ANNUAL REPORT

DR. KENNETH KAUNDA

DISTRICT MUNICIPALITY

VISION:

Exploring Prosperity Through Sustainable Service Delivery For All

MISSION:

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

2020/21

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
DDM	District Development Model
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

The financial year 2020/21 marked the end of the fifth administration since it was elected to office. The incoming sixth administration has no choice, but to pick up the baton, raise the bar and without a doubt accelerate the pace of service delivery. The pressing reality is that, our lives have not been the same since this invisible nemesis arrived on our shores. COVID-19 as it is termed has caused unthought of conditions and had devastating consequences to the economy, jobs, and social stability. Although COVID-19 has created much harm and devastation to many of our community members, we are encouraged by the decline in new infections and therefore remain optimistic about the future. We are certain that after the storm has passed, the rainbow will emerge and normality will return where communities of Dr Kenneth Kaunda District will once again benefit from the economy.

Presenting this annual report for the 2020/21 financial year, gives us an opportunity to present the progress achieved thus far. I am confident that we are moving closer to the attainment of our strategic vision of **"Exploring prosperity through sustainable service delivery for all"** This vision has been driven by relentless public and stakeholder participation & consultation under the new normal. Our concerted efforts to the District Development Model gives us comfort that the communities of this District will be able to unleash their full potential within the limited resources at our disposal.

In order to realise the goals and vision of our District, council adopted the following strategic objectives in 2020/21 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

The municipality was able to approve the Communications and Marketing Strategy, the Risk Management Policy which incorporate the Fraud and Anti-Corruption Strategy. During the year under review council approved amendments to the Integrated Development Plan, the 2020/21 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 2020/21 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:

- Supported 30 SMMEs based on the requests submitted to the municipality
- 1 soccer tournament within Dr. Kenneth Kaunda District supported
- 2 District economic development initiatives supported / implemented within Dr. Kenneth Kaunda District

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 215 opportunities during the 2020/21 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 R 2 115 257 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 R 137 906 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 (2021/22)

- Rural Settlements provided with portable drinking water through drilling and equipping of boreholes in Maquassi Hills at a cost of R 3 000 000
- Construction of Dry Sanitation Units installed in Boskuil and Oersonskraal Villages in Maquassi Hills at a cost of R 2 800 000
- Finalising the District Housing Master Plan
- Finalising the District Spatial Development Framework
- Assessment of roads in JB Marks, which will inform where maintenance needs to take place
- Creation of 342 Jobs created through LED initiatives, EPWP & CBPs within the Dr Kenneth Kaunda District at a cost of R 8 132 000
- Supporting SMMEs/Cooperatives Businesses through conditional grants within Dr. Kenneth Kaunda District with a budget of R 4 000 000
- The district has budgeted R 1 500 000 to assist students with financial assistance in Higher Learning Institutions

Agreements/ Partnerships

The district continue to audit Maquassi-Hills LM, through the shared Internal Audit and the Audit Committee. The district has partnered with sector departments, local municipalities and SALGA (through the District Development Model 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

In this era that we find ourselves of the new normal, I would like to record my heartfelt gratitude to our frontline workers, and the entire staff of the municipality. Let me thank the previous council in entirety and the management under the leadership of the Acting Municipal Manager for navigating this ship with distinction. As we re-imagine our District through the implementation of the District Development Model, I call upon every community member to avail their expertise, skills, and potential so that we can create the Dr Kenneth Kaunda District we all want to live in.

Cllr Nikiwe J. Num
Executive Mayor

1.2. COMPONENT B: EXECUTIVE SUMMARY

1.2.1. ACTING MUNICIPAL MANAGER'S OVERVIEW

We are honoured to submit the Draft Annual Report 2020/21 for the Dr Kenneth Kaunda District Municipality (Dr KKDM). This draft annual report provides an account of all the activities that occurred during the 2020/21 financial year, the targets that were achieved and the challenges encountered in the roll out of services to the community of the Dr Kenneth Kaunda District Municipality.

We are 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; and
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 (IDP) as well as the Service Delivery Budget Implementation Plan (SDBIP) documents.

Although progress has been made in certain areas, we remain fully aware of the gaps and challenges that remain, hence the municipality will be implementing the 2021/22 Service Delivery and Budget Implementation Plan (SDBIP), Back to Basics program as well as the District Development Model (DDM) timeously, to address these shortcomings.

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

Between March and June 2021, the Dr Kenneth Kaunda District Municipality conducted a series of meetings with the National Department of Cooperative Governance and Traditional Affairs (DCOGA), the North West Office of the Premier, the North West Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA), SALGA NW, Local Municipalities in the District and other stakeholders. The purpose was to consolidate and finalize the projects that will form part of the Dr Kenneth Kaunda District Municipality District Development Model.

The consultation process was successfully completed with the presentation of the Draft One Plan to the different stakeholders on 05 July 2021. The contents of the One Plan incorporate the summary of the profile which was presented to Council of Dr KKDM in 2020, and the projects that were finalized in June 2021. The process henceforth, is to submit the One Plan to the Council, Councils of Local Municipalities in the District, DCOGTA, the National DDM Champion for the District (Minister of State Security, Hon. Ayanda Dlodlo), Office of the Premier, COGHSTA, the Provincial DDM Champion and SALGA NW. A programme will then be finalized that entails the engagement with stakeholders (particularly business for major project funding), development of the project implementation plan and the ultimate implementation of the projects.

Alignment of municipal services to the IDP and Council priorities

The District Municipality has through Council, adopted and approved a five (5) year IDP with the main focus on their powers and functions. The District needs to finalise with the 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 PMS District Forum, are some of the formal functional structures in the District.

Service delivery performance

The 2020/21 financial year saw the Municipality failing to achieve all the planned targets, which were disrupted by Covid-19, that was declared a pandemic by the World Health Organisation (WHO). 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 Municipality (Dr KKDM) was, as a result, also severely affected.

Several planned targets were to a large extent not achieved due to challenges posed by the Covid-19 pandemic, and had to be pushed forward for implementation in the new financial year. The Municipality will continue to develop ways and means of working and ensuring that the said targets will be achieved in the 2021/22 financial year.

The Department of Community, through the Unit: 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 repairs and maintenance, which have in some cases affected progress made regarding sewerage spillages and illegal dumping of waste.

With regards to management constraints, the Municipality registered tremendous progress by substantively appointing all Senior Managers as per the approved organogram. The outstanding three (3) senior management positions were successfully filled in this financial year (2020/21).

Impact of Covid-19 on Service Delivery

Covid-19 pandemic continue to pose challenges in the way we provide services and interact with our communities. This resulted in key performance indicators (KPIs) that involve gatherings not being achieved, especially in the Department of Local Economic Development (LED).

Financial sustainability as represented by financial health ratios

The District Municipality (Dr KKDM) 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.

Administration Policies

During the year under review, several policies were workshopped and reviewed by the Municipal Council, and these included amongst others, the Communication and Marketing Strategy and the Risk Management Policy, which incorporate the Fraud and Anti-Corruption Strategy.

Shared Services

The District Municipality (Dr KKDM) has an Internal Audit shared services agreement with the Maquassi Hills Local Municipality. The District also shares the Audit Committee with Maquassi Hills Local Municipality. The purpose is to assist this local municipality in improving their audit outcome through auditing of their financial and performance reports.

Conclusion

On behalf of the management of the Dr Kenneth Kaunda District Municipality, I wish to express my appreciation and the guidance from the Executive Mayor and Councillors of our Municipality during these trying times that we operate in. The dedication demonstrated by management and general staff component, has made it possible to achieve the milestones thus far.

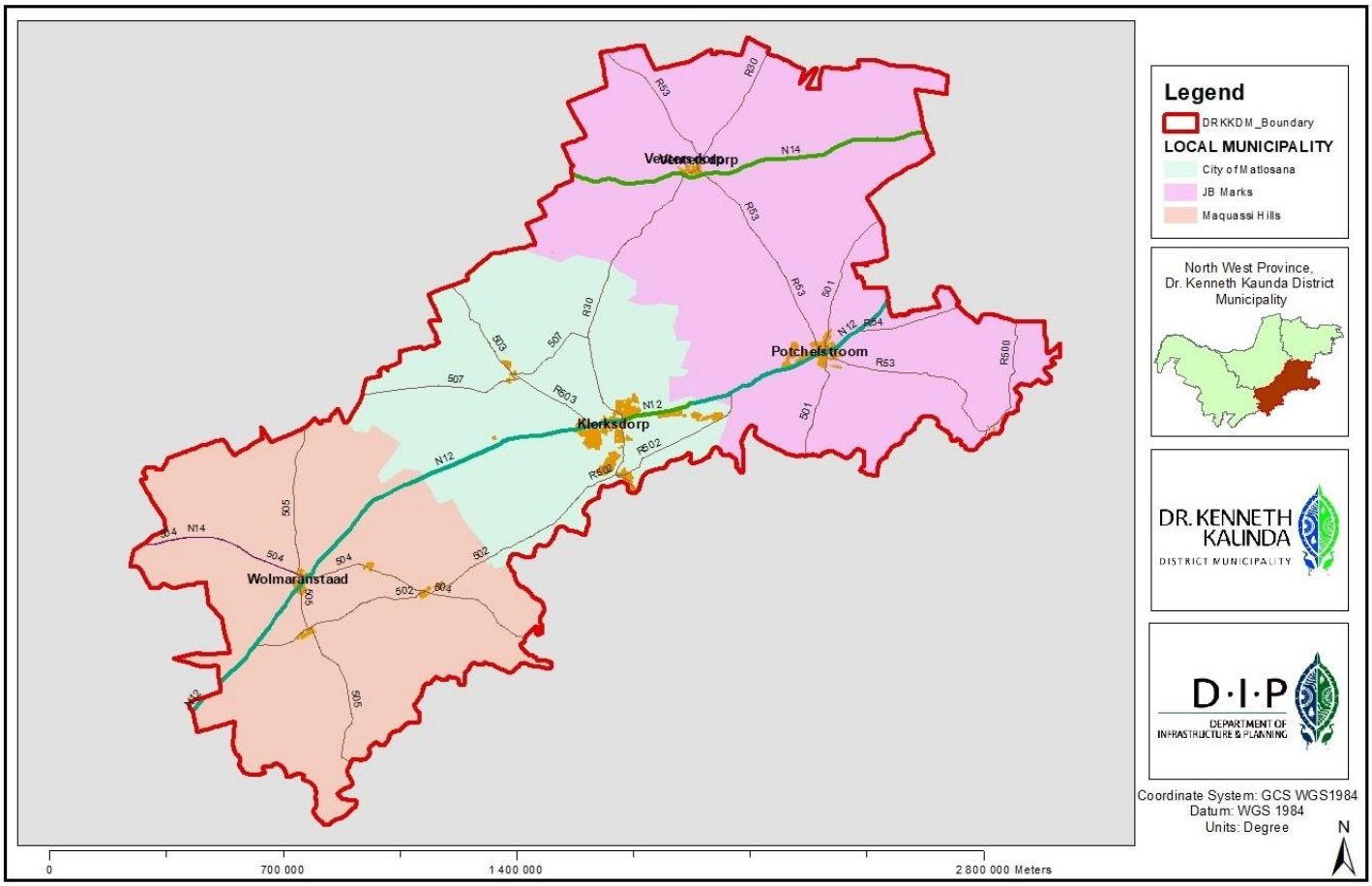
M.A. Metswamere (Mr.)
Acting Municipal Manager

1.2.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

- **INTRODUCTION TO BACKGROUND DATA**

The Dr Kenneth Kaunda DM consists of three local municipalities i.e. Matlosana, JB Marks and Maquassi Hills. 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 2016 Community Survey by StatsSA and the *IHS Markit Regional eXplorer*, the Dr Kenneth Kaunda DM Spatial Development Framework of 2011 and other analyses described hereunder. The analyses are based upon the demarcation boundaries as at 2016 provided by the Municipal Demarcation Board (MDB) of the Republic of South Africa.

Figure 1 Map of Dr Kenneth Kaunda District Municipality



Total Population

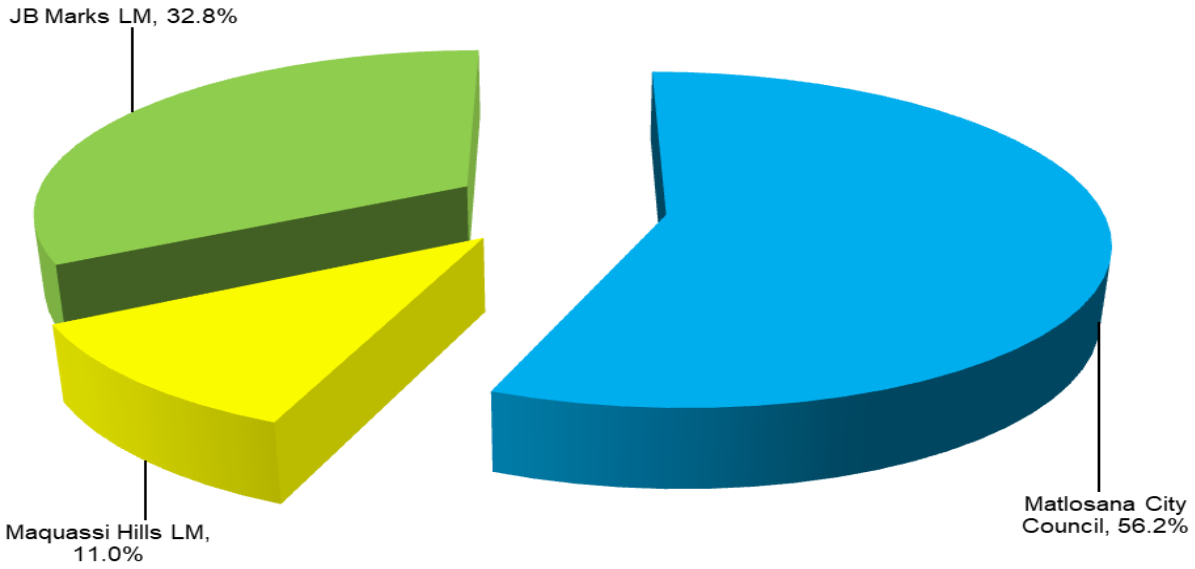
According to Statistics South Africa (*Community Survey 2016*), the **population** of the Dr. Kenneth Kaunda District (based on 2016 municipal boundaries) is **742 822**, increased from 695 934 in 2011 (Consider **Table 1**). The population is unevenly distributed among the three (3) Local Municipalities and the average annual growth rate of the district is 1.07% which dropped from 1.16% between 2001 and 2011.

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 of Dr Kenneth Kaunda DM (Percentage Distribution)



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 JB Marks, 49.6%, Matlosana, 50%, Maquassi Hills, 49.8%, 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.

