creditors approximates their fair values.

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the entity and other parties.

15. VAT payable

Tax refunds payables	2 650 584	2 324 140	-	-
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16. 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	986 112	986 112	986 112
Rural road asset management system	-	111 839	-	111 839
	1 051 738	1 163 577	1 051 738	1 163 577

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

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

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

17. Investment revenue

Interest revenue

Interest revenue	931 372	795 724	768 739	716 843
Investment and call deposit	4 908 515	2 879 105	4 908 515	2 879 105
	5 839 887	3 674 829	5 677 254	3 595 948

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

18. Government grants and subsidies

Operating grants

Equitable share	24 622 000	21 710 000	24 622 000	21 710 000
Tirelo Bosha grant	-	496 200	-	496 200
LG Seta mandatory grant	204 873	149 945	204 873	149 945
Expanded Public Works Program grant	1 649 000	1 151 000	1 649 000	1 151 000
Government grant (operating) 7	447 000	-	447 000	-
Finance Management grant	1 000 000	1 000 000	1 000 000	1 000 000
RSC Replacement grant	162 977 000	158 323 000	162 977 000	158 323 000
Rural Road Asset Management System grant	2 606 000	2 348 369	2 606 000	2 348 369
	193 505 873	185 178 514	193 505 873	185 178 514

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	5 906 873	5 145 514	5 906 873	5 145 514
Unconditional grants received	187 599 000	180 033 000	187 599 000	180 033 000
	193 505 873	185 178 514	193 505 873	185 178 514

Fire Support grant

Balance unspent at beginning of year	65 626	65 626	65 626	65 626
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Tirelo Bosha Grant

Current-year receipts	-	496 200	-	496 200
Conditions met - transferred to revenue	-	(496 200)	-	(496 200)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

LG Seta Mandatory Grant

Current-year receipts	239 910	149 945	239 910	149 945
Conditions met - transferred to revenue	(239 910)	(149 945)	(239 910)	(149 945)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

Expanded Public Work Program

Current-year receipts	1 649 000	1 151 000	1 649 000	1 151 000
Conditions met - transferred to revenue	(1 649 000)	(1 151 000)	(1 649 000)	(1 151 000)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

Disaster Management Relief Grant

Current-year receipts	447 000	-	447 000	-
Conditions met - transferred to revenue	(447 000)	-	(447 000)	-
	-	-	-	-

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019
18. Government grants and subsidies (continued)				
Conditions still to be met - remain liabilities (see note 16).				
Local Government Support grant				
Balance unspent at beginning of year	986 112	986 112	986 112	986 112
Conditions still to be met - remain liabilities (see note 16).				
Finance Management Grant				
Current-year receipts	1 000 000	1 000 000	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)	(1 000 000)	(1 000 000)
	-	-	-	-
Conditions still to be met - remain liabilities (see note 16).				
RSC Replacement Grant				
Current-year receipts	162 977 000	158 323 000	162 977 000	158 323 000
Conditions met - transferred to revenue	(162 977 000)	(158 323 000)	(162 977 000)	(158 323 000)
	-	-	-	-
Conditions still to be met - remain liabilities (see note 16).				
Rural Road Asset Management grant				
Balance unspent at beginning of year	111 839	209	111 839	209
Current-year receipts	2 606 000	2 460 000	2 606 000	2 460 000
Conditions met - transferred to revenue	(2 606 000)	(2 348 370)	(2 606 000)	(2 348 370)
Transferred to RSC Replacement grant	(111 839)	-	(111 839)	-
	-	111 839	-	111 839
Conditions still to be met - remain liabilities (see note 16).				

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
19. Employee related costs				
Basic	61 285 937	59 518 087	59 209 237	57 538 712
Medical aid - company contributions	4 021 968	3 146 682	4 021 968	3 146 682
UIF	240 510	222 741	240 510	222 741
SDL	14 921	11 504	14 921	11 504
Leave pay provision charge	5 598 320	4 006 346	5 598 320	4 006 346
Short term benefit 3	1 194 133	870 116	1 194 133	870 116
Defined contribution plans	2 686 714	1 973 177	2 686 714	1 973 177
Overtime payments	187 999	129 858	187 999	129 858
13th Cheques	4 086 562	3 957 001	4 086 562	3 957 001
Acting allowances	714 297	1 779 785	714 297	1 779 785
Car allowance	8 611 571	8 378 574	8 611 571	8 378 574
Housing benefits and allowances	519 432	455 714	519 432	455 714
Standby allowance	554 999	97 203	554 999	97 203
Group life insurance-council contribution	494 619	413 719	494 619	413 719
Pension fund-council contribution	8 761 728	7 629 876	8 761 728	7 629 876
Uniform allowance	545 017	36 852	545 017	36 852
	99 518 727	92 627 235	97 442 027	90 647 860

Remuneration of executive management

- - - -

Remuneration of Chief Executive officer

Annual remuneration	845 900	813 365	-	-
Car allowance	28 338	33 809	-	-
Contributions to UIF, Medical and pension fund	1 785	1 785	-	-
	876 023	848 959	-	-

Remuneration of Municipal Manager

Annual remuneration	1 074 355	958 620	1 074 355	958 620
Leave sold	33 544	33 232	33 544	33 232
Other allowances - cellphone	15 000	15 000	15 000	15 000
Bonus	-	76 816	-	76 816
	1 122 899	1 083 668	1 122 899	1 083 668