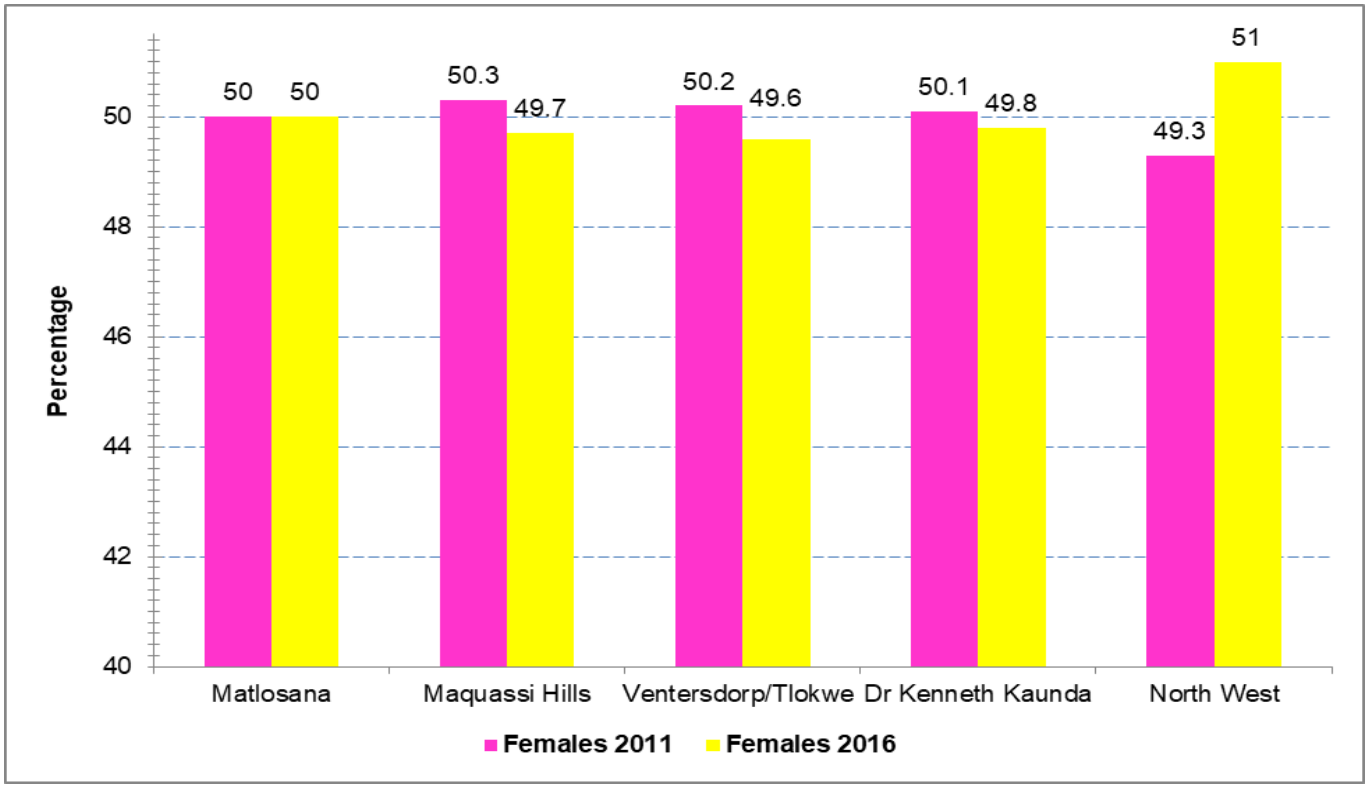


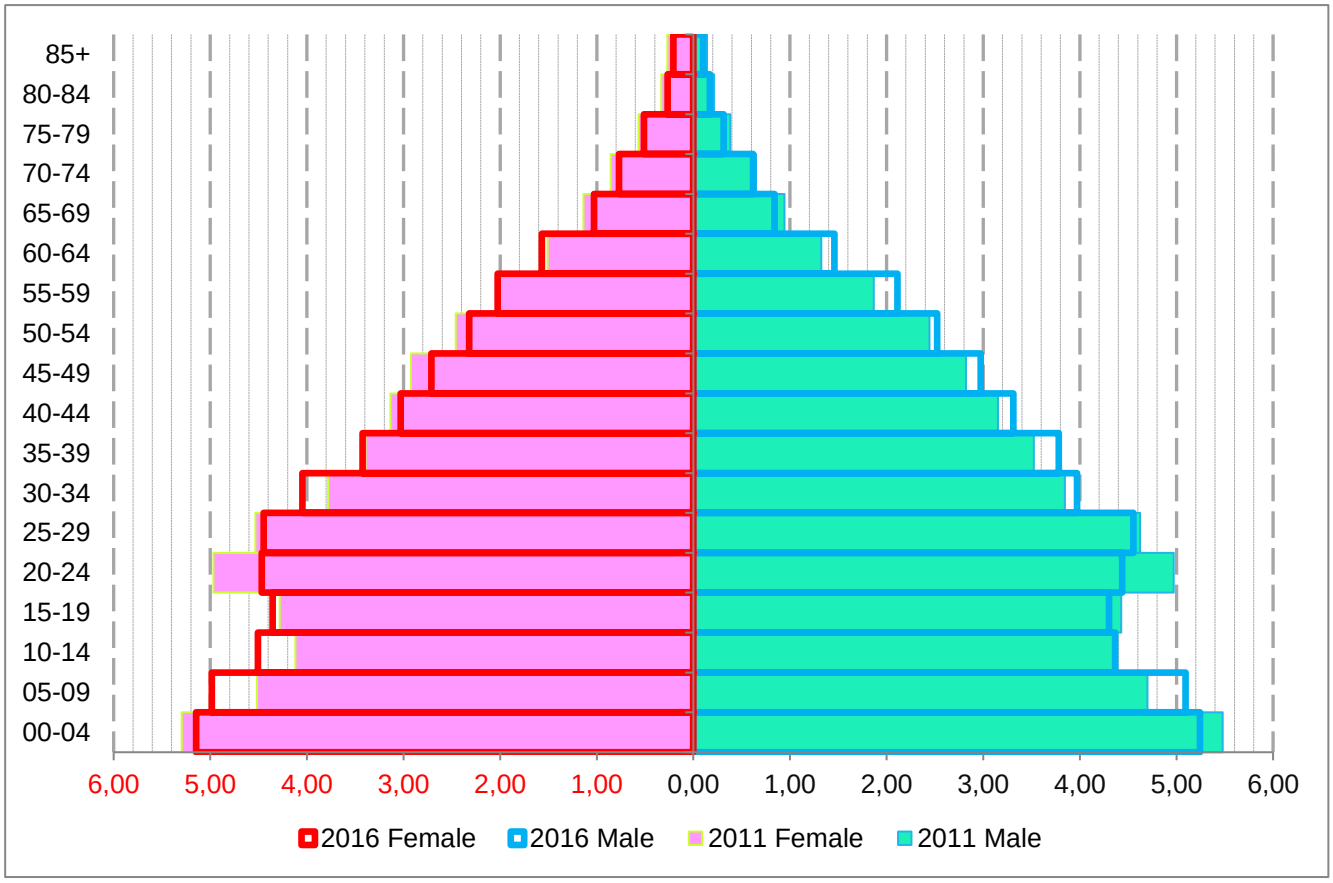
Figure 3: Percentage Female Population
Source: *1. Statistics SA, Census 2001*
2. Statistics SA, Census 2011

Population by Age

The population pyramid (Figure B.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, baring some significant changes in the mortality rates. The graph explicitly indicate that between about ten (10) to twenty (20) years ago, infant mortality was high, hence the indentation in the pyramid. This is attributed to the high death rate experienced in the early 2000 due to the prevalence of HIV/AIDS. The death rate affected the mainly young children and teens. The ages of 20 and upwards followed a normal pyramid, and is still following the same trend.

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 specific interventions in to mitigate the HIV/AIDS epidemic has borne positive spinoffs.

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*

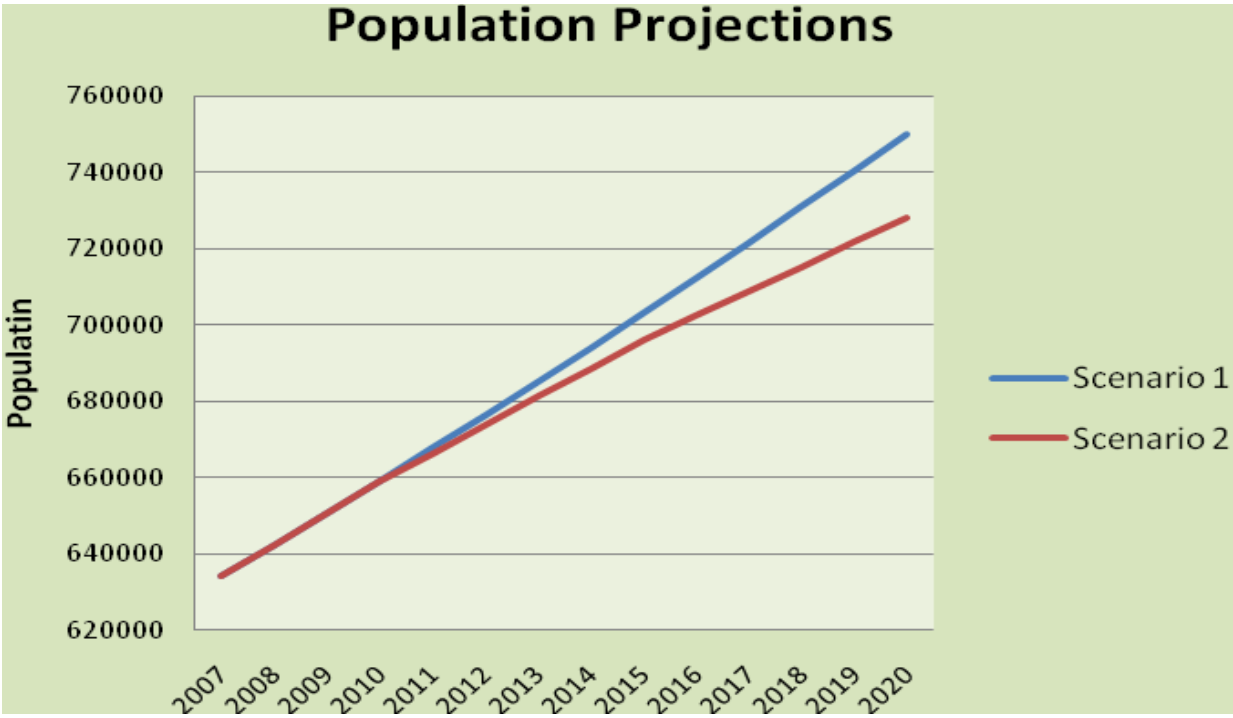
	Western Cape	Eastern Cape	Northern Cape	Free State	Kwazulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Outside SA	Do not know	Not Applicable	Unspecified	Total
City of Matlosana	310	1070	498	2589	446	30984	3477	361	750	1618	99	375013	69	417282
Maquassi Hills	20	19	49	350	-	6599	333	-	458	239	-	73944	-	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.

Figure 5: Population Projections, 2007-2020



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 6 (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%)).

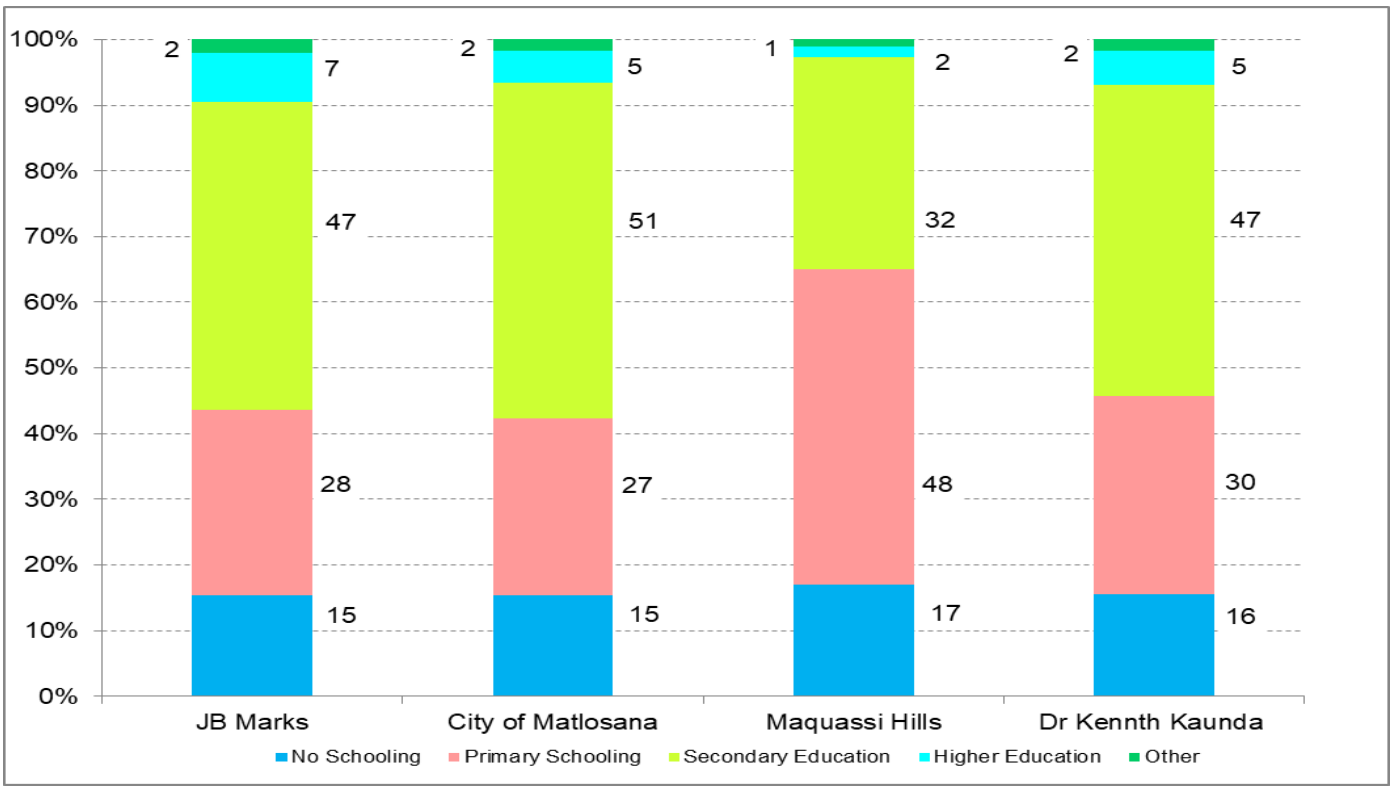
Matlosana has the highest proportion of the population with matric (51%), with the lowest proportion in Maquassi Hills (32%). Maquassi Hills has also a corresponding higher percentage of the population with a qualification of less than matric 48% (district average is 30%) and slightly higher percentage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

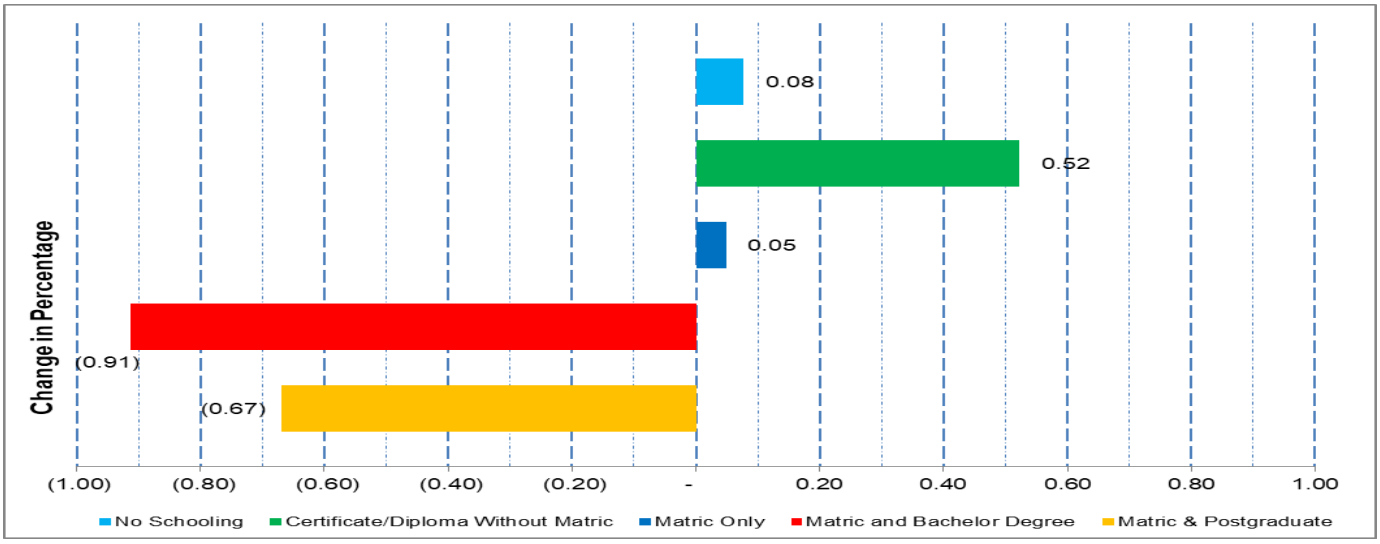
Source: Statistics SA, Community Survey 2016

Figure 6 (a): *Education Profile of Population Older than 20 Years (2016)*



Source: *Statistics SA, Community Survey 2016*

Figure 6(b): *Change in the Education Profile of Population across Dr KKDM (2016)*



Source: *Statistics SA, Community Survey 2016*

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 the Dr Kenneth Kaunda DM 2020/21 IDP. The 2011 SDF is currently under review, with significant progress having been registered.

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 analysis 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*

	Percentage Access to Basic Services								
Municipality	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)).**

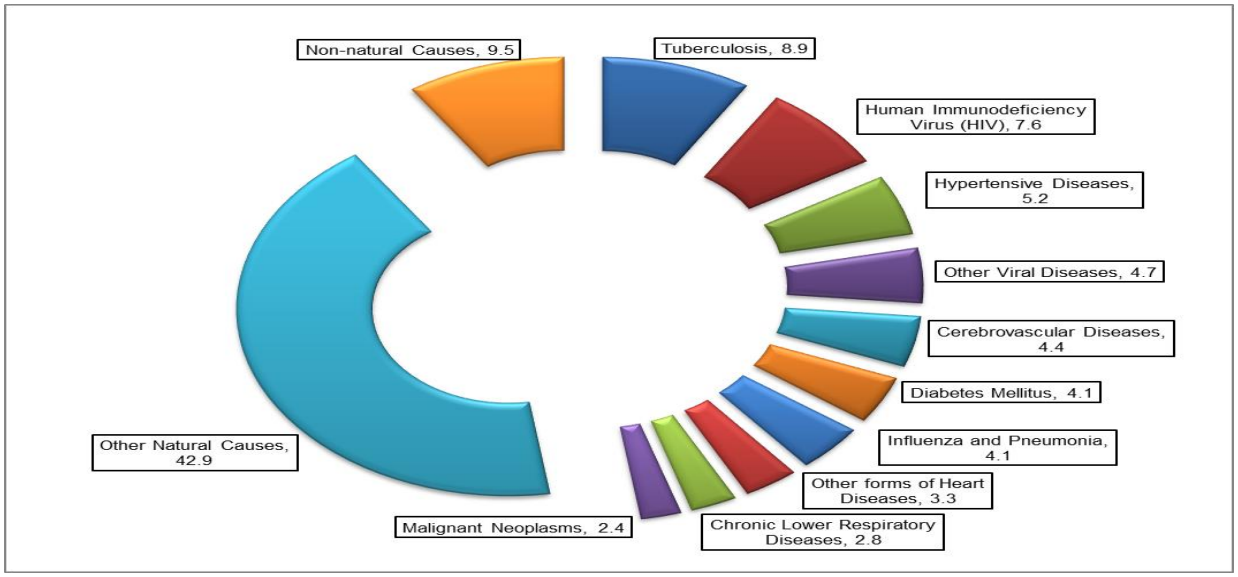


Figure7 (a): **Percentage of Major Causes of Death**

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%)

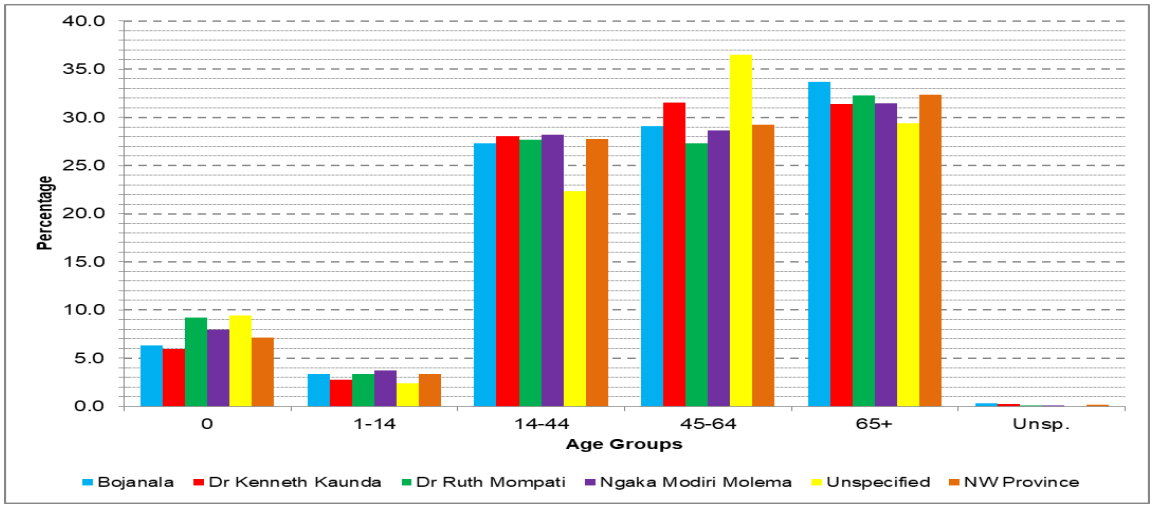


Figure 7(b): *Percentage of Deaths by Age Groups*

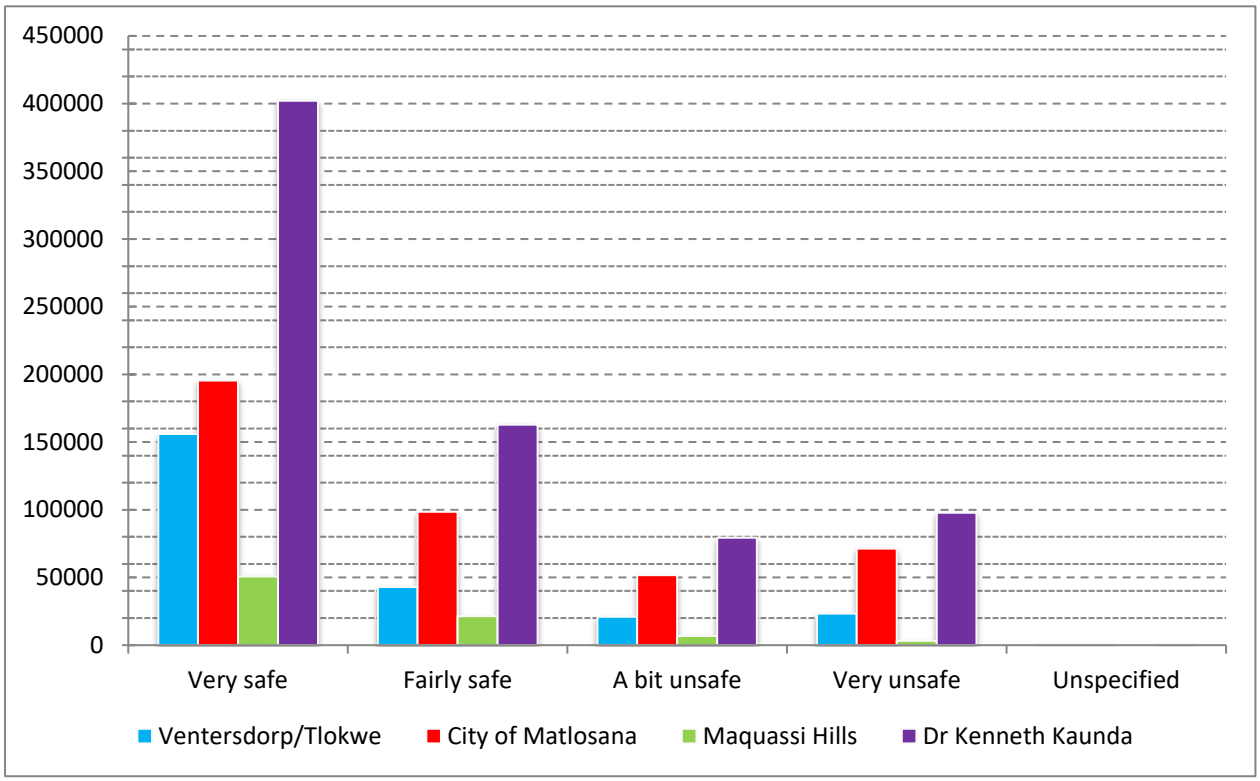
Source: Statistics SA, Mortality and Causes of Death in SA, 2015

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 JB Marks at 10% and the least at Maquassi Hills (4%).

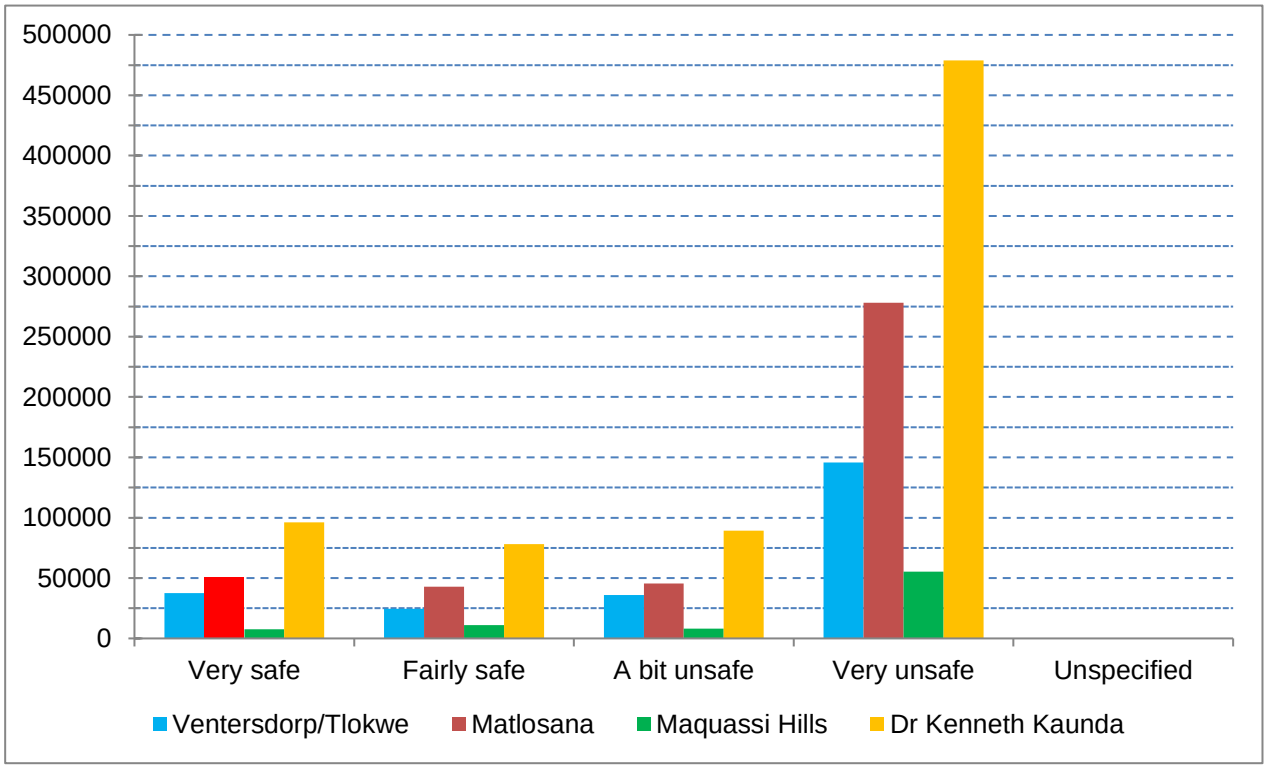
At least 60% of people feel very unsafe in the dark, with an average of 64% across the district. Maquassi Hills and Matlosana share the highest percentage, per population number of people who feel very unsafe in the dark at 67% and JB Marks at 60%. An average of people who feel very safe in the dark is 13% across the district, with 15% in JB Marks and the lowest number being found in Maquassi Hills at 9% per total municipality population. **(Consider Fig B.8 (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.

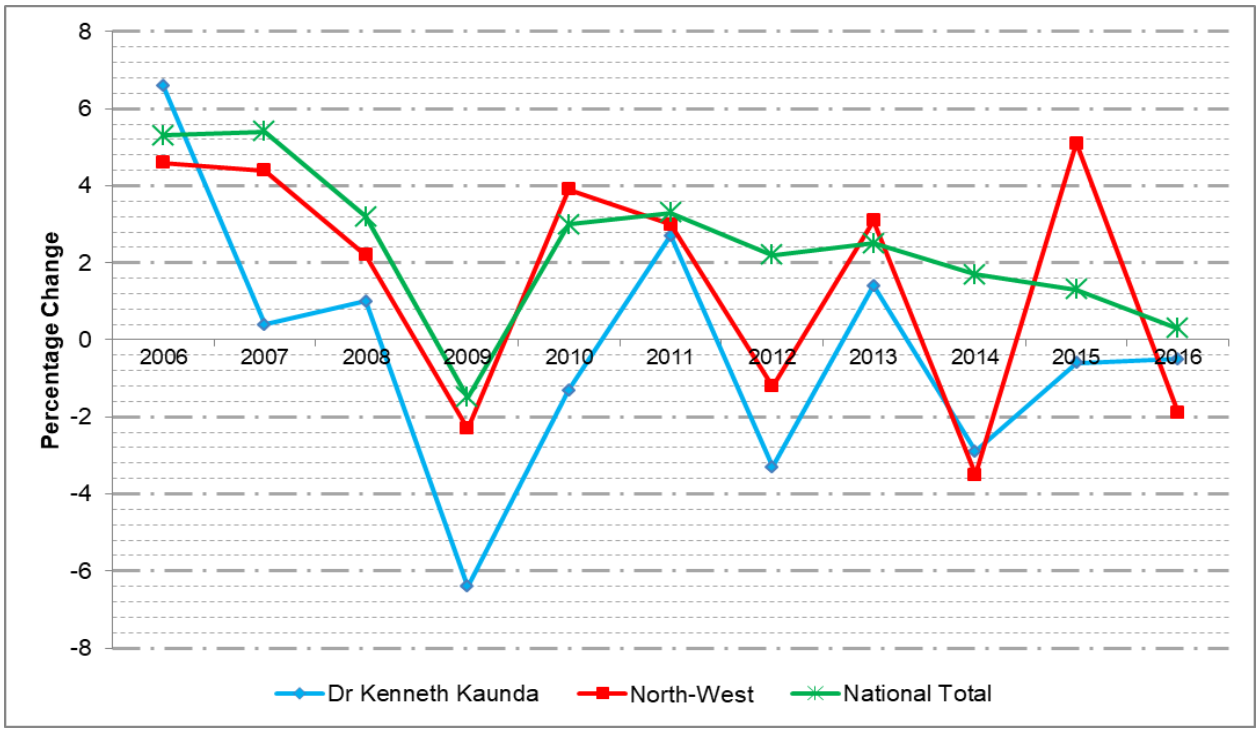
Table 5(c): *Gross Domestic Product (GDP)-Dr KK DM, NW Province, RSA-2006-2016 (Billions)*

	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 7** and illustrated in the accompanying graph **(Figure B.10)**, 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.

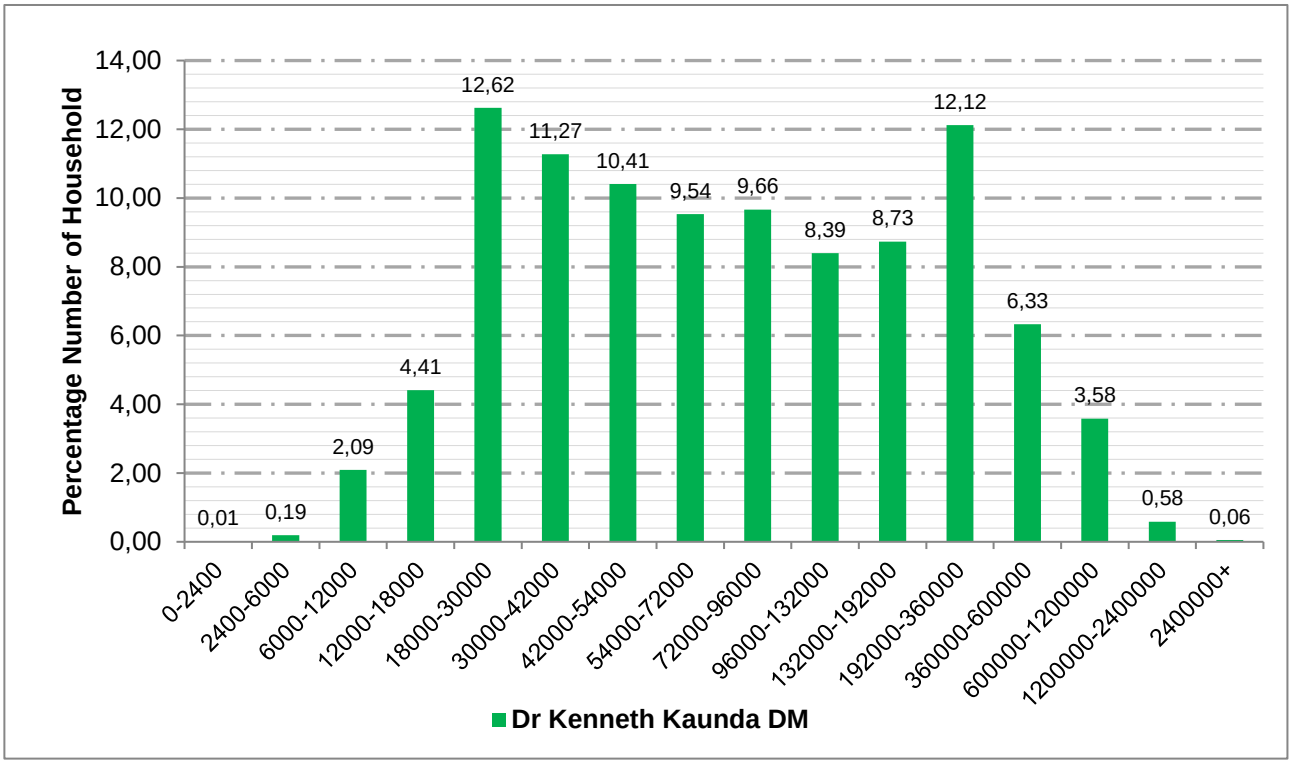
Table 7: *Income Profiles for Households in Dr Kenneth Kaunda Municipalities, 2016*

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.

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.

Figue10: Annual Households income in the Dr Kenneth Kaunda DM (as a percentage of the No of households, 2016)



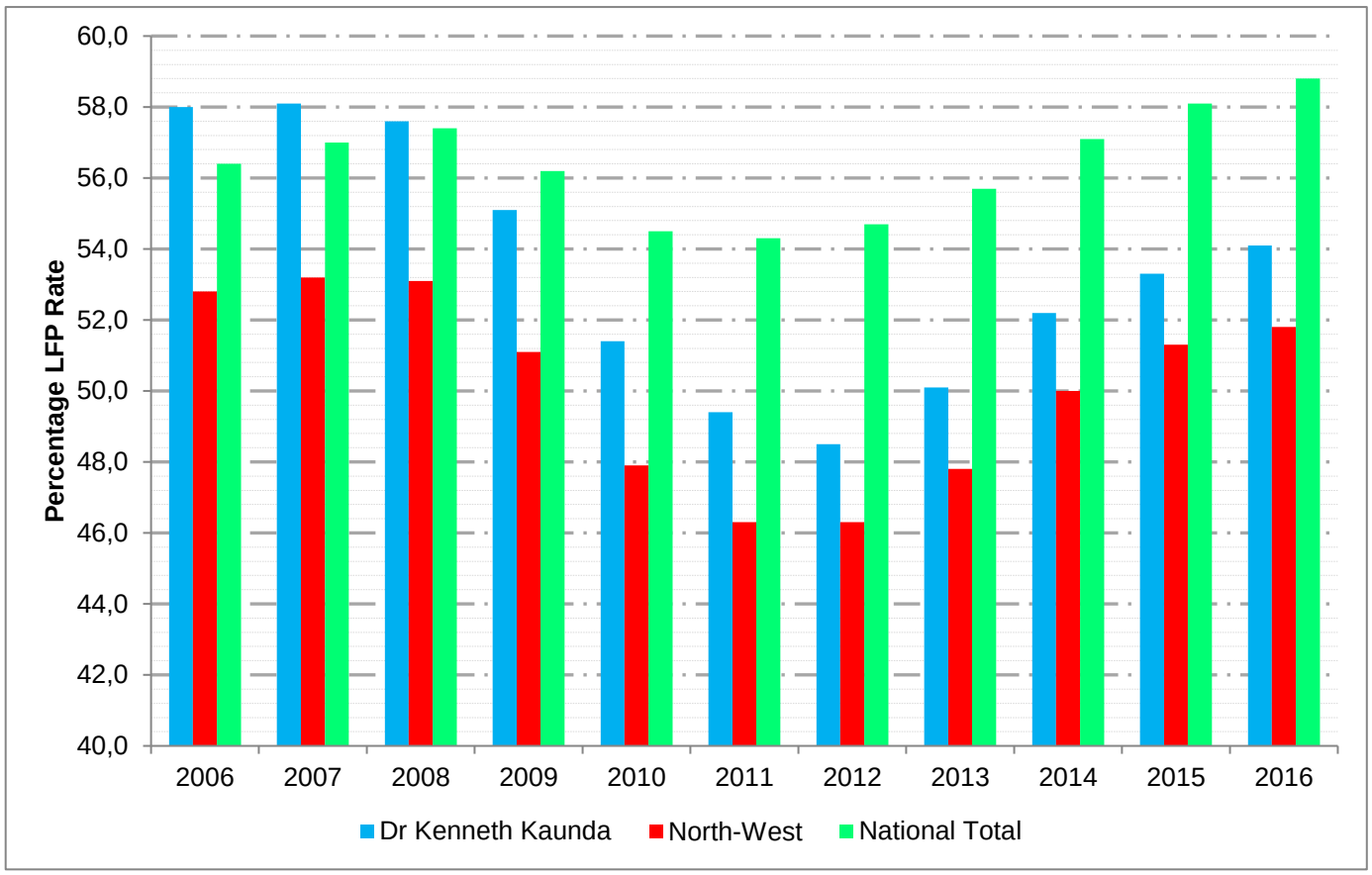
Source: IHS Markit Regional eXplorer Version 1160

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

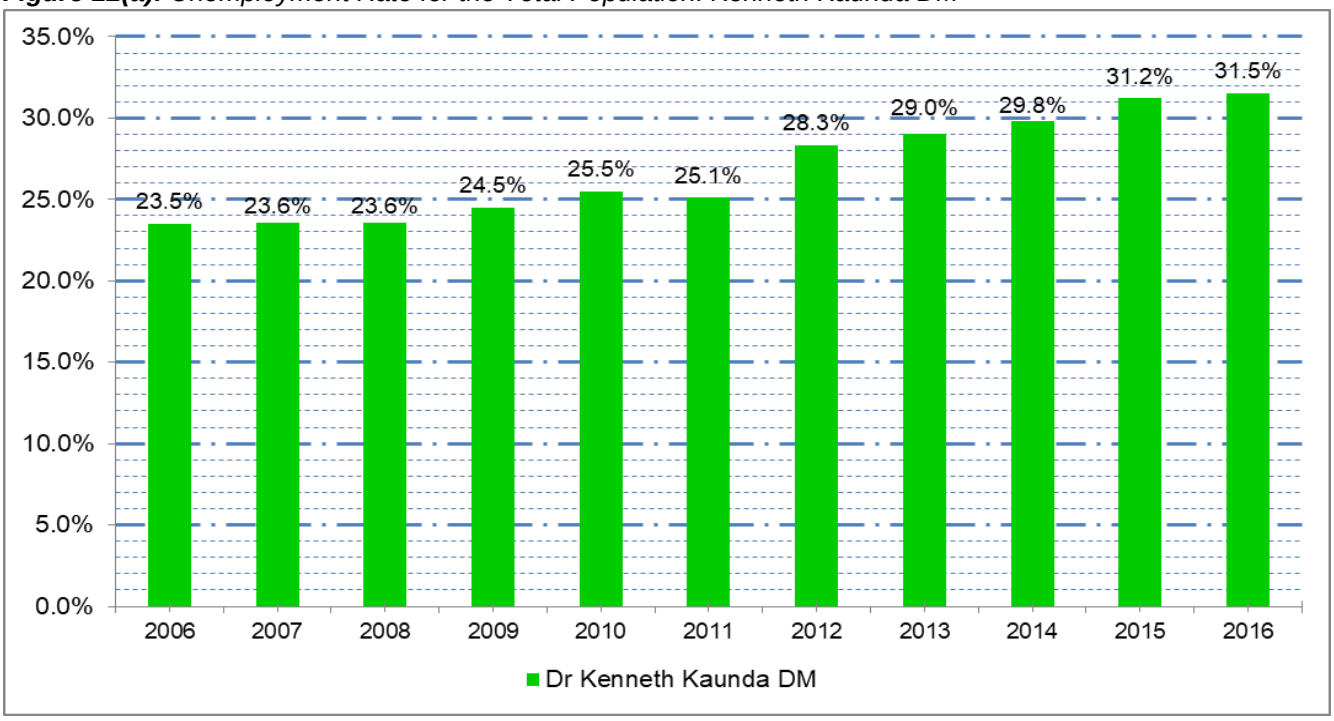
Unemployment Rate

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%).