Remuneration of Chief Financial Officer

Annual remuneration	722 847	-	722 847	-
Leave sold	12 600	-	12 600	-
Other allowance	-	700	-	700
Acting allowance	-	195 917	-	195 917
Travelling	171 600	-	171 600	-
	907 047	196 617	907 047	196 617

Remuneration of Director Corporate Services

Annual remuneration	889 447	185 044	889 447	185 044
Car allowance	12 718	32 673	12 718	32 673
Leave sold	1 365	-	1 365	-
Contributions to UIF, Medical and Pension Funds	-	472	-	472
Other allowances	-	4 382	-	4 382
Acting allowance	-	169 614	-	169 614
	903 530	392 185	903 530	392 185

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
19. Employee related costs (continued)				
Remuneration of Director Infrastructure				
Annual remuneration	557 011	323 505	557 011	323 505
Leave sold	28 910	179 009	28 910	179 009
Other allowance	23 316	4 550	23 316	4 550
Statutory contribution	-	171 279	-	171 279
Acting allowance	171	218 280	171	218 280
	168 354	-	168 354	-
	777 762	896 623	777 762	896 623
Remuneration of Director District Economic Development				
Other allowance	-	2 200	-	2 200
Acting allowance	-	158 106	-	158 106
	-	160 306	-	160 306
Remuneration of Director Disaster Management				
Annual remuneration	557 011	1 760	557 011	1 760
Leave sold	98 962	-	98 962	-
Other allowance	145	197 706	145	197 706
Acting Allowance	177 917	-	177 917	-
	834 035	199 466	834 035	199 466
Remuneration of Director Environmental Health				
Annual remuneration	557 011	-	557 011	-
Leave sold	70 884	-	70 884	-
Other allowance	189 092	2 800	189 092	2 800
Acting allowance	15 977	223 264	15 977	223 264
	832 964	226 064	832 964	226 064
Acting Director District Economic Development - Mr M Rampedi from 1 July 2019 to 30 June 2020				
Acting director infrastructure Mr T Tshukudu from 1 July 2019 to 30 June 2020				
Acting Director of Environment Health , Me Tenza acted from 1 July 2019 to 30 June 2020				
Acting Director of Disaster Management , Mr R Lesar acted from 1 July 2019 to 30 June 2020.				
20. Remuneration of councillors				
Executive Major	938 250	903 871	938 250	903 871
Mayoral Committee Members	3 984 054	3 839 828	3 984 054	3 839 828
Speaker	681 868	731 975	681 868	731 975
Councillors	3 857 180	3 685 506	3 857 180	3 685 506
Single whip	792 397	689 003	792 397	689 003
	10 253 749	9 850 183	10 253 749	9 850 183
21. Depreciation and amortisation				
Property, plant and equipment	6 424 039	6 874 518	6 356 712	6 794 219
Intangible assets	573 858	965 899	573 858	965 899
	6 997 897	7 840 417	6 930 570	7 760 118

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
22. Contracted services				
Presented previously				
Fleet Services	8 922 224	12 163 259	8 922 224	12 163 259
Specialist Services	10 871 518	15 227 326	10 871 518	15 227 326
Other Contractors	4 580 995	6 689 449	4 580 995	6 689 449
23. Transfers and subsidies				
Other subsidies				
Bursaries non-employees	60 000	126 440	60 000	126 440
Dr Kenneth Kaunda Economic Development Agency	-	-	3 000 000	3 000 000
Merit Bursaries Community	1 813 489	2 051 610	1 813 489	2 051 610
	1 873 489	2 178 050	4 873 489	5 178 050
24. General expenses				
Assessment rates & municipal charges	1 304 711	1 314 489	1 304 711	1 314 489
Auditors remuneration	3 455 982	2 912 665	3 455 982	2 912 665
Bank charges	150 326	83 938	150 326	83 938
Donations	207 000	916 644	207 000	916 644
Entertainment	39 496	369 535	23 190	369 535
Hire charges	303 770	469 890	303 770	469 890
Insurance	789 124	695 094	789 124	695 094
Conferences and seminars	1 388 643	1 593 635	1 388 643	1 593 635
Skills development levy	1 386 406	1 236 256	625 489	682 981
IT expenses	1 942 543	1 250 281	1 942 543	1 250 281
Compensation commissioner	557 893	499 349	557 893	499 349
Motor vehicle expenses	1 383 314	1 195 496	1 383 314	1 195 496
Printing and stationery	212 595	210 853	212 595	210 853
Protective clothing	357 643	121 318	357 643	121 318
Repairs and maintenance	1 479	36 133	1 479	36 133
License fees	207 367	125 575	207 367	125 575
Subscriptions and membership fees	272 309	931 875	272 309	931 875
Telephone and fax	1 070 086	1 137 998	1 070 086	1 137 998
Accommodation, subsistence and travel	888 129	979 358	888 129	979 358
Training	1 778 073	434 013	1 778 073	434 013
Travel - local	39 002	75 500	39 002	75 500
Toll fees	29 514	-	29 514	-
Office rental	2 508 166	2 572 866	2 508 166	2 572 866
Business expenses: councillors and directors	16 164	107 159	16 164	107 159
EPWP - Skills development & training	-	1 238 757	-	1 238 757
Events and campaigns	4 125 475	1 767 524	4 125 475	1 767 524
Consumables	2 323 302	1 537 350	2 323 302	1 537 350
	26 738 512	23 813 551	25 961 289	23 260 276
25. Auditors' remuneration				
Fees	3 455 982	2 912 665	3 455 982	2 912 665

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
26. Cash generated from operations				
Surplus	31 773 055	17 673 979	32 404 041	18 694 205
Adjustments for:				
Depreciation and amortisation	6 997 897	7 840 417	6 930 570	7 760 118
Loss on sale of assets and liabilities	-	(7 683)	-	(7 683)
Gain(Loss) on sale of assets	5 596	959 539	5 596	959 539
Movements in operating lease assets and accruals	(153 600)	4 800	(153 600)	4 800
Movements in retirement benefit assets and liabilities	194 493	522 505	194 493	522 505
Changes in working capital:				
Receivables from non exchange	-	1 046 521	-	1 046 521
Receivables from exchange transactions	(885 987)	-	(895 297)	(525 639)
Payables from exchange transactions	935 198	(1 130 780)	931 988	(1 850 693)
VAT	584 811	(1 393 310)	649 671	10 093
Taxes and transfers payable (non-exchange)	403 615	(124 288)	431 190	176 604
Unspent conditional grants and receipts	(111 839)	142 685	(111 839)	142 685
	39 743 239	25 534 385	40 386 813	26 933 055

27. Financial instruments disclosure

Categories of financial instruments

Economic entity - 2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	2 338 548	2 338 548
Cash and cash equivalents	75 390 320	75 390 320
	77 728 868	77 728 868

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	22 360 405	22 360 405
Trade and other payables from non-exchange transactions	1 014 006	1 014 006
	23 374 411	23 374 411

Economic entity - 2019

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	1 452 561	1 452 561
Cash and cash equivalents	38 561 006	38 561 006
	40 013 567	40 013 567

Financial liabilities

	At amortised cost	Total
Operating lease liabilities	153 600	153 600
Trade and other payables from exchange transactions	21 425 207	21 425 207

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

27. Financial instruments disclosure (continued)

Trade and other payables from non-exchange transactions			582 816	582 816
			22 161 623	22 161 623

Controlling entity - 2020

Financial assets

	At amortised cost	Total
Other receivables from non-exchange transactions	2 243 218	2 243 218
Cash and cash equivalents	73 503 490	73 503 490
	75 746 708	75 746 708

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	21 664 859	21 664 859
Trade and other payables from non-exchange transactions	1 464 006	1 464 006
	23 128 865	23 128 865

Controlling entity - 2019

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	1 347 921	1 347 921
Cash and cash equivalents	36 030 601	36 030 601
	37 378 522	37 378 522

Financial liabilities

	At amortised cost	Total
Operating lease liabilities	153 600	153 600
Trade and other payables from exchange transactions	20 732 871	20 732 871
Trade and other payables from non-exchange transactions	1 032 816	1 032 816
	21 919 287	21 919 287

Financial instruments in Statement of financial performance

Economic entity - 2020

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	5 839 887	5 839 887

Economic entity - 2019

At amortised cost	Total
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Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
27. Financial instruments disclosure (continued)				
Interest income (calculated using effective interest method) for financial instruments at amortised cost			3 674 829	3 674 829
Controlling entity - 2020				
			At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost			5 677 254	5 677 254
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

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
28. Contingencies				
Litigations against the municipality				
Contingent liabilities				
MWorld Focus against Dr KKDM	-	272 504	-	272 504
Batting Development Products against Dr KKDM.				
Batting Development Products against Dr KKDM. The matter is pending	-	5 280 585	-	5 280 585
Rampedi against DR KKDM				
Nature of dispute - Unfair labour practice. Status of case - Arbitration was scheduled for 23 January 2015. The matter is pending. Case no NWD01410	1 800 000	2 062 097	1 800 000	2 062 097
MB Molefe against DR KKDM				
Nature of dispute - Unfair labour practice. Status of case - The matters were consolidated and archived pending the outcome of JR 2702/14, Case no JS 577/14 and JS 844/14	-	494 043	-	494 043
MB Molefe against Dr KKDM				
An application for leave to appeal has been filed at the labour court. Case no JR 2702/2014	-	300 447	-	300 447
Nalko against DR KKDM				
The Plaintiff has issued summons on 1 June 2018 from the North West. The municipality has a good defense in that the Plaintiff did not render services which they claim to have rendered.	5 864 403	5 867 403	5 864 403	5 867 403
MW Asset Rentals (Pty) Ltd against DR KKDM				
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 fact that the agreement was not valid as proper procurement procedures were not followed. MW Asset Rentals vs DR KKDM. The applicant will be heard on 02 October 2020. This is an ongoing litigation	1 318 461	518 461	1 318 461	518 461
CMH T/A First Car Rental against Dr KKDM				
Nature of dispute – The summons was issued on 21 June 2016, at the South Gauteng high court. The Attorneys have filed a notice of intention to defend. The matter is still pending	-	-	-	-