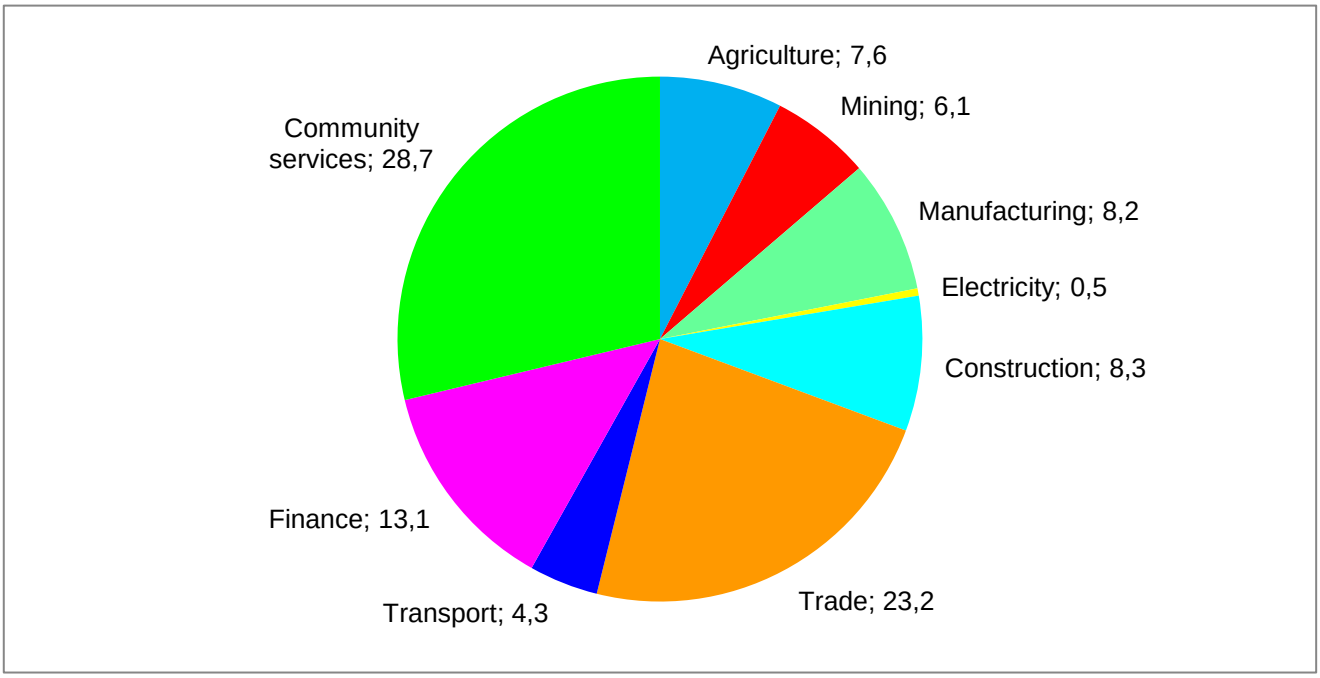
Figure 12(a): *Unemployment Rate for the Total Population: Kenneth Kaunda DM*



Source: IHS Markit Regional eXplorer

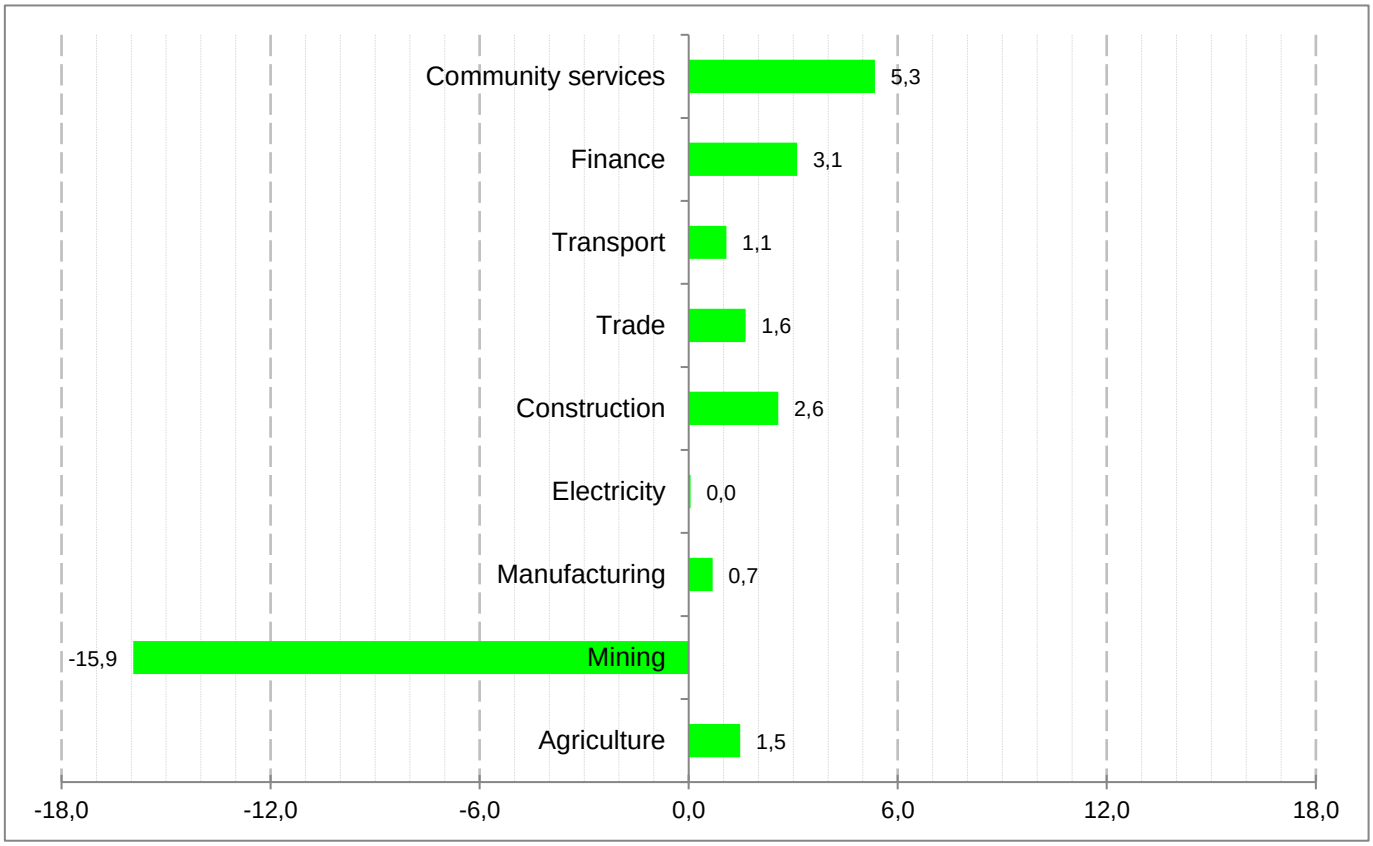
Sectoral Contribution to Employment

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

COMMUNITY SERVICES HIGHLIGHTS

1. OVERVIEW OF THE DEPARTMENT

The Department of Community Services in the Dr Kenneth Kaunda District Municipality (Dr KKDM) is legislatively mandated to provide the following Key Performance Areas (KPAs):

- Municipal Health Services;
- Fire and Rescue Services;
- Environmental Management Services; and
- Disaster Risk Management Services.

2. SERVICE DELIVERY HIGHLIGHTS PER UNIT

2.1. Municipal Health Services (MHS)

Municipal Health Services (MHS) 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 generations as per the World Health Organisation (WHO).

2.1.1. Overview – Municipal Health Services (MHS)

The Unit: Municipal Health Services (MHS) has for the period under review executed its Constitutional mandate to promote a *safe, clean and healthy environment through environmental awareness campaigns*. As from the 01st July 2020 to 30 June 2021, excellent progress has been registered with regard to the provision of Municipal Health Services to the residents of Dr Kenneth Kaunda District Municipality.

2.1.2. Description of the activities

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

2.1.2.1. Water Quality Monitoring

Includes:

- 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).

2.1.2.2. Food Control

Includes the:

- Inspection of all food preparation premises.
- Certification of all food premises in terms of R962.
- Monitoring/control of food quality/safety.
- Condemnation of foodstuffs not fit for human consumption.
- Food safety during special events.

- Training of food handlers.
- Complaints investigation (law enforcement and issuing of compliance notices).

2.1.2.3. Waste Management

Includes the:

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

2.1.2.4. Health Surveillance of Premises

Includes the:

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

2.1.2.5. Surveillance and Prevention of Communicable Diseases

Includes the:

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

2.1.2.6. Vector Control

Includes the:

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

2.1.2.7. Environmental Pollution Control

Includes the:

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

2.1.2.8. Disposal of the Dead

Includes the:

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

2.1.2.9. Chemical Safety

Includes the:

- Monitoring of chemical hazards.

2.1.3. Municipal Health Awareness Campaigns

Municipal health awareness campaigns - Performance highlights

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, waste management, sanitation, World Food day, World Environment Day, water and Covid-19 awareness campaigns**.**

The following are some of the municipal health awareness campaigns conducted in 2020/2021:

2.1.3.1. Maquassi Hills local area

- Food safety awareness campaign for street food vendors held at Wolmaransstad CBD, on the 25th of September 2020.
- World Environmental Health Day awareness education that was held in Leruntse Lesedi Secondary School, Lebaleng on the 28th September 2020.
- Health and hygiene awareness campaign that was held at Ntlatseng combined school in Rulaganyang Location, Witpoort on the 13th of November 2020.
- World Food Day celebration; Awareness Campaign held at Maquassi Hills Secondary School and Gontse Primary School, on 23rd November 2020.
- Health and hygiene awareness campaign that was held at Thakadu Primary School for Grade 6 learners in Kgakala Location, Leeudoringstad on the 26th of February 2021.
- Health and hygiene awareness campaign that was held at Early Childhood Development Centers (ECDs: Boitshoko Early Learning Centre (Ward 3), Catch Them Young Day Care Centre (Ward 1), and Fatlhosang Bana Educare Centre (Ward 1), in Tswelelelang township, Maquassi Hills, on the 24th March 2021.
- Clean –up campaign that was held at Lebaleng location, Makwassie, Maquassi Hills, on the 14th June 2021.
- Clean –up campaign that was held at Tswelelang location (Ext 13 and 15), Maquassi Hills, on the 17th June 2021.

2.1.3.2. Matlosana local area

- Health and Hygiene awareness campaign (COVID-19) for ECDs conducted on 01-31 July 2020 in Khuma, Oudorp, Orkney, Flamwood, Irene Park, Stilfontein, Hartebeesfontein and Wilkoppies.
- Health and Hygiene awareness campaign (COVID-19) conducted at Libraries on 06, 18 and 25 August 2020 in Klerksdorp, Orkney, Tigane and Stilfontein.
- World Environmental Health Day celebration conducted on 30 September 2020 in Freemanville and Kanana.
- Food Safety Awareness conducted at Atamelang Centre on 22 October 2020 in Klerksdorp CBD (Pienaarsdorp).
- Food Safety Awareness conducted for NSNP food handlers in Khuma on 07- 09 April 2021.
- Health and Hygiene awareness (COVID -19) at Vaal Reefs Primary School conducted on 22 April 2021.
- Health and Hygiene awareness (COVID -19) for Old Age Homes and NGOs, at Jouberton and Alabama on 08, 09 and 14 October 2020.
- World Food Day Celebration, Freemanville and Stilfontein on 23 - 24 November 2020.
- Health and Hygiene awareness (COVID -19) for Funeral undertakers, in the jurisdiction of the municipality on 18 – 29 January 2021
- Outreach programme for a feeding scheme, at Uraniaville, Matlosana on the 11th February 2021.
- Water Week Awareness, Klerksdorp CBD, on the 19th March 2021.
- Health and Hygiene awareness (COVID-19) at Hartebeesfontein Primary School on the 11th May 2021

2.1.3.3. JB Marks local area (Ventersdorp Office)

- Health Surveillance of premises, COVID 19 Awareness at taxi rank, Health and Hygiene Awareness at Tswana Tsatsi school, Food safety compliance workshop, Arbor Day celebration, Health and Hygiene awareness of food vendors, Funeral undertakers workshop, Health and Hygiene at Babbelbekkie and Kopanelo ECD and also Meat safety awareness and compliance.
- Health Surveillance of premises in Ventersdorp on the 10th of September 2020.
- COVID 19 Awareness at Ventersdorp Taxi Rank on 23rd September 2020.
- Health and Hygiene Awareness campaign at Tswana Tsatsi Primary School in Tsetse Village in Ventersdorp on 22 October 2020.
- Arbor Day Celebration at Regorogile Combined School and Kristen Dutchrow ECD in Mogopa Village in Ventersdorp on 23 October 2020
- Food Safety Awareness campaign of NSNP Practitioners Workshop held in Ventersdorp on 01 December 2020
- Health and Hygiene for food vendors in Ventersdorp on 24 February 2021
- Funeral Undertakers workshop on Management of Human Remains in the context of COVID-19 held in Ventersdorp on 10 February 2021.
- Health and Hygiene Awareness campaign held at Babbelbekkie and Kopanelo ECD in Ventersdorp on 05 May 2021
- Meat Safety Awareness and Compliance held in Ventersdorp on 17 and 18 May 2021.

2.1.3.4. JB Marks local area (Tlokwe Office)

- Funeral undertakers workshop conducted on the 11th February 2021.
- Consumer protection campaign conducted on the 05th February 2021.
- Funeral undertakers' awareness campaign held on 02nd and 03rd December 2020.

2.2. Environmental Management Services (EMS)

Environmental management functions which include: Air Quality, Waste Management, Climate Change, Environmental Planning, Biodiversity, Conservation, Enforcement and Compliance and are mandated by the following legislative framework:

- Constitution of the Republic of South Africa (Act 108 of 1996).
- National Environmental Management Act (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.
- Mineral and Petroleum Development Act (Act 28 of 2002).

(NEMA - National Environmental Management Act)

2.2.1. Environmental Awareness Campaigns conducted

These are the initiatives and campaigns which were embarked upon in order to educate communities on environmental management issues. The campaigns included, National Water Week Awareness Campaign and Air Quality Awareness campaign.

The following campaigns were conducted:

- Water Week Awareness Campaign at City Mall in Klerksdorp, held on the 19th March 2021.
- Air Quality awareness campaign at Klerksdorp Taxi rank in Klerksdorp on the14th May 2021.

2.2.2. The following are Air Pollution Control Activities performed

- *Monitoring stations*
  Department of Economic Development Environment Conservation and Tourism (DEDECT) has three (3) Ambient air quality monitoring stations that are monitored in the District (Kanana, Khuma, Jouberton).

- *Dust Pollution (Mining Operations)*
  Regular inspections.

- *Listed Activities (Industries)*
  Regular inspections

- *Non-Listed Activities (Small Industries)*
  Regular inspections

2.2.3. The following are Water Pollution Control inspections were conducted

- *Water pollution sources monitoring*
  Regular inspections at various rivers, streams and other sources and issuing of non-compliance notices to relevant authorities where necessary, for example, spillage of effluent from waste water treatment plants.

2.2.4. The following Waste Management inspections were conducted

- *Waste disposal facilities*
  Regular inspections at landfill sites, and recycling centers or buy-back centers.

- *Environmental Impact Assessment (EIA)*
  Providing regular comments on draft scoping reports on EIAs, where necessary.

- *Complaints reported*
  Recording, inspecting, reporting and responding on relevant environmental management complaints received.

2.3. Fire and Rescue Services

2.3.1. Overview of the Fire and Rescue Services

From the unprecedented veld fires season, motor vehicles accidents, to the global COVID-19 pandemic, this past financial year 2020/21 has challenged our ability to consistently deliver fire suppression and fire prevention to the community at large.

The Dr Kenneth Kaunda District Municipality (Dr KKDM) took over Fire and Rescue Services from the Maquassi Hills Local Municipality on the 01st July 2016. The transfer was informed by *Notice 195 of 2009*, published in the *Provincial Extraordinary Gazette, No 6648-date 16 June 2009*. The transfer process included, fire personnel, equipment and assets, liabilities, administration, and other records to efficiently provide a 24/7 fire and rescue services in the jurisdiction of the Maquassi Hills local municipal area, that include

Wolmaransstad (Tswelelang), Makwassie (Lebaleng), Leeudoringsstad (Kgakala, Witpoort, Rulakganyang, Boskuil and Ossenskraal), and other neighbouring towns. The fire station is current operated by 23 firefighters on a four (4) shift system operation (24/7) and the Chief Fire Officer. A plan is in place to appoint more personnel in the new financial year as per approved organisational structure.

Some of the greatest challenges facing the Dr KKDM Maquassi Hills Fire and Rescue Services relate to shortage of water supply within the municipal jurisdiction (Maquassi hills) for purpose of firefighting; capacity to meet the national development plan objectives in ensuring a safe and secure environment, alignment to IDP and the ability to achieve the delivery of community emergency services as per SANS 10090: Community protection against fire.

Dr KKDM – Maquassi Hills Fire and Rescue Services, subsequently finds itself battling a fire on three fronts; trying to reach all our community members and tourists, coping with changing and increasing risk profile, of which some are climate change and socio economic related. Above all, our dedicated TEAM efforts are limited by the allocation of inadequate budget, human and physical resources; However, "*WE are determined and dedicated to provide best firefighting and rescue services"*

It is worth noting that, future development programmes can increase an area susceptibility to disasters or any risks (i.e., more urban development attracts rural dwellers – thus informs informal settlements growth). Therefore, our Fire and Rescue Services need a continuous increasing ability and capacity to provide for protection against fire hazards and related risk….*"We are faced with new and different challenges annually – risk changes".* Our status has improved to 50% compared to previous years, whereby fire services did not reach certain areas. This was further compounded by the fact that the department is overall understaffed and the reality that specialized fleet and units required to mitigate for Maquassi Hills *Fire and Rescue Services jurisdictional risk profile was yet, unattained. "The support and efforts from Municipal Council, Management, National Disaster Management Centre, NW Provincial Disaster Management Centre, together with Matlosana and JB Marks Fire & Rescue Services have not gone unnoticed"*

2.3.2. Strategic future improvements to the service

The Unit envisaged strategic plan recognises the need to focus resources on eight (8) key areas over the next five years, which are:

- Enhancing community safety.
- Personnel capacity building / skills and resource development.
- Building and strengthening partnerships with public and private sectors.
- Building emergency management capability.
- Decentralisation of fire services and establishment of satellite stations.
- Alignment of IDP and planning for the future.
- Sound revenue enhancement, and lastly.
- To support local fire services through district development model strategy.

2.3.3. Legislative framework

The following legislation informs the services:

The Unit: Fire and Rescue Services is a basic unit of service delivery, legislated under the Fire Brigade Services Act, (Act, 99 of 1987) which provides for - the establishment,

maintenance, employment, coordination, and standardization of fire brigade services and for matters connected therewith.

As cited in the Act, the primary tasks of the emergency services are, or service intended to be employed for:

- Preventing the outbreak or spread of fire.
- Fighting or extinguishing a fire.
- The protection of life or property against a fire or other threatening danger.
- The rescue of life or property from a fire or other danger.
- The performance of any other function connected to the above.