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019
28. Contingencies (continued)				
Z Beya against Dr KKDM. Zelinzima Abram Beya v DR KKDM				
A labour dispute currently before the Labour court (held in Braamfontein) under case number ; JR211/2018 (review application brought by Beya) and JR1629/2018 (counter-review application brought by the Municipality)	600 000	400 000	600 000	400 000
ISD against Dr KKDM				
Unfair dismissal - ISD Mothibi. There was agreement to withdraw the dispute. Matter finalised.	-	200 000	-	200 000
Dr KKDM/Morathi Mataka Attorney's				
Summons for professional services rendered	289 650	-	289 650	-
MB Molefe against Dr KKDM				
Case No: 38168/15. Dispute relating to leave days payment. Matter is still pending	250 000	-	250 000	-
MB Molefe against Dr KKDM				
Unfair labour practice. Arbitration Court. Case no N WD081909. The matter was pending at year end.	17 000	-	17 000	-
MB Molefe against Dr KKDM				
Unfair labour practice. Arbitration Court. Caseno N WD031915. The matter is still pending, with potential legal costs still uncertain	110 000	-	110 000	-
ISD against Dr KKDM				
Unfair labour practice matter - ISD Mothibi. The unfair labour practice matter is still pending. Case no: NWD071804	196 674	-	196 674	-
	10 446 188	15 395 540	10 446 188	15 395 540

Contingent assets

Litigations by the municipality against suppliers.

Contingent assets

Dr KKDM against Trading Enterprise CC

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

Dr KKDM against Bareng Rasego Trading Enterprise

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

DR KKDM against Kumekucha Investments CC

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

28. Contingencies (continued)

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 KKM

- - - -

DRKKM/Big Break Project team

Letter of demand was served to Dualpoint Media to recover monies paid over to the company to produce BigBreak legacy season 3. Matter at the NPA.

- - - -

- - - -

29. Related parties

Relationships

Controlled entities

Dr Kenneth Kaunda District Economic Agency refer to note 4

Member of council

Refer to General Information page on the financial statements

Key management

Members of Key Management
S Lesupi - Municipal Manager,
L Steenkamp - Chief Financial Officer
S Abrams - Director Corporate Services,
KT Tshukudu - Acting Director Infrastructure from 01 July 2019 to 30 June 2020,
R Lesar - Acting Director Disaster Management from 01 July 2019 to 30 June 2020,
Me Temza - Acting Director Environmental Health from 01 July 2019 to 30 June 2020

Related party balances

Transfer payment grant

Dr Kenneth Kaunda Economic Development Agency

3 000 000 3 000 000

Key management information

Class	Description	Number
Executive mayor	Executive authority	1
Members of mayroyal council	Executive authority	6
Single whip	Executive authority	1
Chairperson MPAC	Executive authority	1
Councillors (Part time and directly elected)	Executive authority	39

30. Risk management

Financial risk management

Dr Kenneth Kaunda DM Group

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	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

30. Risk management (continued)

Liquidity risk

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

Economic entity

Financial instruments disclosure

	2020	2019
Cash and cash equivalents	75 390 320	38 561 006
Receivables from exchange transactions	5 326 618	5 976 289

Controlling entity

Financial instruments disclosure

	2020	2019
Investment in economic entity	120	120
Receivables from exchange transactions	2 243 218	1 347 921
Cash and cash equivalent	73 503 490	36 030 601

31. Going concern

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus (deficit) of R 61 988 451 and that the municipality's total assets exceed its liabilities by R 61 988 451.

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.

The Economic agency is wholly dependent on the Dr Kenneth Kaunda District Municipality for continued funding of operations. The Council of Dr Kenneth Kaunda District Municipality resolved in terms of Council Resolution no. A.26/07/2020 to implement section 109 of the Companies Act process to de-establish the entity. Although the resolution was passed subsequent yearend, it has material and/or fundamental adjusting effect on the ability of the entity to continue operations. In light of the resolution, the presentation of annual financial statements has, therefore, changed from going concern to liquidation basis.

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

32. Transactions with councillors

The following remuneration was paid to Councillors during the year.