Furthermore, under the Code of Practice referred to in SANS 10090: Community protection against fire, provides guidance and performance criteria for:

a. Call receipt and processing.
b. Vehicle / Equipment availability and maintenance.
c. Incident management procedure.
d. Pre- planning and risk visits.
e. Training of personnel.
f. Water supplies.
g. Fire safety functions.

Fire and Rescue Services is also informed and mandated by the following legislations:

- *The Constitution of the Republic of South Africa, 1996 - Schedule 4, Part B* clarifies that, firefighting service is a local government function of which there should be a concurrency between province and national for purpose of legislative competencies and support.

- *National Veld and Forest Fire Act (Act 101 of 1998)* - This piece of legislation is crucial for improvement relations with private landowners and Fire Protection Associations (FPAs) to function optimally to manage the risk of veldfire and other related matter (i.e., formation and registration of FPAs, veld fire prevention fire breaks and enforcement).

Other key legislation and regulations that impact on provision of fire and rescue services, not limited to:

- Disaster Management Act (Act 57 of 2002).
- SANS 10400 – The application of National Building Regulation.
- National Building Regulations and Building Standards Act, 1977 (Act No 103 of 1977).
- Occupational Health and Safety Act, 1993 (Act No. 181 of 1993).
- National Environmental Management Act, 1998 (Act No. 107 of 1998).
- National Water Act, 1998 (Act No. 36 of 1998).
- National Health Act, 2003 (Act No. 61 of 2003).
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- Safety at Sports and Recreation Act, 2010 (Act No. 2 of 2010).
- Criminal Procedure Act, 1977 (Act No. 51 of 1977).

2.3.4. Operational performance

From July 2020 to June 2021, the Dr KKDM MAQUASSI Hills responded to the following incidents:

2.3.4.1. Fire calls

Fire calls	Overall achievement
Number of dispatched calls • veld fires = 94 • shack fire = 16 • house fire = 15 • light vehicle fire = 3 • heavy duty vehicle fire = 2	130 calls for the year 2019/20 (With 1 fatality)

2.3.4.2. Motor vehicle and pedestrian accidents

Motor vehicle and pedestrian accidents	Overall achievement
Number of dispatched calls • MVA's = 95 • PVA's = 2	95 calls for the year 2019/20 (With 16 fatalities)

2.3.4.3. Fire safety and prevention performance

The goal of this sub-unit is to prevent fires from occurring, awareness, education, and law enforcement. The Sub-unit, Fire Safety and Prevention is currently responding to the Key Performance Indicators (KPIs) as per SDBIPs namely, *KPI 65 Spatial Rational Fire Safety Inspections:*

INSPECTION RECORD – 2020/2021		
Number of inspections conducted	**Overall non-compliant**	**Overall compliant**
60	**45**	**15**

2.3.4.4. Public participation

Draft district fire services by-laws were adopted by council and went for public participation in September 2019. These by-laws will cater for all fire services within the Dr Kenneth Kaunda District Municipality and will assist with proper enforcement of fire service legislations and other regulations.

2.3.4.5. Capacity building

Specialised training was presented on COVID-19 Decontamination in 2020 for all firefighter and after that, the COVID-19 Task Team was established to render services within the Dr KKDM jurisdiction (i.e., MHLM and the HQ in Orkney).

2.3.4.6. The future of the fire and rescue services

Our objective as the unit of Public Safety – Fire and Rescue under the leadership and umbrella of the Directorate Community Services is to support, standardise, coordinate,

and systematically improve the fire service within the Dr Kenneth Kaunda District Municipality. The year 2019/20 and 2020/21 financial years presented us with numerous challenges and risks. Based on that, the department Public Safety – Fire and Rescue Services will soon focus on a plus plan capabilities (positive organisational change) such as:

- Prevention and Education.
- Attract skilled and adaptable workforce.
- Acquire more emergency response resources.
- Support the government initiative on District Development Model, and
- Continue to improve service delivery (meeting community fire service needs).

2.4. Disaster Risk Management Services

2.4.1. About the Disaster Risk Management Centre

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. The services are further subdivided into the following sub sections:

- Disaster Risk Management; and
- Public Information Education and Relations PIER).

2.4.2. Legislative framework

The following legislation guides the service:

- Constitution of the Republic of South Africa, (1996).
- Disaster Risk Management Act, (Act 57 of 2002).
- Fire Brigade Act, (Act 99 of 1987).
- National Road Traffic Act, (Act 93 of 1996).
- South African Police Service Act, (Act 68 of 1995).
- Safety and Sport Recreation Act, (Act 2 of 2010).
- National Land Transport Act, (Act 5 of 2009).
- Batho Pele Principles.
- Criminal Procedure Act, (Act 51 of 1977).
- Regulation of Gatherings Act (Act 205 of 1993)

2.4.3. Highlights of the service – period under review

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

2.4.3.1. Disaster Risk Management

The JB Marks and Matlosana local municipalities are under laid 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 has been completed. The draft Dolomite Risk Management Plan and Bylaw will be tabled in Council in 2021/22 Financial Year for adoption.

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 – Rietfontein Ward 18.

- Matlosana – Kanana Ward 27.
- Matlosana – Khuma Ward 38.

2.4.3.2. COVID-19 support systems

The Dr Kenneth Kaunda District Disaster Centre coordinated the COVID-19 response during period under review. The Joint Operation Centre (JOC) and Command Centre meetings of the District, were held and coordinated by the Centre. In order to ensure stringent compliance with the Covid-19 regulations, these meetings were held on ZOOM platform. Awareness and information sessions were conducted through various media platforms including local community radio stations, local newspapers and information-sharing pamphlets.

2.4.3.3. Public Information Education and Relations (PIER)

"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 state, 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. Therefore the Centre places so much emphasis on educating the community. The COVID-19 message dominated the awareness campaigns for the year. One of the highlights was the visit to Boitirelo Primary School on 25 March 2021.

TRANSPORT, ROADS & INFRASTRUCTURE DEVELOPMENT SERVICES HIGHLIGHTS

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 2020/2021 the following activities were executed, namely:

- 250 kilometres of unpaved municipal road network within its jurisdiction was done covering roads in Matlosana.
- 35 Traffic counts within JB Marks area as well as 25 Traffic counts within Maquassi Hills area 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 LED & Planning Department has for the period under 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;
- Completed the review of the LED Strategy of Dr Kenneth Kaunda District Municipality;
- The adoption of the Matlosana SDF by Council as well as the tabling of the JB Marks SDF by their Council as a process aimed at finalizing the Dr KKDM SDF;
- Assisted about thirty-two (32) SMME's / Cooperatives through the district's SMME Grant Policy;
- Managed to create employment opportunities for 225;
- Managed to enrol about 34 unemployed learners from Dr Kenneth Kaunda on the DEDECT's sponsored Automotive Sector Skills Training Programme learnership at AIDC in Gauteng for a period of three months (May 2021 to July 2021). These learners are enrolled in the following learning skills; Welding, Panel Beating & Spray Painting, Motor Mechanic, Diesel Mechanic, Auto-Electrician, Wheel Alignment & Tyre Replacement. The introduction of Adjusted Level 4 Covid-19 restrictions towards the end of June 2021 led to the suspension of the training by the Centre and it commenced in August 2021 again.

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: 250 kilometres

The total length of kilometres of unpaved municipal road network covered is 1058.19 kilometres. For the year under review, the Matlosana's Unpaved Road Management System (URMS) reports were produced. The URMS report 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 35 traffic counting stations were covered in the JB Marks area as part of the traffic impact studies planned for the year under review while a similar exercise done in Maquassi Hills are covered 25 traffic counting stations. 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) AUTOMOTIVE SECTOR SKILLS TRAINING PROGRAMME (DEDECT / AIDC / DR KKDM / BOJANALA COLLABORATION)

The North-West Province has an exceptionally high unemployment rate of 33% (National 29%) representing approximately 452,000 of which many are youth. The unemployment rate in the North West Province has increased by 10.1% since 2008 (STATSSA, Q2 2019). In addition, the fact that the majority of the province is rural means that the majority of unemployed youth is concentrated in townships. Most of the unemployed in these areas are unskilled and semi-skilled and are faced with challenges such as limited economic opportunities within the townships, distance to market and lack of specialized skills.

There is thus a potential for developing the automotive industry in the province through growing the aftermarket repair and maintenance sector by increasing skilled labour. This presents an opportunity to provide skills development and training to unemployed youth that will have a measurable and positive socio- economic impact for the community.

It is in this context the Department of Economic Development, Environment, Conservation and Tourism (DEDECT) entered into a Memorandum of Understanding with the Automotive Industry Development Centre (AIDC) in order to collaborate on innovative initiates, training programmes and projects to develop the automotive industry as an economic sector within the North West Province for a three-year period.

A total of 34 unemployed learners have been enrolled on this training learnership for a period of three months however some learners will do an extra three months as their training is split into two Unit Standards as per the explanation from AIDC. It means these learners will be at AIDC for a period of at least six months (i.e. 2 months set aside for theoretical training while the other 4 months will be for practical training at companies which AIDC had signed a memorandum of understanding to enable these learners to have practical experience of their trade).

PICTURES OF SOME OF THE LEARNERS BEFORE DEPARTING FOR THE AUTOMOTIVE SECTOR TRAINING

5. CONCLUSION

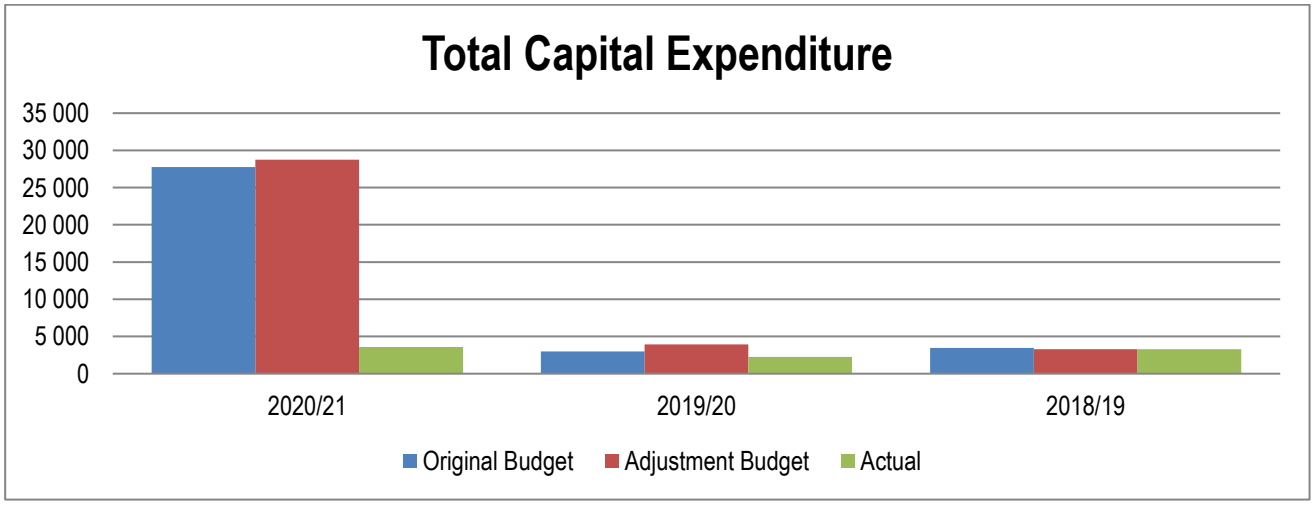
Rural Roads Asset Management System (RRAMS) is a programme intended to assist local municipalities to have a clear picture on their road network and plan accordingly with regards to maintenance programme thereof. Secondly, the continued support of the National Government in funding the Expanded Public 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.

1.2.4. FINANCIAL HEALTH OVERVIEW

Financial Overview: 2020/21			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	202 226	207 041	203 672
Taxes, Levies and tariffs	-	-	
Other	6 687	6 687	4 951
Sub Total	208 953	213 728	208 623
Less: Expenditure	211 708	213 338	198 259
Net Total*	2 755	390	15 364
** Note: surplus/(deficit)*			

Operating Ratios: 2020/21	
Detail	**%**
Employee Cost	56,2
Repairs & Maintenance	2,0
Finance Charges & Impairment	0,0

Total Capital Expenditure: 2018/19 to 2020/21			R'000
Detail	**2020/21**	**2019/20**	**2018/19**
Original Budget	27 760	3 010	3 472
Adjustment Budget	28 750	3 930	3 297
Actual	3 598	2 259	3 290



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 2020/21 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	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	March 2021

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. Mosiane-Segotso
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: (**Status as at end June 2021**)

POSITION	NAME
Municipal Manager (Was acting as at end June 2021)	TM. Rampedi
Senior Manager: Corporate Services	SC. Abrams
Chief Financial Officer	LP. Steenkamp
Senior Manager: Community Services (Acting MM from 30 August 2021)	M.A Metswamere
Senior Manager: Local Economic Development and Planning (Acting)	KT. Tshukudu
Chief Audit Executive	S.G Mtemekwana

The following managers' report administratively to the Municipal Manager;

POSITION	NAME
Manager: Office of the Executive Mayor (Acting)	X. Mndaweni
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
Chief Risk Officer	L. Motepe
Manager: Municipal Information Security Standards (Acting)	L. Motepe
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;

The following IGR for IDP were held within the district:

Technical IGR Meeting: 03 December 2020
IDP Coordinating Committee Meetings: 19 November 2020
IDP Representative Forum Meeting: (Not held, due to Covid-19 restrictions) (02 & 29 June 2021, through Radio Interviews)

Stakeholder Engagement Workshop on the Green Paper on Marriages in SA

The Stakeholder Engagement Workshop on the Green Paper on Marriages in SA was held as follows:

Date	Time	Venue
02 June 2021	13h00	Virtual Platform

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

Activities	DATE	VENUE	TIME
1 Audit Report MPAC briefing by AG 2 Adopting the process plan 3 Approving the concept document	11/05/2021	Council Chamber	10H00
Radio Interview and the release of the media statement	Available slot		
1 Choosing sites to be inspected 2 Formulation of the questions for management and Going through the Annual report of the District	13/05/2021	Committee Room	10h00
Projects visits	20 and 21/05/2021	Matlosana, JB Marks and M/Hills	09H00
Public Participation – All local Municipality	17 to 28 /05/2020	CBP collection of information from the public	08h00

Consolidation of public questions and writing a letter to management	25/05/2021	CBP and MPAC Support Staff – venue to TBC	08h00
Review of Public question	26/05/2021	Whips Board	10h00
Management and executive interviews	01/06/2021	Council Chambers	10h00
Finalization and committee adopting the Oversight Report	22/06/2021	Committee Room	10H00
Tabling of Oversight Reports	24/06/2021	Council Chamber	10h00

2.3.4. Public Meetings

Dr Kenneth Kaunda District Speaker's Office invited the public to the Integrated Public Participation, ID Campaign and Anti-Corruption Ethical Leadership Initiative events.

The main aim of this events was to bring services to the people and to improve participation of communities in local government affairs, and to also remind community members of various channels to be followed in order to fight crime and corruption.

The events were held as per the below dates:

Name of municipality	Date of visit	Venue	Time
Maquassi Hills LM	12 May 2021	Ward 03	10H00
City of Matlosana LM	14 May 2021	Ward 15	10H00
JB Marks LM	18 May 2021	Ward 05	10H00

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. Strategic risk register for 2020/2021 was finalized and submitted to Audit Committee on the 1st Quarter, Risk Management policy and risk management strategy was also reviewed and adopted by Council, on the third quarter 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

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.
Adopted risk management policy incorporate Fraud and Anti-Corruption strategy, however management is of the view to separate the strategy from risk management policy to be stand-alone strategy, processes are at advanced stage to separate the two and develop Whistleblowing policy that will incorporate fraud and Anti-Corruption strategy.

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 (2019/20)	Yes
The annual report (2019/20) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020/21) and resulting scorecards	Yes
All service delivery agreements (2020/21)	Yes
All long-term borrowing contracts (2020/21)	N/A
All supply chain management contracts above a prescribed value (give value) for 2020/21	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 2019/20	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 2020/21	Yes

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

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

(1) A municipality must prepare for each financial year a performance report reflecting:
   a. The performance of the municipality and of each external service provider during that financial year;
   b. A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
   c. Measure taken to improve performance

(2) An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the Municipal Finance Management Act.

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

KPA 1: Basic Service Delivery and Infrastructure Development
KPA 2: Municipal Transformation and Organizational Development
KPA 3: District Economic Development
KPA 4: Municipal Financial Viability and Management
KPA 5: Good Governance & Public Participation
KPA 6: Spatial Rationale

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*															
			BASELINE 2019/2020					20219/20 COMPARISON										
FUNCTIONAL AREA	**STRATEGIC OBJECTIVE**	**MUNICIPAL POWERS & FUNCTION**	**Current status (Progress to date)**	**Demand (MFMA Circular 63)**	**Backlog (MFMA Circular 63)**	**KEY PERFORMANCE INDICATOR**	**KPI TYPE**	**2019/20 TARGET**	**2019/20 ACTUAL PERFORMANCE**	**ANNUAL TARGET**	**BUDGET**	**MSCOA DESCRIPTION**	**ACTUAL EXPENDITURE**	**2020/21 ACTUAL PERFORMANCE**	**REASONS FOR DEVIATION**	**CORRECTIVE MEASURE**	**PORTFOLIO OF EVIDENCE**
Community Services	To provide environmental health services	Municipal Health Service	38 environmental campaigns	32 environmental campaigns	Nil	**KPI 1** Number of environmental awareness campaigns conducted within Dr. Kenneth Kaunda District MH&EMS	Activity	32 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2020	**ACHIEVED** 38 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2020	32 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2021	R 965 000 R 215 000 R 350 000 R 400 000	39052300 120FLP43 ZZWD 39052300 140FLP43 ZZWD 39052301 870FLP43 ZZWD	R 525 069 R 142 845 R 326 254 R 55 970	**ACHIEVED** 32 environmental awareness campaigns conducted within Dr. Kenneth Kaunda District by 30 June 2021	None	None	Campaign reports with pictures

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														
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Community Services	To provide environmental health services	Municipal Health Service	11 compliance 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 and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by 30 June 2020	**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	12 compliance reports on drinking water samples taken and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by 30 June 2021	R500 000 Shared Vote	39052273330FLP94ZZWD	R 42 034	**ACHIEVED** 12 compliance reports on drinking water samples taken and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted by 30 June 2021	None	None	Compliance reports, Sampling points list, Sample analysis results

THEMATIC AREAS	BASIC SERVICES DELIVERY																
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
OUTCOME 9	OUTPUT 2		IMPROVING ACCESS TO BASIC SERVICES														
	OUTPUT 4		ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME														
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Community Services	To provide environmental health services	Municipal Health Service	52 water samples taken tested at the reservoirs in Tlokwe, Ventersdorp, Matlosana and Maquassi Hills Local Municipality	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 MH&EMS	Output	48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2020	**ACHIEVED** 52 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2020	48 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2021	R500 000 Shared Vote	39052273330FLP94ZZWD	R 42 034	**NOT ACHIEVED** 45 water samples taken tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality by 30 June 2021	The lack of a panel for available laboratory testing facilities impacted negatively on samples taken.	Regularizing and stabilizing the management of JB Marks office	Sampling point list, sample analysis results
Community Services	To provide environmental health services	Environmental Management Services	2 activities on Air Quality Management	3 activities on Air Quality Management	Nil	**KPI 4** Number of activities conducted on Air Quality Management within Dr. Kenneth Kaunda District MH&EMS	Activity	4 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by 30 June 2020	**NOT ACHIEVED** 2 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by 30 June 2020	3 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by 31 March 2021	R 52 000 R42 000 R10 000	 39052270310FLP02ZZWD 39052260600FLP02ZZWD	R 0 R 0 R 0	**ACHIEVED** 5 activities conducted on Air Quality Management within Dr. Kenneth Kaunda District by 31 March 2021	2 extra inspections were done	None	Air Quality Inspection Reports with pictures