Name	Salary	Travelling	Telephone	Medical & Pension	Sitting & Travel	Total
BE MOSIANE-SEGO	734 722	-	44 400	159 127	-	938 249
DP MASIU	465 006	172 461	44 400	77 610	-	759 477
NM KOLOTI	461 459	161 685	44 400	47 242	-	714 786
MI MARTINS	398 804	161 685	44 400	109 897	402	715 188
M ZEPHE	406 164	161 685	44 400	102 537	-	714 786
MM MOJAH	413 613	161 685	44 400	107 303	-	727 001
HH MBELE	413 613	161 685	44 400	107 303	-	727 001
ZE MPHAFUDI	467 152	161 685	44 400	41 550	-	714 787
SP VALIPATHWA	294 062	93 455	22 200	-	-	409 717
KL VAN ZYL	214 651	68 219	44 400	-	-	327 270
GA MOHOEMANG	245 385	78 042	22 492	-	4 807	350 726
LN DAYIYA	183 949	68 219	44 400	30 701	-	327 269
SV LETSHWITI	179 126	68 219	44 400	30 701	-	322 446
BAS C CLOETE	214 651	68 219	44 400	-	-	327 270
LS MOTLHOIWA	183 949	68 219	44 400	30 701	1 405	328 674
FJ BOTHA	183 949	68 219	44 400	30 701	-	327 269
WA MOSTERT	231 962	-	44 400	40 934	-	317 296
FT MOSOTHWANE	224 648	72 244	47 028	-	402	344 322
CJ COETZER	-	-	-	-	3 309	3 309
EM POSTMA	-	-	-	-	20 961	20 961
D GWILI	-	-	-	-	25 374	25 374
AS MOTLADIILE	-	-	-	-	27 580	27 580
HF SAUDI	-	-	-	-	28 683	28 683
B TSABEDZE	-	-	-	-	66 242	66 242
LS MOKGALAGADI	-	-	-	-	93 222	93 222
SL MOREMI	-	-	-	-	34 200	34 200
G MOSENOGI	-	-	-	-	73 916	73 916
K NDINCEDE	-	-	-	-	24 271	24 271
LL CUTSWA	-	-	-	-	83 537	83 537
SL MONDLANE	-	-	-	-	23 167	23 167
PZ LESOMO	-	-	-	-	82 884	82 884
LM LEBENYA-KORTJAAS	-	-	-	-	23 167	23 167
JJ LE GRANGE	-	-	-	-	28 641	28 641
ME MOSWEU	-	-	-	-	45 232	45 232
AO PHUTYAGAE	-	-	-	-	24 271	24 271
MN NTULI	-	-	-	-	27 580	27 580
CJ BESTER	-	-	-	-	33 945	33 945
HATTINGH	-	-	-	-	16 548	16 548
HFC JORDAAN	-	-	-	-	20 961	20 961
CLARK	-	-	-	-	8 562	8 562
MJ VAN RENSBERG	-	-	-	-	5 516	5 516
Total payments made to councillors	5 916 865	1 795 626	757 720	916 307	828 785	10 215 303
	5 916 865	1 795 626	757 720	916 307	828 785	10 215 303

33. Unauthorised expenditure

Opening balance as previously reported	67 966 774	67 966 774	67 966 774	67 966 774
Opening balance as restated	67 966 774	67 966 774	67 966 774	67 966 774
Less: Amounts recoverable - current	2 782 151	-	2 782 151	-
Closing balance	70 748 925	67 966 774	70 748 925	67 966 774

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Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

33. Unauthorised expenditure (continued)

Inadequate budget provision attributed to unauthorised expenditure over the past three financial years

34. Fruitless and wasteful expenditure

Opening balance as previously reported	10 989 425	10 937 495	10 616 640	10 616 640
Opening balance as restated	10 989 425	10 937 495	10 616 640	10 616 640
Add: Fruitless and wasteful Expenditure - current year	3 567	-	3 567	-
Interest charged - SARS	-	42 814	-	-
Interest charged - Auditor General	-	8 919	-	-
Interest charged - Telkom	-	197	-	-
Add : Fruitless and Wasteful Expenditure identified in the current year relating to prior year	400 628	-	400 628	-
Closing balance	11 393 620	10 989 425	11 020 835	10 616 640

Fruitless & Wasteful expenditure tabled in Council and the report was referred to Municipal Public Accounts Committee. List investigations by MPAC not conclude and the amount involve add up to R616 640 and this amount includes R216 640 for interest on penalties for late payment.

R10 000 000 relates to an advance payment processes during the 2016/17 financial year and this matter has been reported to South African Police Service. The case is still in process at the high court.

35. Irregular expenditure

Opening balance as previously reported	147 383 928	135 096 977	141 932 731	129 787 357
Opening balance as restated	147 383 928	135 096 977	141 932 731	129 787 357
Add: Irregular expenditure identified in the current year relating to prior year	36 311 798	(9 320 631)	36 311 798	(9 462 208)
Add: Irregular expenditure- Current period	20 998 902	21 607 582	20 998 902	21 607 582
Closing balance	204 694 628	147 383 928	199 243 431	141 932 731

The Accounting Officer has started with the investigations to establish instances which has led to non-compliance to the Supply Chain Management Regulations. Other matters relating to the irregular expenditure were referred to the Disciplinary Board for further investigations. The Disciplinary Board is also working finalising the investigations. Once the board and the accounting officer has finalised the investigation a report will be tabled in the next council meeting.

Irregular expenditure identified in the current year relating to prior year was due to the following non-compliance;

- Non-compliance with SCM regulation 2(1) (b) and 4(1)(c)
- Supply Chain Regulation 28(2) (a & b). Evaluation Committees were not properly constituted
- The scope of the contract was extended without the proposed amendment being tabled in the council of the municipality.
- At least three written quotations not obtained
- Irregular appointment of employees

Irregular expenditure identified in the current year was due to the following non-compliance;

- Supply Chain Regulation 29(4) (i, ii & iii). Adjudication Committees were not properly constituted in accordance with the regulation for the appointment of service providers through the competitive bidding processes.
- The scope of the contract was extended without the proposed amendment being tabled in the council of the municipality.
- At least three written quotations not obtained