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															
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Planning	To promote physical infrastructure development services	Municipal Planning	1058,18 km of Paved Roads Assessed	250km of unpaved Roads Assessed	Nil	**KPI 5** Total kilometres of unpaved Roads Assessed within Matlosana PLN	Output	1058.19km of unpaved Roads Assessed by 31 December 2019	**ACHIEVED** 1058.19km of unpaved Roads Assessed by 31 December 2019	250km of unpaved Roads Assessed within Matlosana by 30 June 2021	R 2 480 000	36052272 560RUP3 4ZZWD	R 2 480 000	**ACHIEVED** 250km of unpaved Roads Assessed within Matlosana by 30 June 2021	None	None	1 Quarterly Report on the 250km of assessed unpaved roads
Planning	To promote physical infrastructure development services	Municipal Planning	75 Traffic Counts	60 Traffic Counts	Nil	**KPI 6** Number of total Traffic Counts Completed in JB Marks and Maquassi Hills PLN	Output	75 Traffic Counts Completed within Dr Kenneth Kaunda District Municipality by 30 June 2020	**ACHIEVED** 75 Traffic Counts Completed within Dr Kenneth Kaunda District Municipality by 31 March 2020	60 Traffic Counts Completed within JB Marks and Maquassi Hills by 31 March 2021	R 2 480 000	36052272 560RUP3 4ZZWD	R 2 480 000	**ACHIEVED** 60 Traffic Counts Completed within JB Marks and Maquassi Hills by 31 March 2021	None	None	2 quarterly reports on 60 traffic data Pictures

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	20219/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL PERFORMANCE								
Planning	To promote physical infrastructure	Municipal Planning	Draft SDFs for local municipalities	DrKKDM SDF	DrKKDM SDF	**KPI 7** Number of Draft District Spatial Development Framework tabled before Council PLN	Output	1 x Reviewed District Spatial Development Framework developed by 30 June 2020	**NOT ACHIEVED** Draft SDF for Matlosana is complete. The draft for JB Marks is still in progress. Final SDF for Maquassi-Hills is complete	1 Draft District Spatial Development Framework tabled before Council by 30 June 2021	R697 000	36052272560FLP96ZZWD	R 640 850	**NOT ACHIEVED** Matlosana SDF approved by Council Draft JB Marks SDF Tabled in Council	Matlosana SDF was only approved in June 2021 as well the JB Marks SDF got tabled in Council also in June 2021 including the advert for public comment for a period of 60 days	To ensure that JB Marks SDF gets approved in the first quarter of 2021/22 to enable the finalization of the District SDF	Draft Spatial Development Framework Council Resolution

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															
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Planning	To promote physical infrastructure	Municipal Planning	Nil	1 District Housing Master Plan adopted by Council by June 2021	Nil	**KPI 8** Number of District Housing Master Plan adopted by Council PLN		-	-	1 District Housing Master Plan adopted by Council by 30 June 2021	R 800 000	36052300120FLQ49ZZWD	R 626 086	**NOT ACHIEVED** The service provider has been appointed. 1 progress report has been submitted by end June 2021	Late appointment of the service provider meant the project duration overlapped into the 2021/22 financial year	To ensure that the District Housing Master Plan is completed within the first semester of the 2021/22 and tabled for adoption thereafter in Council	Advert Appointment of Service provider letter Council Resolution Master Plan

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															
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Planning	To promote physical infrastructure	Municipal Planning	Nil	Purchased municipal land for Municipal Office Park	Nil	**KPI 9** Purchased municipal land for Municipal Office Park within Matlosana Local Municipality PLN	Output	-	-	Purchased municipal land for Municipal Office Park within Matlosana Local Municipality by 31 December 2020	R 8 500 000	36056473520ORC73ZZWD	R 0	**NOT ACHIEVED**	The Bid Committees sat in the 4th Quarter, and there was no successful bidder	The tender will be re-advertised in the 2021/22 1st Quarter	Proof of purchase Title deed

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															
			BASELINE 2019/2020					20219/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL PERFORMANCE	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Planning	To promote physical infrastructure	Municipal Planning	Nil	1 Electricity Master Plans developed for Maquassi-Hills Local Municipality	Nil	**KPI 10** Number of Electricity Master Plans developed for Maquassi-Hills Local Municipality adopted PLN		-	-	1 Electricity Master Plan developed for Maquassi-Hills Local Municipality adopted by 30 June 2021	R 1 500 000	36056431020ORC76ZZWD	R 0	**NOT ACHIEVED** Re-advertised as per the attached copy of an advert	Tender was re-advertised due to non-responsiveness of the bidders	To ensure that the Electricity Master Plan is developed by the first semester of the 2021/22 financial year	Appointment letter Electricity master plan

KPA 1	
Number of Targets Achieved	**Number of Targets Not Achieved**
5 out of 10	5 out of 10
The following departments contributed towards Basic Service Delivery and Infrastructure Development KPA	
Municipal Health and Environmental Management Services	4
Planning	6

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 2019/2020**			**KEY PERFORMANCE INDICATOR**	**KPI TYPE**	**2019/20 COMPARISON**		**ANNUAL TARGET**	**BUDGET**	**MSCOA DESCRIPTION**	**ACTUAL EXPENDITURE**	**2020/21 ACTUAL PERFORMANCE**	**REASONS FOR DEVIATION**	**CORRECTIVE MEASURE**	**PORTFOLIO OF EVIDENCE**
			Current status (Progress to date)	**Demand (MFMA Circular 63)**	**Backlog (MFMA Circular 63)**			**2019/20 TARGET**	**2019/20 ACTUAL**									
Human Resources	To ensure municipal excellence	Municipal Planning	4 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	3 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2 positions	**KPI 11** 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 30 June 2020	**NOT ACHIEVED** 4 females were appointed	03 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 2021	OPEX	-	OPEX	**NOT ACHIEVED** The posts were advertised and short listing's were done	Positions were advertised in May 2021	Appointments will be done in 1st Quarter	Report on employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved 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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Human Resources	To ensure municipal excellence	Municipal Planning	Workplace skills plan submitted to LGSETA	Timeous submission report on the workplace skills plan submitted to LGSETA	Nil	**KPI 12** Number of workplace skills plan submitted to LGSETA **CS**	Output	(1) Workplace skills plan submitted to LGSETA by 30 April 2020	**ACHIEVED** (1) Workplace skills plan submitted to LGSETA on 28 May 2020	1 Report on the workplace skills plan submitted to LGSETA by 30 April 2021	OPEX	-	OPEX	**ACHIEVED** 1 Report on the workplace skills plan submitted to LGSETA by 30 April 2021	None	None	Proof of submission to LGSETA Workplace Skills Plan
Human Resources	To ensure municipal excellence	Municipal Planning	3 training committee meetings held	4 training committee meeting to be held by 30 June 2021	Nil	**KPI 13** Number of training committee meetings held **CS**	Output	4 training committee meeting to be held by 30 June 2020	**NOT ACHIEVED** 2 training committee meeting to be held by 30 June 2020	4 training committee meeting to be held by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 training committee meeting to be held by 30 June 2021	None	None	Minutes, attendance registers and training committee reports
Human Resources	To ensure municipal excellence	Municipal Planning	Nil	4 Firefighters debriefings held	Nil	**KPI 14** Number Firefighters debriefings held **CS**	Outcome	-	-	2 Firefighters debriefings held by 31 December 2020	OPEX	-	OPEX	**ACHIEVED** 2 Firefighters debriefings held, in May & June as per the 2nd quarter remedial actions	None	None	2 Attendance Registers & Report

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Human Resources	To ensure municipal excellence	Municipal Planning	Nil	2 Workshops on developing labour relations or dispute resolution by 30 June 2020	Nil	**KPI 15** Number of trainings on labour relations or dispute resolution **CS**	output	2 Workshops on labour relations or dispute resolution with management of the Municipality by 30 June 2020	**ACHIEVED** 2 Workshops on labour relations or dispute resolution with management of the Municipality by 30 June 2020	2 Trainings on labour relations or dispute resolution by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 2 Trainings on labour relations or dispute resolution by 30 June 2021	None	None	Training Manual & Attendance Register
Human resources	To ensure municipal excellence	Municipal Planning	Nil	4 OHS comprehensive inspections	Nil	**KPI 16** Number of comprehensive inspections on OHS conducted **CS**	Activity	4 comprehensive inspections on OHS conducted in all Dr Kenneth Kaunda District Municipal Offices by 30 June 2020	**ACHIEVED** 4 comprehensive inspections on OHS conducted in all Dr Kenneth Kaunda District Municipal Offices by 30 June 2020	4 comprehensive inspections on OHS conducted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 comprehensive inspections on OHS conducted by 30 June 2021	None	None	Inspection 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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Human Resources	To ensure municipal excellence	Municipal Planning	Nil	1 Employment Equity Plan submitted to Dep of Labour by June 2020	Nil	**KPI 17** Number of Employment Equity Plan submitted to Dep of Labour **CS**	Output	1 Employment Equity Plan reviewed by October 2019	**ACHIEVED** The reviewed Employment Equity Plan was Submitted to Dept of Labour	1 Employment Equity Plan submitted to Dep of Labour by 15 January 2021	OPEX	-	OPEX	**NOT ACHIEVED**	Logins from the Dept is suspended Only HRM had the login rights to the system	To be submitted manually in September 2021.	1 Employment Equity Plan
Legal Services	To ensure municipal excellence	Municipal Planning	2018/19 Contract registers updated	2019/20 Contract registers updated	Nil	**KPI 18** Number of updated Contract registers submitted to Council CSBTO	Output	4 updated Contract registers submitted to Council by 30 June 2020	**ACHIEVED** 4 updated Contract registers submitted to Council by 30 June 2020	4 updated Contract registers submitted to Council by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 updated Contract registers submitted to Council by 30 June 2021	None	None	Contract register updated

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
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 2021	Nil	**KPI 19** 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	**NOT ACHIEVED**	1 ICT charter to be submitted and workshopped to Council by 31 December 2020	OPEX	-	OPEX	**NOT ACHIEVED**	Council could not sit due to COVID-9 priorities that impacted the IT section.	A new date to be identified for the workshopping and approval	ICT charter

KPA 2	
Number of Targets Achieved	**Number of Targets Not Achieved**
6	3
The following department contributed towards Municipal Transformation and Institutional Development	
Corporate Services	9

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Local Economic Development and Tourism	To promote socio-economic development	Regional Tourism Municipal Planning Municipal Health Services Disaster Management	258 Jobs created through LED Initiatives, EPWP, CBP and Capital projects	215Jobs created through LED Initiatives	Nil	**KPI 20** Number of Jobs created through LED Initiatives, EPWP and CBPs within the Dr Kenneth Kaunda District PLN MH&EMSSPK, LED	Output	258 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 March 2020	**ACHIEVED** 258 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 December 2019	215 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 December 2020	R 10 200 000		R 9 304 225	**ACHIEVED** 215 Jobs created through LED, EPWP & CBPs within the Dr Kenneth Kaunda District by 31 December 2020	None	None	-Summary (listing) on Jobs created through LED Initiatives, EPWP and CBPs -Signed employment contracts and appointment letters.
											R 3 909 000 (MH&EMS)		R 3 783 588				
											R 2 700 000 R 3 784 000 (Adjustment)	39052264500FLP44ZZWD	R 3 783 588				
											R 75 000	39052272420FLP44ZZWD	R 0				
											R 50 000	39052280050FLP44ZZWD	R 0				
											R 1 691 000 (TIS)		R 1 691 000				
											R 1 691 000	36052599410FLP47ZZWD	R 691 000				
											R 3 250 000 (SPK)		R 2 736 684				
											R 3 000 000	31102264500FLP13ZZWD	R 2 668 622				
											R50 000	31102260600FLP13ZZWD	R 6 638				

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
											R100 000	31102305110FLP13ZZWD	R 0				
											R50 000	31102306100FLP13ZZWD	R 39 600				
											R50 000	31102320600FLP13ZZWD	R 21 824				
											R 1 350 000 (LED & PLANNING)		R 1 092 953				
											R 1 350 000	36052264500FLMRCZZWD	R 1 092 953				
Local 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	1 tourism / trade marketing exhibitions hosted / participated	To host/participate in 3 tourism / trade marketing exhibitions	Nil	**KPI 21** Number of tourism / trade marketing exhibitions hosted/ participated LED	Activity	1 Tourism / trade marketing exhibitions hosted/participated by 30 June 2020	**ACHIEVED** 1 tourism / trade exhibition hosted by September 2019. #Shapa Round ko N12	2 tourism / trade marketing exhibitions hosted/ participated by 30 June 2021	R 1 000 000		R 61 740	**NOT ACHIEVED**	The Durban Tourism Indaba event was cancelled. The TAC could not be held due to challenges with Bid-Committees	To ensure that once the event is open in the next financial year that the district municipality to participate	Report on the exhibition
											R 100 000	36052260600FLP71ZZWD	R 50 740				
											R 200 000	36052280030FLP71ZZWD	R 0				
											R 300 000	36052300120FLP71ZZWD	R 0				
											R 300 000	36052301870FLP71300ZZWD	R 0				
											R 100 000	36052305980FLP71ZZ	R 11 000				

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
												WD					
Local Economic Development : 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	3 sports, arts and culture initiatives supported	4 sports, arts and culture initiatives supported	Nil	**KPI 22** Number of sports, arts and culture initiatives within Dr. Kenneth Kaunda District supported LED	Activity	3 sports, arts and culture initiatives within Dr. Kenneth Kaunda District supported by 30 June 2020	**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)	4 sports, arts and culture initiatives within Dr. Kenneth Kaunda District supported by 30 June 2021	R 650 000		R 210 929	**NOT ACHIEVED** 1 soccer tournament within Dr. Kenneth Kaunda District supported by 30 June 2021, as per the 3rd quarter remedial action	Only Soccer Tournament took place but delays of procurement resulted in the DrKKDM Theater Week, DrKKDM Dance Teachers Workshop and Music Workshop	To ensure that planned activities take place as arranged in the next financial year	-Report on sports and recreation initiatives supported
											R 50 000	360522 60600F LP82ZZ WD	R 30 220				
											R 50 000	360522 80030F LP82ZZ WD	R 0				
											R 100 000 (Virement of R29 000) = R129 000 Budget	360523 00140F LP82ZZ WD	R 128 159				
											R 250 000 (Virement of - R29 000) = R221 000 Budget	360523 01870F LP82ZZ WD	R 28 440				
											R 50 000	360523 05730F LP82ZZ WD	R 24 110				

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
											R150 000	360522 65720F LQ22ZZ WD	R 0				
Local Economic Development	To promote socio-economic development To develop, support and aid SMMEs and Cooperatives with Start-up and Business Expansion Grants.	Regional economic development	Nil	30 SMMEs / Cooperatives Businesses supported	Nil	**KPI 23** Number of SMMEs/ Cooperatives Businesses supported within Dr. Kenneth Kaunda District LED	Output	Support 30 SMMEs / Cooperatives Business initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by 30 June 2020	**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	Support 30 SMMEs / Cooperatives Business initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by 30 June 2021	R 3 500 000 R 1 500 000 (Adjustment)	360526 99410F LP77ZZ WD	R 1 475 645	**ACHIEVED** Support 30 SMMEs / Cooperatives Business initiatives through Community Conditional Grants within Dr. Kenneth Kaunda District by 30 June 2021	None	None	Report on SMMEs / Cooperatives Business development initiatives supported List of beneficiaries
Local Economic Development	To promote socio-economic development To design innovative initiatives focusing on	Regional economic development	1 economic development initiatives implemented	5 Economic development initiatives programs	Nil	**KPI 24** Number of Economic Development Initiatives supported / implemented within Dr.	Activity	3 district economic development initiatives supported / implemented within Dr. Kenneth Kaunda	**NOT ACHIEVED** Implemented a manufacturing training workshop for 25 SMMES on Cellphone Repairs.	4 District economic development initiatives supported / implemented within Dr. Kenneth Kaunda	R 1 000 000 R 600 000 Virement of R100 000 = R700 000 Budget	360523 00120F LP28ZZ R3	R 705 970 R 460 220	**NOT ACHIEVED** 2 District economic development initiatives supported / implemente	(Waste Recycling Project – production did not resume	Discussions between SEFA CEO & Dr KKDM's LED & Planning Director	Report on Economic Development initiatives programs supported / implemented

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
	macro-economic growth through increased employment creation and development al initiatives that has a potential for catalytic effect and sustainability.					Kenneth Kaunda District LED		District implemente d 30 June 2020	Advertised for the Review of LED Strategy	Districtimple mented 30 June 2021	R 517 000 (Adjustme nt)			d within Dr. Kenneth Kaunda District implemente d 30 June 2021 #Automotiv e Sector Skills Training took place through AICD/DED ECT collaboratio n where 34 leaners were placed at the AICD Training Centre #LED Strategy	due to legal issues betwee n the original Maarifa coopera tive and SEFA) # COOP 2020 was disrupte d by the introduc tion of the adjuste d Level 4 of Covid-19	resolved that the process will await the SEFA EXCO to approve the hand – over to Dr KKDM before production can resume # To ensure that the COOP 2020 event take place in the next financial year as soon as conditions related to Covid-19 allows us to do so	
											R 300 000 (Virement of – R100 000) = R200 000 Budget	36052301 870FLP2 8ZZWD	R 0				
											R 100 000	36052305 730FLP2 8ZZWD	R 62 750				
											R 63 000	36052305 780FLP2 8ZZWD	R 63 000				
											R 120 000	36052599 450FLP2 8ZZWD	R 120 000				

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	
Local Economic Development and Planning	6

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 2019/2020**			**KEY PERFORMANCE INDICATOR**	**KPI TYPE**	**2019/20 COMPARISON**		**ANNUAL TARGET**	**BUDGET**	**MSCOA DESCRIPTION**	**ACTUAL EXPENDITURE**	**2020/21 ACTUAL PERFORMANCE**	**REASONS FOR DEVIATION**	**CORRECTIVE MEASURE**	**PORTFOLIO OF EVIDENCE**
			Current status (Progress to date)	**Demand (MFMA Circular 63)**	**Backlog (MFMA Circular 63)**			**2019/20 TARGET**	**2019/20 ACTUAL**								
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 25** Number of MFMA section 71 reports submitted within legislative time-frame BTO	Output	8 MFMA section 71 reports submitted by 30 June 2020	**ACHIEVED** 8 MFMA section 71 reports submitted by 30 June 2020	8 MFMA section 71 reports submitted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 8 MFMA section 71 reports submitted by 30 June 2021	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	3 MFMA section 52 reports submitted	4 MFMA section 52 reports	Nil	**KPI 26** Number of MFMA section 52 reports submitted BTO	Output	4 MFMA section 52 reports submitted by 30 June 2020	**NOT ACHIEVED** 3 MFMA section 52 reports submitted by 30 June 2020	4 MFMA section 52 reports submitted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 MFMA section 52 reports submitted by 30 June 2021	None	None	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														
			BASELINE 2019/2020					2019/20 COMPARISON									
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2019/20 adjustment budget tabled	2020/21 adjustment budget tabled	Nil	**KPI 27** 2020/21 Adjustment Budget developed approved BTO	Output	2019/20 adjustment budget developed approved by 28 February 2020	**ACHIEVED** 2019/20 adjustment budget developed approved by 28 February 2020	2020/21 adjustment budget developed approved by 28 February 2021	OPEX	-	OPEX	**ACHIEVED** 2020/21 adjustment budget developed approved by 28 February 2021	None	None	Council resolution and 2020/21 Adjustment Budget
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2020/21 budget compiled approved (MFMA, Sec 25)	2021/22 budget compiled approved	Nil	**KPI 28** 2021/22 Budget compiled approved BTO	Output	Compiled 2020/21 budget compiled approved by 31 May 2020	**ACHIEVED** Compiled 2020/21 budget compiled approved by 31 May 2020. Council resolution No A.20/06/2020	Compiled 2021/22 budget compiled approved by 30 May 2021	OPEX	-	OPEX	**ACHIEVED** Compiled 2021/22 budget compiled approved within the financial year	None	None	Council Resolution and Approved 2021/22 budget
Corporate Services	To ensure internal municipal excellence	Municipal planning	98,75% of municipality's budget actually spent on	100% of municipality's budget actually spent on	Nil	**KPI 29** Percentage of municipality's budget actually	Output	100% of municipality 's budget actually spent on	**NOT ACHIEVED** 98.75% of municipality 's budget	100% of municipality 's budget actually spent on	R 1 510 000 R300 000	3305230 3300FLP 78ZZHO	R 1 497 587 R 297 867	**NOT ACHIEVED** 99% of municipality'	Internship has rolled over to 2021/2022	To be implemented from the 1st Quarter –	Workplace skills plan detailed Report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																	
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																	
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED															
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED															
			BASELINE 2019/2020					2019/20 COMPARISON										
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			implementing its workplace skills plan	implementing its workplace skills		spent on implementing its workplace skills plan CS		implementing its workplace skills plan by 30 June 2020	actually spent on implementing its workplace skills plan by 30 June 2020	implementing its workplace skills plan by 30 June 2021	R150 000	3305230 5110FLP 59ZZWD	R 143 449	s budget actually spent on implementing its workplace skills plan by 30 June 2021		4th Quarter of the new financial year	
											R60 000	3205230 0490FLP 64ZZWD	R 59 999				
											R200 000	3305230 0490FLP 07ZZWD	R 196 875				
											R 800 000	3305230 5110FLP 78ZZHO	R 799 397				

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															
			BASELINE 2019/2020					2019/20 COMPARISON										
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Acceptable norm of financial viability as expressed by the ratios June 2020	Acceptable norm of financial viability as expressed by the ratios June 2021	Nil	**KPI 30** Financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) BTO	Output	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	**ACHIEVED** Debt Coverage Ratio: 1 month. Outstanding Service Debtors to Revenue: 5 months Cash/Cost Coverage Age Ratio: 1 month	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** Debt Coverage Ratio – Not applicable as the District Municipality has no consumer debts. Outstanding Service Debtors to Revenue – achieved, above acceptable norm. Cost coverage age – achieved, within acceptable norm	None	None	financial viability ratios report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																	
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																	
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED															
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED															
			BASELINE 2019/2020					2019/20 COMPARISON										
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 TARGET	2019/20 ACTUAL	ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
Budget and treasury	To ensure internal municipal excellence	Municipal Planning	3 assets verification report submitted	4 assets verification report submitted	Nil	**KPI 31** Number of assets verification report submitted BTO	Output	4 assets verification report submitted by 30 June 2020	**NOT ACHIEVED** 3 assets verification report submitted by 30 June 2020	4 assets verification report submitted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 assets verification report submitted by 30 June 2021	None	None	Assets verification reports

KPA 4	
Number of Targets Achieved	**Number of Targets Not Achieved**
6 out of 7	1 out of 7
The following departments contributed towards Municipal Financial Viability and Management KPA	
Finance	7
Corporate Service	1

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 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 2019/2020**			**KEY PERFORMANCE INDICATOR**	**KPI TYPE**	**2019/20 COMPARISON**		**ANNUAL TARGET**	**BUDGET**	**MSCOA DESCRIPTION**	**ACTUAL EXPENDITURE**	**2020/21 ACTUAL PERFORMANCE**	**REASONS FOR DEVIATION**	**CORRECTIVE MEASURE**	**PORTFOLIO OF EVIDENCE**
			Current status (Progress to date)	**Demand (MFMA Circular 63)**	**Backlog (MFMA Circular 63)**			**2019/20 TARGET**	**2019/20 ACTUAL**								
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Nil	2021/22 (8) budget related policies developed and reviewed	Nil	**KPI 32** Number of budget related policies workshopped adopted BTO	Output	8 Budget related policies workshopped adopted by 31 May 2020	**NOT ACHIEVED**	(8) 2021/22 Budget related policies workshopped adopted by 30 May 2021	OPEX	-	OPEX	**NOT ACHIEVED** There was no need for policy reviewing	The policies are still relevant and in line with the applicable legislation. We will still be using the same policies for the new financial year	None	Council Resolutions and budget related policies
Local Economic Development	To promote socio-economic development	Municipal Planning	Draft Sport and Recreation strategy	Approval of Tourism, Sport and Recreation strategy	Nil	**KPI 33** Number of Sport and Recreation strategy workshopped adopted LED	Output	1 Sport and Recreation strategy workshopped adopted by 30 June 2020	**NOT ACHIEVED**	1 Sport and Recreation strategy workshopped adopted by 30 June 2021	OPEX	-	OPEX	**NOT ACHIEVED** The draft is in place	The policy workshopped was scheduled, due to Covid-19	The policy will be worshopped in August 2021 and approved in September 2021	Council Resolution and Tourism, Sport and Recreation Strategy

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	2019/20 Risk Assessment	2020/21 Risk Assessment	Nil	**KPI 34** Number of Strategic Risk Assessment conducted for DRKKDM RISK	Output	1 risk assessment conducted for DRKKDM by September 2019	**ACHIEVED** 1 risk assessment conducted for DRKKDM by September 2019	1 Strategic Risk Assessment conducted for DRKKDM by 30 September 2020	OPEX	-	OPEX	**ACHIEVED** 1 Strategic Risk Assessment conducted for DRKKDM by 30 September 2020	None	None	Risk assessment register & AC minutes
Internal Audit	To ensure internal municipal excellence	Municipal Planning	Nil	Reviewed Risk management policy for DRKKDM	Reviewed Risk Management Policy for DRKKDM	**KPI 35** Number of risk management policies reviewed for DRKKDM approved RISK	Output	1 Risk Management Policy reviewed for DRKKDM by Dec 2019	**NOT ACHIEVED** The following were done -Risk Committee Charter - Draft anti-fraud and corruption strategy	1 Risk Management Policy reviewed for DRKKDM by 31 December 2020	OPEX	-	OPEX	**ACHIEVED** 1 Risk Management Policy reviewed for DRKKDM by 31 December 2020	None	None	Risk Management Policy

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
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KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Internal Audit	To ensure internal municipal excellence	Municipal Planning	2 approved strategic risk based Audit Plans (DRKKDM – 2019/20)	2 approved risk based strategic audit plans for the shared IA service	Nil	**KPI 36** Number of approved risk-based audit plans for the shared IA service developed by 30 September 2020 IA	Output	2 approved risk based strategic audit plans for the shared IA service (District Agency & MHLM) by Septembe r 2019	**ACHIEVED** 2 approved risk based audit plans for the shared IA service (District Agency & MHLM) by October 2019	3 approved risk-based audit plans for the shared IA service developed by 30 September 2020 (District Agency & MHLM)	OPEX	-	OPEX	**ACHIEVED** 3 approved risk-based audit plans for the shared IA service developed within the financial year (District Agency & MHLM)	None	None	3 Approved Risk Based Audit Plans (District Agency & MHLM) Minutes of the Audit Committee Management Minutes/ Email Corresponde nce
Internal Audit	To ensure internal municipal excellence	Municipal Planning	Nil	External Audit quality assurance	Nil	**KPI 37** External Audit quality assurance conducted IA		-	-	External Audit quality assurance conducted by June 2021	OPEX	-	OPEX	**NOT ACHIEVED** Bid Specification	Delays in Procurem ent process	BSC approved the specificati ons on the 12th of July 2021.	SCM Process Service Provider appointment External Quality Assurer

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	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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Communications	To ensure internal municipal excellence	Municipal Planning	Nil	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 2019	**NOT ACHIEVED**	1 reviewed Communications Strategy adopted by 31 December 2020	OPEX	-	OPEX	**ACHIEVED** 1 reviewed Communications Strategy adopted within the financial year, in accordance with the remedial actions	None	None	Council resolution and approved Communications Strategy
Communications	To ensure internal municipal excellence	Municipal Planning	2 of Newsletters produced in 2019/20	4 of Newsletters produced	Nil	**KPI 39** Number of District Newsletters produced COMM	Output	4 of Newsletters produced by end 30 June 2020	**NOT ACHIEVED** 2 Newsletters produced by end 30 June 2020	4 of Newsletters produced by end 30 June 2021	R200 000 (Virement of - R24 000) = R176 000 Budget	32052300150FLMRCZZWD	R 54 823	**NOT ACHIEVED** 3 of Newsletters produced by end 30 June 2021	Went out for advert. Submitted all documents to supply chain. The suppliers who responded did not meet functionality criteria.	It will be readvertised. The printing will be done in the 4th quarter	4 Newsletters

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	Nil	1 IDP Representative Forum Meeting	Nil	**KPI 40** Number of IDP Representative Forum Meetings conducted STRP	Output	1 IDP Rep Representative Forum Meetings conducted by 30 June 2020	**NOT ACHIEVED**	1 IDP Representative Forum Meeting conducted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** IDP Representative Forum conducted through radio interviews by 30 June 2021	None	None	Report on IDP Representative Forum Advertisements
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	5-year plan IDP Document for approved	2021/22IDPreviewed and amended	Nil	**KPI 41** Number of 2021/22 IDP Amendments adopted by Council STRP	Output	(1) 2020/21 IDP Amendments/Revised adopted by Council by 30 June 2020	**ACHIEVED** (1) 2020/21 IDP Amendments /Revised adopted by Council by 30 June 2020	2021/22 IDP Amendments adopted by Council by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 2021/22 IDP Amendments adopted by Council by 30 June 2021	None	None	Council Resolution and 2021/22 IDP amendment Advertisements

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION
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KPA 2	TO PROMOTE GOOD GOVERNANCE
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	2020/2021 Top layer SDBIP approved	2021/2022 Top layer SDBIP	Nil	**KPI 42** Number of Top layer SDBIP approved by Executive Mayor PMS	Output	(1) 2019/20 Top layer SDBIP approved by Executive Mayor by 30 June 2020	**NOT ACHIEVED**	(1) 2021/22 Top layer SDBIP approved by Executive Mayor by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** (1) 2021/22 Top layer SDBIP approved by Executive Mayor by 30 June 2021	None	None	2021/22 Top layer SDBIP approved

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Performance Management System	To ensure internal municipal excellence	Municipal planning	2019/2020 Mid-Year Term Performance Reports compiled	2020/2021 Mid-Year Performance Assessment Report submitted to Executive Mayor submitted within legislative timeframe 25 January 2020	Nil	**KPI 43** Number of Mid-Year Performance Assessment Report compiled approved BTOPMS	Output	(1) 2019/20 Mid-Year Performance Assessment Report compiled approved by 25 January 2020	**ACHIEVED** (1)2019/20 Mid-Year Performance Assessment Report compiled approved by 25 January 2020	(1) 2020/21 Mid-Year Performance Assessment Report compiled approved by 31 January 2021	OPEX	-	OPEX	**ACHIEVED** (1) 2020/21 Mid-Year Performance Assessment Report compiled approved by 31 January 2021	None	None	Council Resolution and 2020/21 Mid-Year Performance Assessment Report compiled

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
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KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	2018/19 annual performance report and AFS submitted to AGSA compiled	2019/20 annual performance report and AFS submitted to AGSA compiled	Nil	**KPI 44** Timeous submission of 2019/20 annual performance report and AFS submitted to Auditor General PMSBTO	Output	2018/19 annual performance report compiled and submitted to Auditor General by August 2019	**ACHIEVED** 2018/19 annual performance report compiled and submitted to Auditor General by August 2019	2019/20 Annual performance report and AFS submitted to Auditor General by 31 August 2020	OPEX	-	OPEX	**ACHIEVED** 2019/20 Annual performance report and AFS submitted to Auditor General by 31 October 2020	The Annual performance report and the AFS were submitted in October 2020 due to the ministerial gazette that was issued	None	Annual performance report

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET		MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL									
Speaker	To ensure internal municipal excellence	Municipal Planning	6 council meetings coordinate	6 council meetings	Nil	**KPI 45** Number of council meetings SP	Output	6 council meetings coordinate by 30 June 2020	**ACHIEVED** 8 council meetings coordinate by 30 June 2020	6 council meetings coordinated by 30 June 2021	OPEX		-	OPEX	**ACHIEVED** 10 council meetings coordinated by 30 June 2021	Because of the special council meetings that were held	None	-Council minutes Attendance Registers
Speaker	To ensure internal municipal excellence	Municipal Planning	2018/19 Municipal oversight report submitted to Council	2019/20 Municipal oversight report submitted to Council	Nil	**KPI 46** Number Municipal oversight report submitted to Council SP	Output	1 Municipal oversight report submitted to Council by end 31 March 2020	**ACHIEVED** 1 Municipal oversight report submitted to Council In May 2020	1 Municipal oversight report submitted to Council by end 30 June 2021	OPEX		-	OPEX	**ACHIEVED** 1 Municipal oversight report submitted to Council by end 30 June 2021	None	None	Oversight Report Proof of Public Participation
Executive Mayor	To promote socio-economic development	None	Celebrated with elderly during Mandela Day in Matlosana recreational Hall	1 Mandela Day celebrations held by 30 September 2020	Nil	**KPI 47** Number of Mandela Day celebrations held EM	Activity	1 celebration with elderly during Mandela Day to be held in Matlosana	**ACHIEVED** 1 celebration with elderly during Mandela Day held in Matlosana recreational Hall in Sept	1 Mandela Day celebrations held by 30 September 2020	R130 000			R 32 750	**ACHIEVED** 1 Mandela Day celebrations held in the 2nd Quarter as per the 1st Quarter remedial actions	None	None	Report on Mandela Activity Pictures
											R 74 000		31052300140FLP61ZZWD	R 0				
											R26 000		31052300120FLP61ZZWD	R 26 000				

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
								recreational Hall by July 2019	2019		R30 000	31052260600FLP61ZZWD	R 6 750				
Executive Mayor	To promote socio-economic development	None	95% of students validated for assistance awarded with financial assistance in Higher learning institutions by 30 June 2020	100% of students validated for assistance awarded with financial assistance in Higher learning institutions by 30June 2021	Nil	**KPI 48** % 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	**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	100% of students within Dr. Kenneth Kaunda District validated for assistance awarded with financial assistance in Higher learning institutions by 30 June 2021	R2 000 000	31052599400FLP63ZZWD	R 1 995 257	**ACHIEVED** 100% of students within Dr. Kenneth Kaunda District validated for assistance awarded with financial assistance in Higher learning institutions by 30 June 2021	None	None	-Reports on students awarded financial -List of beneficiaries

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OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Executive Mayor	To promote socio-economic development	None	8 Supported students that applied for financial assistance	Support of 6 educational request	Nil	**KPI 49** Number of educational request supported EM	Output	13 educational request supported by 30 June 2020	**NOT ACHIEVED** 8 educational request supported by 30 June 2020	6 educational request supported by 31 March 2021	R100 000	31052549 400FLP36 ZZWD	R 93 906	**ACHIEVED** 7 educational request supported by 3 June 2021	There were more requests received by the office of the Executive Mayor in the quarter	None	Report on students /institutions offered financial assistance/ support

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OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET		MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL									
Executive Mayor	To promote socio-economic developme nt	None	200 food parcels supplied to distressed families identified	Supply of 200 food parcels to distressed families identified	Nil	**KPI 50** Number of food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified EM	Output	100 food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by 30 June 2020	**ACHIEVE D** 200 food parcels supplied.F undraising initiative with community radio station to supply food parcels to distressed families could not take place	200 food parcels supplied to distressed families within Dr. Kenneth Kaunda District identified by 30 June 2021	R200 000		31052699 400FLP69 ZZWD	R 44 000	**NOT ACHIEVED** 50 food parcels supplied to distressed families within Ventersdorp We sourced the list of needy beneficiaries from Social Development and the ITEM was submitted to BTO for procurement	Item submitted to BTO for procureme nt. To date no procureme nt finalized	To re-activate procureme nt in the 1st Quarter	List of Beneficiari es
Executive Mayor	To promote socio-economic developme nt	None	2 gender workshops held	Hold 3 Gender workshops	Nil	**KPI 51** Number of Gender activity programs held within Dr. Kenneth	Activity	3 Gender activity programs held within Dr. Kenneth Kaunda District by	**NOT ACHIEVE D** 1) 330 girl children benefited from the sanitary	3 Gender activity programs held within Dr. Kenneth Kaunda District by 30 June 2021	R300 000 R100 000		3105230 0140FL P53ZZW D	R 170 428 R 29 900	**NOT ACHIEVED** 2 Gender activity programs held within Dr. Kenneth	Adjudicati on did not seat, to consider the 3rd Gender Activity program	Gender activity programs will be conducted as per the 2021/22 approved	Report on Gender workshops held

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
						Kaunda District EM		30 June 2020	towels project 2) District Men's Parliament held		R100 000	31052260 600FLP53 ZZWD	R 47 550	Kaunda District by 30 June 2021		SDBIP	
											R60 000	31052301 870FLP53 ZZWD	R 59 565				
											R40 000	31052305 730FLP53 ZZWD	R 33 413				
Executive Mayor	To promote socio-economic developme nt	None	1 women's month activity hosted by 31 August 2020	1 women's month activity hosted by 31 August 2021	Nil	**KPI 52** Number of women's month activities hosted **EM**	Activity	1 women's month activity hosted by August 2019	**ACHIEVED** Gender based violence dialogue held by September 2019	1 women's month activity hosted by 31 August 2020	R243 000		R 89 385	**ACHIEVED** 1 women's month activity hosted as per the remedial actions (Celebrated women by supporting women involved in Community Gardens)	None	None	Report on women's month activity hosted
											R83 000	31052260 600FLQ05 ZZWD	R 17 500				
											R100 000	31052300 140FLQZ ZWD	R 29 485				
											R60 000	31052305 730FLQ05 ZZWD	R 42 400				
Executive Mayor	To promote socio-economic developme	None	Nil	20 boys and 20 girls exposed to a working	Nil	**KPI 53** Number of Girls and	Outcome	20 boys and 20 girls within Dr.Kenneh	**NOT ACHIEVED**	20 Boys and 20 Girls within Dr Kenneth Kaunda District	R255 000		R 128 000	**NOT ACHIEVED** The list of	Due to Level-4 lockdown we could	The disbursem ent will be done in	-Report on boys and girls exposed