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019
36. Additional disclosure in terms of Municipal Finance Management Act				
Contributions to organised local government				
Opening balance	210 723	(873 412)	210 723	(873 412)
Current year subscription / fee	1 009 820	873 412	1 009 820	873 412
Amount paid - current year	(1 422 040)	602 000	(1 422 040)	602 000
	(201 497)	602 000	(201 497)	602 000
Audit fees				
Opening balance	20 706	-	20 706	-
Current year subscription / fee	4 444 497	3 564 964	3 987 784	2 912 665
Amount paid - current year	(3 769 027)	(3 564 964)	(3 312 314)	(2 912 665)
	696 176	-	696 176	-
PAYE and UIF				
Current year subscription / fee	19 556 433	18 474 661	19 556 433	18 474 661
Amount paid - current year	(19 556 433)	(18 474 661)	(19 556 433)	(18 474 661)
	-	-	-	-
Pension and Medical Aid Deductions				
Current year subscription / fee	13 667 328	19 724 416	13 667 328	19 724 416
Amount paid - current year	(13 667 328)	(19 724 416)	(13 667 328)	(19 724 416)
	-	-	-	-
VAT				
VAT receivable	5 326 618	5 976 289	5 326 618	5 976 289
VAT payable	(2 650 584)	(2 324 140)	-	-
	2 676 034	3 652 149	5 326 618	5 976 289

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.

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

37. 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.

Deviations				
Business Connexion	2 329 358	-	2 329 358	-
Ducharme Consulting	29 000	-	29 000	-
Hasler	10 879	-	10 879	-
South African Broadcasting Corporation Corp.	6 360	-	6 360	-
Wolters Kluwer (WK)	24 906	-	24 906	-
Nombulelo Trading Enterprise (Pty) Ltd	51 500	-	51 500	-
Post Office	2 125	-	2 125	-
Multi Choice	14 036	13 973	14 036	13 973
Kgosithato Trading Enterprise	147 500	-	147 500	-
Aganang Community Radio Station	93 950	-	93 950	-
Star FM	31 500	-	31 500	-
Makeover Plus (Pty) Ltd	97 300	-	97 300	-
Ilezweni Construction	42 375	-	42 375	-
Japs Trading (Pty) Ltd	43 050	-	43 050	-
Sparklex (Pty) Ltd	91 600	-	91 600	-
Vencedora (Pty) Ltd	108 000	-	108 000	-
Loabale Holdings (Pty) Ltd	70 000	-	70 000	-
Midvaal Water Company	246 428	-	246 428	-
Envirocare Laboratory	242 720	-	242 720	-
Government printing	-	7 566	-	7 566
Marce firefighting technology	-	102 620	-	102 620
Gilbarco AFS	-	3 413	-	3 413
	3 682 587	127 572	3 682 587	127 572

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

38. Budget differences

Material differences between budget and actual amounts.

The Municipality considered all variances above 10% of the final budget amount to be material and therefore reasons were only provided for the material variances as required by GRAP 24.

Sale of tender documents-The budgeted amount is inclusive of Vat and the actual amounts are exclusive of Vat and other contributing factors results from lock down level 5 whereby there less tender documents sold due to restrictions imposed which

led to less SCM processes or activities

Other Income-The refund was not budgeted for under the 2019/20 financial year due to non collection in the 2018/19 financial

year. The amount relates to skills levy refund

Interest received Investments-External investments: The Municipality invested an amount of R60 million that was available in

Q3 and consequently additional interest was received from the external investments.

Depreciation and amortisation-The depreciation was budgeted low in the 2019/20 when you compare with the actual spending on the 2018/19 audited AFS

Contracted services-Other Mayoral programmes did not move on Outsourced services.

Consultant & Professional Services - (i) R1,3 million of this was budgeted for the research on ICT Framework and PPP, however this research was deferred due to Covid-19 in the 3rd and 4th Quarter. (ii) Audit committee expenditure decreased due the non payment of travelling expenses because meeting were conducted via zoom. (iii) Spending on AFS consultant was less than the budgeted amount because the scope of work for consultants was less and more work was done in house or internally. (iv) Less spending on spatial development framework due to lack of participation of other local municipalities because most officials were working from home. (v) Spending on legal fees was less than the budgeted amount because the was less consultation during the Covid-19 level 5 to Level 3 due the restrictions introduced to curb the spread of infections. (vi) Generally the budgeted amount includes Vat and the actual spending excludes Vat.

Contractors - A portion of this was budgeted for the Maintenance of Buildings and Office Equipment, which was impacted by Covid-19 Lockdown Regulations as Contractors were not operating during the 3rd and 4th Quarter.

Remuneration of councillors : The provision on upper limits was budgeted for 6% increase and the upper limits were actually increased by 4%.

Commissions received: Insurance payout received which was not budgeted for.

Other materials :The spending was low as a results of the followings (i) Due to Covid-19 environment some of other programmes couldnt take place , there was less travelling hence the budget on consumables: fuel was low. (ii) Due to some officials working from home there was less spending on cleaning materials because other offices were closed.

Transfers and subsidies:The Municipality received less bursaries applications than the budgeted amount from Non-employees. Furthermore LED support grant was budgeted R1 million and there was no movement during the 2019/20 due to the SCM processes not finalised on time to appoint a service provider to supply and deliver the equipment applied or requested by the SMMEs. Mayoral outreach programme did not move due the Covid-19 environment

Other expenditure : Due to abnormal nature of operations during the period as affected by Covid-19, general expenses, e.g. Accommodation, Donations, Entertainment, Conferences and Seminars, Travel - Local and Business expenses Councillors and Directors. (ii) Indigent relief programme and Public participation programme in the office of the Speaker did not move. (iii) LED programmes did not move. (iv) Telephone cost decreased as well were not used normally due to officials either working from home and/or prohibited from travelling, hence the decrease in spending than anticipated. This can be confirmed through review of the movement between current year and prior year. (v) Generally the budgeted amount includes vat and the actual spending excludes Vat

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters. For details on these changes please see details:

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Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

38. Budget differences (continued)

Government Grants & Subsidies-The difference is as a result of additional disaster management relief grant meant for Covid-19 relief programmes. The disaster relief programme grant was allocated during the Covid-19 lock down level one to assist all municipalities to procure preventive items to curb or minimise the spread of the virus.

Sales of tender documents-Sales of documents was budgeted low considering the 2018/19 actual performance so during the mid-term budget and performance assessment it was discovered that the actual revenue for the past six months was already exceeding the budgeted amount

Interest received Investments-Due to low spending on operating budget, the municipality had sufficient cash readily available for the investment. The Municipality invested an amount of R45 million that was available in Q4 and consequently additional interest was received from the external investments

Commission received -The item was not budgeted for.

Other materials-Additional allocation was meant to cater for Covid-19 preventative items

Employees related costs -The municipality made a provision of 6% increase on the salaries of the employees and Remuneration of Councillors

Remuneration of councillors-The budget allocation on upper limits was appropriated with additional 6% increase and yet the upper limits were actually increased by 4%.

Contracted services-The additional budget was meant to cater for legal expenses, because during the mid-term budget & performance assessment it was discovered that the six months spending was already exceeding the original budget due to number of litigations taking place.

Transfers and subsidies-Additional allocation was meant for bursaries, LED programmes & Disaster relief programmes that were not adequately provided for in the original budget

General expenses-(i) Due to abnormal nature of operations during the period as affected by Covid-19, other operating expenditure were reduced because of low spending in order to cater for legal fees, security services under contracted services because of these were initially budgeted low.

39. Prior period errors

39.1 Prior period errors - Controlling entity

39.1.1 Property, Plant and Equipment

During 2019, Property, Plant & Equipment was incorrectly stated with a net book value of R 24 823 739 instead of R 24 712 152. The comparative figures in 2020 AFS have been restated at R 24 712 152 resulting in a decrease of R 111 587. This adjustment had an effect of R 111 587 on the Statement of Financial Position and Statement of Changes in Net Assets.

Disclosure of Property, Plant and Equipment

The prior period disclosure note was not reflective of the categories of assets as per DR KKDM Asset register. Therefore the note as been adjusted as follows:

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

Dr Kenneth Kaunda DM Group

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

39. Prior period errors (continued)

Property Plant and equipment	Cost/Valuation	2019 AFS Accumulated Depreciation and Impairment	Carrying Value
Machinery & Equipment	4 476 594	(3 289 659)	1 186 935
Furniture & Office equipment	6 602 089	(4 657 371)	1 944 718
Transport assets	7 998 242	(2 568 189)	5 430 053
Computer Equipment	3 624 580	(2 416 926)	1 207 654
Infrastructure Assets	21 556 379	(11 326 186)	10 230 193
Community Assets	-	(246 325)	(246 325)
Buildings	6 259 003	(2 657 405)	3 601 598
Other	1 468 913	-	1 468 913
	51 985 800	(27 162 061)	24 823 739

Property, Plant and Equipment(Continued)	Adjusted cost/Valuation	Adjusted Accumulated depreciation and Impairment	Adjusted Carrying Value	Net adjustments
Furniture & Office equipment	5 360 525	(3 657 491)	1 703 034	516 099
Transport assets	5 203 917	(3 569 967)	1 633 950	(310 768)
Computer Equipment	7 959 157	(2 749 251)	5 209 905	(220 148)
Infrastructure Assets	4 309 256	(2 866 059)	1 443 197	235 543
Community Assets	21 666 503	(11 477 336)	10 189 166	(41 027)
Buildings	7 436 628	(2 903 730)	4 532 898	4 779 223
Other	-	-	-	(3 601 598)
	-	-	-	(1 468 913)
	51 935 986	(27 223 834)	24 712 150	(111 589)

Reclassification of PPE:

During the 2018/19 period machinery and equipment (cost R 869 652,17), Computer equipment (cost R 630 328,84) and Infrastructure assets (Cost R1 392,84) was incorrectly classified as furniture and office equipment.

As a result the carrying amount of Furniture and office equipment was overstated by R 479 233,35 and the carrying amount of machinery and equipment was undersated by R 276 086,82, computer equipment by R 202 610,29 and Infrastructure Assets by R536,24.

39.1.2 Prior period error - Statement of Financial Position and Statement of Financial Performance

Non-current assets	2019 Audited	2019 Restated	Prior year error
Property, Plant and Equipment	24 823 739	24 712 151	111 588
Current Assets			
Receivables from non-exchange transactions	339 794	-	339 794
Receivables from exchange transactions	572 812	1 347 921	(775 109)
Net assets			
Accumulated surplus	30 070 442	30 394 170	323 727
	55 806 787	56 454 242	-
Expenditure			
Contracted services			
Consultants and professional services	14 348 763	15 227 326	(878 563)

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Group Annual Financial Statements for the year ended 30 June 2020

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

39. Prior period errors (continued)

General expenses

Expense 3	878 563	-	878 563
	15 227 326	15 227 326	-

In the prior year audited financial statements, general expenses included a line item "expense 3" which was incorrectly classified. The expenditure line item based on the nature belonged under contracted services, it has been correctly classified under contracted services in the current financial year.

In the prior year audited annual financial statements, allowance per doubtful debts of R435 315 was presented against Receivables from Non-exchange transactions. The allowance was derecognised in the prior year and the amount has been restated.

Amounts relating to prepaid expenses and staff debtors which were incorrectly presented as Receivables non-exchange in the prior year were correctly reclassified as Receivables from exchange transactions in the current year.

39.1.3 Prior period error - Disclosure line items

	2019 Audited	2019 Restated	Prior year error
Contingent Assets	11 952 469	-	11 952 469
Related parties - City of Matlosana	2 041 797	-	2 041 797
Deviation from supply chain management regulations	-	127 672	127 672
	13 994 266	127 672	14 121 938

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Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2020	2019	2020	2019

39. Prior period errors (continued)

The Contingent assets amounting to R11 952 469,00 disclosed in the prior year were reassessed and restated to nil as they did not meet definition and recognition as contingent assets. These cases are now being handled by the NPA and the recoveries in these cases will be accounted for through the Criminal assets recovery account (CARA) under the NPA and do not get distributed to the beneficiaries of the cases.

The amount disclosed amounting to R2 041 797 relating to amounts paid to City of Matlosana was reassessed and restated to nil as a result of the addendum to the GRAP checklist prescribing that the local municipalities under the district municipality are not related parties.

Deviations amounting to R127 672 relating to the prior year were not disclosed. The Deviations amount for prior year amount has been restated accordingly.

39.2 Prior period errors - Economic entity

In the current year information was discovered which led to changes in the opening balances. All corrections were done in accordance with Grap 17 and Directive 7. The following adjustments were required:

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.

Error 3: During 2019, Property, Plant & Equipment was incorrectly stated with a net book value of R 24 823 739 instead of R 24 712 152. The comparative figures in 2020 AFS have been restated at R 24 712 152 resulting in a decrease of R 111 587. This adjustment had an effect of R 111 587 on the Statement of Financial Position and Statement of Changes in Net Assets

Error 4: Reclassification of PPE:

During the 2018/19 period machinery and equipment (cost R 869 652,17), Computer equipment (cost R 630 328,84) and Infrastructure assets (Cost R1 392,84) was incorrectly classified as furniture and office equipment. As a result the carrying amount of Furniture and office equipment was overstated by R 479 233,35 and the carrying amount of machinery and equipment was undersated by R 276 086,82, computer equipment by R 202 610,29 and Infrastructure Assets by R536,24.

Error 5: In the prior year audited financial statements, general expenses included a line item "expense 3" which was incorrectly classified. The expenditure line item based on the nature belonged under contracted services, it has been correctly classified under contracted services in the current financial year.

Error 6: In the prior year audited annual financial statements, allowance per doubtful debts of R435 315 was presented against Receivables from Non-exchange transactions. The allowance was derecognised in the prior year and the amount has been restated.

Error 7: Amounts relating to prepaid expenses and staff debtors which were incorrectly presented as Receivables non-exchange in the prior year were correctly reclassified as Receivables from exchange transactions in the current year.

Error 8: The Contingent assets amounting to R11 952 469,00 disclosed in the prior year were reassessed and restated to nil as they did not meet definition and recognition as contingent assets. These cases are now being handled by the NPA and the recoveries in these cases will be accounted for through the Criminal assets recovery account (CARA) under the NPA and do not get distributed to the beneficiaries of the cases.

Error 9: The amount disclosed amounting to R2 041 797 relating to amounts paid to City of Matlosana was reassessed and restated to nil as a result of the addendum to the GRAP checklist prescribing that the local municipalities under the district municipality are not related parties.

Error 10: Deviations amounting to R127 672 relating to the prior year were not disclosed. The Deviations amount for prior year amount has been restated accordingly.

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Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2020	2019	2020	2019

39. Prior period errors (continued)

The correction of these errors results in adjustments as follows:

Statement of financial position

	Economic Entity	Controlling Entity
Property, plant and equipment	435 447	111 588
Receivables from non-exchange transactions	-	339 794
Receivables from exchange transactions	(730 109)	(775 109)
Payables from exchange transactions	48 453	-
Accumulated surplus	666 569	323 727
VAT Payable	58 696	-

Statement of financial performance

Contracted services - Consultants and professional services	878 563	878 563
General expenses - Expense 3	(878 563)	(878 563)

Financial statement disclosures

Contingent assets	11 952 469	11 952 469
Deviation from supply chain management regulations	2 041 797	2 041 797
Related parties - City of Matlosana	127 672	127 672

40. Events after the reporting date

The Council of the Municipality resolved on 16 July 2020 in terms of Council Resolution no. A.26/07/2020 to implement section 109 of the Companies Act process to de-establish the Economic agency.

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



**DR. KENNETH
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DISTRICT MUNICIPALITY



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