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
	nt			environment		Boys within Dr. Kenneth Kaunda District exposed to a working environment EM		Kaunda District exposed to a working environment by 30 June 2020		exposed to a working environment by 30 June 2021	R30 000 R15 000 R10 000 R 200 000	31052300120FLP11ZZWD 31052260600FLP11ZZWD 31052305730FLP11ZZWD 31052300140FLP11ZZWD (Shared Vote)	R 0 R 0 R 0 R 128 000	beneficiary learners have been received from the schools. We have procured necessary gifts for the learners. The related Certificates have been printed and framed.	not implement	the 2nd quarter as per the list of beneficiaries received	to a working environment -List of beneficiaries
Executive Mayor	To promote socio-economic development	None	Nil	Provide 15 Schools with Sanitary Towels	Nil	**KPI 54** Number of Schools provided with Sanitary towels EM	Output	15 Schools provided with Sanitary Towels by 30 June 2020	**NOT ACHIEVED**	15 Schools provided with Sanitary Towels by 30 June 2021	R200 000	31052300140FLP11ZZWD (Shared Vote)	R 128 000	**ACHIEVED** 18 Schools provided with Sanitary Towels by 30 June 2021	Due to partnership with Government, NGO's and Private Business, 3 more schools were done	None	List of schools provided
Executive Mayor	To promote socio-	None	1 assistive devices	Provide 5 assistive	Nil	**KPI 55**	Out	20 assistive	**NOT ACHIEVED**	15 assistive devices	R265 000		R 90 750	**NOT ACHIEVED**	Adjudication did not	Assistive devices	Report on proof of

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
	economic developme nt		provided or fixed to identified disabled individuals	devices provided or fixed to identified disabled individuals		Number of assistive devices provided or fixed to identified disabled individual within Dr. Kenneth Kaunda District EM		devices provided to identified disabled individual within Dr. Kenneth Kaunda District by Dec 2019	One girl child provided with a wheelchair	provided to identified disabled individual within Dr. Kenneth Kaunda District by 30 June 2021	R200 000 R50 000 R15 000	31052300 140FLP21 ZZWD 31052260 600FLP21 ZZWD 31052305 730FLP21 ZZWD	R 82 300 R 0 R 8 450	5 assistive devices provided to identified disabled individual within Dr. Kenneth Kaunda District by 30 June 2021	seat, to consider the 10 assistive devices	will be provided as per the 2021/22 approved SDBIP	assistive devices provided to identified disabled individuals
Executive Mayor	To promote socio-economic developme nt	None	Nil	5 Elderly Sports Teams provided with spots equipment	Nil	**KPI 56** Number of Elderly Sports Teams provided with sports equipment EM	Activity	1 recreation al and activities held for Elderly by December 2019	**NOT ACHIEVED**	5 of Elderly Sports Teams provided with sports equipment by 31 December 2020	R265 000 R200 000 R45 000 R20 000	 31052300 140FLP37 ZZWD 31052260 600FLP37 ZZWD 31052305 730FLP37 ZZWD	R 109 019 R 50 944 R 40 425 R 17 650	**ACHIEVED** 15 of Elderly Sports Teams provided with sports equipment as per the 2nd Quarter remedial action	None	None	-Report on Sports equipment provided to the elderly -List of teams provided
Executive Mayor	To promote socio-economic developme	None	1 RHR programs conducted	Conduct 3 RHR programs	Nil	**KPI 57** Number of moral	Activity	2 moral regenerati on program	**NOT ACHIEVED** Elderly from the	2 moral regeneration program conducted	R310 000		R 247 420	**ACHIEVED** 4 moral regeneration	None	None	Report on moral regeneration programs

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 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
	nt					regeneration program conducted within Dr. Kenneth Kaunda District EM		conducted within Dr. Kenneth Kaunda District by 30 June 2020	DRKKDM provided transport to attend a conference on counseling to the pitiable, needy and abused older persons	within Dr. Kenneth Kaunda District by 30 June 2021	R100 000	31052300 120FLP66 ZZWD	R 85 000	program conducted within Dr. Kenneth Kaunda District by 30 June 2021			conducted
											R110 000	31052260 600FLP66 ZZWD	R 64 500				
											R80 000	31052301 870FLP66 ZZWD	R 78 520				
											R20 000	31052305 730FLP66 ZZWD	R 19 400				
Executive Mayor	To promote socio-economic developme nt	None	2 youth programs or projects supported	4 youth programs or projects	Nil	**KPI 58** Number of youth projects within Dr. Kenneth Kaunda District supported EM	Activity	4 youth projects within Dr. Kenneth Kaunda District supported by 30 June 2020	**NOT ACHIEVED** 1) Indigenous games were held in M/Hills in collaboration with DED. 300 participants took part	4 youth projects within Dr. Kenneth Kaunda District supported by 30 June 2021	R400 000		R 99 365	**NOT ACHIEVED** 3 youth projects within Dr. Kenneth Kaunda District supported by 30 June 2021 #Support youth movie making	Project Managers proposed programm es not implement ed due to delays on her side	Youth projects will be done as per the 2021/22 approved SDBIP	Report on Youth program or project
											R 100 000	31052260 600FLQ06 ZZWD	R 68 170				
											R 50 000	31052300 120FLQ06 ZZWD	R 0				

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
									2) One young entrepreneur from Matlosana assisted in hosting a music festival		R 50 000	31052301 870FLQ06 ZZWD	R 1 800	in Kanana #Provide dignity packs for young people with albinism #Young People in Business			
											R 50 000	31052305 730FLQ06 ZZWD	R 0				
											R 150 000	31052300 140FLQ06 ZZWD	R 29 395				

KPA 5	
Number of Targets Achieved	**Number of Targets Not Achieved**
18 out of 27	9 out of 27
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	2
Internal Audit	2
Strategic Planning	2
Performance Management System	3
Risk	2
Communications	2

KPA 6: SPATIAL RATIONALE

3.1.6. KPA 6: SPATIAL RATIONALE

DISASTER RISK MANAGEMENT

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 & FUNCTION	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
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 59** Number of Dolomite Emergency Response Plans& Dolomite By-Laws adopted Council DRM	Output	1 Dolomite Emergency Response Plan & 1 Dolomite By- Law adopted Council by 30 June 2020	**NOT ACHIEVED**	1 Dolomite Emergency Response Plan & 1 Dolomite By- Law adopted Council by 30 June 2021	R2 000 000	39052272540FLP75ZZR3	R 1 917 810	**ACHIEVED** 1 Dolomite Emergency Response Plan & 1 Dolomite By-Law adopted Council by 30 June 2021	None	None	Dolomite Emergency Response Plan and Dolomite By Law adopted by Council
Fire Services	To ensure fire services	Fire Services	70 Fire Safety Inspections within Dr.Kenneth Kaunda District	60 Fire Safety inspections conducted	Nil	**KPI 60** Number of Fire Safety Inspections within Dr. Kenneth Kaunda District conducted DRM	Activity	60 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by 30 June 2020	**ACHIEVED** 70 Fire Safety Inspections within Dr. Kenneth Kaunda District conducted by 30 June 2020	60 Fire Safety Inspections within Dr.Kenneth Kaunda District conducted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 60 Fire Safety Inspections within Dr.Kenneth Kaunda District conducted by 30 June 2021	None	None	Fire Inspection Reports

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 & FUNCTION	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	International Disaster Risk Reduction event conducted	International Disaster Risk Reduction event conducted	Nil	**KPI 61** Number of International Disaster Risk Reduction events held within Dr. Kenneth Kaunda District conducted DRM	Output	1 International; Disaster Risk Reduction event conducted by December 2019	**ACHIEVED** 1 International; Disaster Risk Reduction event conducted by December 2019	1 International; Disaster Risk Reduction event conducted by 31 December 2020	R198 ,000		R 188 353	**ACHIEVED** 1 International; Disaster Risk Reduction event conducted by 31 December 2020	None	None	Reports and Attendance Registers
											R100, 000	39052280030FLP23ZZWD	R 98 650				
											R70, 000	39052300140FLP23ZZWD	R 69 703				
											R15, 000	39052260600FLP23ZZWD	R 15 000				
											R13, 000	39052301870FLP23ZZWD	R 5 000				
											R85, 000		R 55 700				
											R25, 000	39052260600FLP76ZZWD	R 21 700				
											R35, 000	39052280030FLP76ZZWD	R 34 000				
											R25, 000	39052300120FLP76ZZWD	R 0				

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
Fire services	To ensure disaster risk management	Disaster Risk Management	6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District	6 BESAFE Centre Activities conducted	Nil	**KPI 62** Number of BESAFE Centre Activities within Dr. Kenneth Kaunda District conducted DRM	Activity	6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2020	**ACHIEVED** 6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2020	6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2021	OPEX	-	OPEX	**ACHIEVED** 6 BESAFE Centre Activities conducted within Dr. Kenneth Kaunda District by 31 March 2021	None	None	Reports and Attendance Registers
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	1 Winter Awareness Campaign conducted within Dr.Kenneth Kaunda District	1 Winter Awareness Campaign conducted	Nil	**KPI 63** Number of Winter Awareness campaigns within Dr. Kenneth Kaunda District conducted DRM	Activity	1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2020	**ACHIEVED** 1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2020	1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2021	R198 ,000 R100, 000 R70, 000 R15, 000 R13, 000 R85, 000 R25, 000	 390522800 30FLP23Z ZWD 390523001 40FLP23Z ZWD 390522606 00FLP23Z ZWD 390523018 70FLP23Z ZWD 390522606 00FLP76Z ZWD	R 188 353 R 98 650 R 69 703 R 15 000 R 5 000 R 55 700 R 21 700	**ACHIEVED** 1 Winter Awareness Campaign conducted within Dr. Kenneth Kaunda District by 30 June 2021	None	None	1 Report and Attendance Registers

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 & FUNCTION	BASELINE 2019/2020			KEY PERFORMANCE INDICATOR	KPI TYPE	2019/20 COMPARISON		ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	ACTUAL EXPENDITURE	2020/21 ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)			2019/20 TARGET	2019/20 ACTUAL								
											R35, 000	39052280030FLP76ZZWD	R 34 000				
											R25, 000	39052300120FLP76ZZWD	R 0				
Disaster Risk Management	Good Governance	Disaster Risk Management	3 Disaster Advisory Forums conducted	4 Disaster Advisory Forums conducted	Nil	**KPI 64** Number of Disaster Advisory Forums Conducted DRM	Activity	4 Disaster Advisory Forums Conducted by 30 June 2020	**ACHIEVED** 20 Disaster Advisory Forums Conducted by 30 June 2020	4 Disaster Advisory Forums Conducted by 30 June 2021	OPEX	-	OPEX	**ACHIEVED** 4 Disaster Advisory Forums Conducted by 30 June 2021	None	None	Attendance Register

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

3.1. SERVICE PROVIDER ASSESSMENT FOR THE 2020/21 FINANCIAL YEAR

POLITICAL OFFICE: OFFICE OF THE SPEAKER

SERVICE PROVIDER ASSESSMENT FOR THE 2020/21 FINANCIAL YEAR

POLITICAL OFFICE: OFFICE OF THE SPEAKER

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q4	
Special Council Meeting	Appropriate Minds (Pty) Ltd	OPEX R5 500	16/07/2020	16/07/2020	Once off	None	5	5				Satisfactory
Ward Based Covid-19 Structure Meeting	Tradefast (Pty) Ltd	OPEX R1 800	26/08/2020	26/08/2020	Once off	None	5	5				
Winding Up Task Team Meeting	Businga tha Trading Enterprise	OPEX R1 600	09/09/2020	09/09/2020	Once off	None	5	5				
Drinks for the Speaker	Itshegetseng Trading	OPEX R 1103.93	21/09/2020	21/09/2020	Once off	First time provider	5	5				
Bua le Posu Community Engagement Form	Maruping wa Africa	OPEX R27 000.96	09/10/2020	09/10/2020	Once Off	None	4		4			
Special Council Meeting	Banoan Events & Projects	OPEX R4 500	15/10/2020	15/10/2020	Once Off	None	4		4			
CBP PPE's	Bokatshwa Holdings	OPEX R24 500	11/11/2020	11/11/2020	Once off	None	4		4			
CBP Water with Freezer	RL Trading	OPEX R9 350	11/11/2020	11/11/2020	Once off	None	4		4			
CBP Back Pack	RL Trading	OPEX R17 149	11/11/2020	11/11/2020	Once off	None	4		4			
CBP Blue Bibs & Outdoor Hats	Monyakasetso	OPEX R28 600	13/11/2020	13/11/2020	Once off	None	4		4			
Public Participation CoM	Duwinkids (**Transport**) Thuto-Entle (**Tent, Toilet,**	OPEX R3 400 R14 600	24/11/2020	24/11/2020	Once Off	None	4		4			

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q4	
	Chairs & Tables)											
Public Participation JBM	Baroke Trading (**Transport, Table & Chairs**)	OPEX R4 000	25/11/2020	25/11/2020	Once Off	None	4		4			
Public Participation MHLM	Moorosi Zile Enterprise (**Tent, Chairs Table &Toilet**) BonPiet (**Transport**)	0PEX R12 500 OPEX R6 200	27/11/2020	27/11/2020	Once off	None	4 4		4 4			
Accommodation for Provincial Members Assembly	Harvey World Travel	OPEX R10 500	29/11/2020	01/12/2020	Once off	First time provider (Agent)	4		4			
Accommodation for 11th Annual Women in Politics Africa Conference	Harvey World Travel	OPEX R11 310	09-11/12/2020	09-11/12/2020	Usual user	Agent	4		4			
Flower for a Funeral (Mosiane's `Family)	Isone & Prima Rosa Bloemiste	OPEX R300	13/11/2020	13/11/2020	Usual	None	4		4			
Ordinary Council Meeting	Bengwa Trading (Catering)	OPEX R6 560	2020/10/15	2020/10/15	Once Off	None	4		4			
CBP Induction MHLM **– Catering**	Mmadiks Business Enterprise	R 2 400	02/02/2021	02/02/2021	Once off	First time Provider	4			4		
CBP Induction JBM - Catering	Palesa's General Services	R 1 725	03/02/2021	03/02/2021	Once off	First time Provider	4			4		
CBP Induction – CoM **–Catering**	Bohlale Ba Ganya	R 2 513	04/02.2021	04/02/2021	Once off	First time Provider	4			4		
Special Council Meeting **– Catering**	Del Albert CC	R 2 700	11/02/2021	11/02/2021	Once off	First time Provider	4			4		
Soft Drinks for the Speaker	Tshego Seweti Enterprise	R1 138	24/02/2021	24/02/2021	Once off	First time Provider	4			4		

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q4	
Fruit Basket for Cllr Valipathwa	Isone & Prima Rosa Bloemiste	R 300	02/03/2021	02/03/2021	Once off	Sole Provider	4			4		
Fruit Basket for Mrs Ramphele	Isone & Prima Rosa Bloemiste	R 300	18/03/2021	18/03/2021	Once off	Sole Provider	4			4		
Ordinary Council Meeting	Kgosithato Trading Enteprize	R 6 400	19/03/2021	19/03/2021	Once Off	Usual	4			4		
Councillors Workshop	Queen ya King Poulty Farm	R 5 480	19/03/2021	19/03/2021	Once off	First Time provider	4			4		
Visit of the Dep Min: Home Affairs **Catering**	BCK Enterprise (PTY) Ltd Mathapelo & Nana	OPEX R5 600 R 4 920	30/03/2021 31/03/2021	30/03/2021 31/03/2021	Once Off Once off	First Time Provider Regular	4 5				4 5	
Wreath for Former CBP (MM Serei)	Isone Prima Rosa Bloemiste	OPEX R 300.00	08/04/2021	08/04/2021	Once off	Sole Provider	4				4	
Management & Executive Meeting **Catering**	Bakoena Construction & Catering	OPEX R 3 200	12/04/2021	12/04/2021	Once Off	First Time Provider	4				4	
Fruit Basket (Cllr Valipathwa)	Isone Prima Rosa Bloemiste	OPEX R 300.00	15/04/2021	15/04/2021	Once off	Sole Provider	4				4	
Cleaning Campaign @ NkangMahlale	Lebogangkaboentle Business Enterprise (Food) Noemia Trading – (Kanana Transport) BM Harario TE (Khuma Transport)	OPEX R 8 820 R1 540 R1 200	28/04/2021	28/04/2021	Once off Once Off Once Off	First Time Provider First Time Provider First Time Provider	4 4 4				4 4 4	
Cleaning Campaign @ Tshedimosetso	Kenewang & Sisters Trading Enterprise	OPEX R 9900	30/04/2021	30/04/2021	Once off	First Time Provider	4				4	
Cleaning Campaign @ Zamukulunga	Regone Trader (Food)	OPEX R10 500	03/05/2021	03/05/2021	Once off	First Time Provider	4				4	

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q4	
Cleaning Campaign @ Arefadimeheng	Injula Tours (Food)	OPEX R8 520	05/05/2021	05/05/2021	Once off	First Time Provider	4				4	
Hand Sanitiser & TempScanner for **Cleaning Campaign**	Disc Heeperrs PTY LTY	OPEX R29 600	30/04/2021	30/04/2021	Once Off	First Time Provider	4				4	
Special Council Meeting	Bengwa Trading	OPEX R4 410	05/05/2021	05/05/2021	Once Off	First Time Provider	4				4	
District Speakers Forum	Red Bindi Investment	OPEX 3 400	11/05/2021	11/05/2021	Once Off	First Time Provider	4				4	
Integrated Public Participation - **JBM (ID & Anti Corruption)**	Antha General Services	OPEX R15 000	18/05/2021	18/05/2021	Once Off	First Time Provider	4				4	
Council **Recording Device / System**	Baleni Contractors & Projects	OPEX R28 000	25/05/2021	25/05/2021	Once off	First Time Provider	4				4	
Ordinary Council Meeting	Del Albert Café	OPEX R4 200	26/06/2021	26/06/2021	Once Off	First Time Provider	4				4	
Sanitizers (Alabama)	Omosanaledi Trading Enterprise (PTY) Ltd	OPEX R 6000	31/05/2021	31/05/2021	Once Off	First Time Provider	4				4	
MPAC Campaign	Theolas Enterprise	OPEX R6 450	02/06/2021	02/06/2021	Once Off	First Time Provider	4				4	
Gas Bottle	Handy House	OPEX R984	03/06/2021	03/06/2021	Once Off	First Time Provider	4				4	
Sanitizers (Kanana & Khuma)	Mikshaan Projects (Pty) Ltd	OPEX R11 520	04/06/2021	04/06/2021	Once Off	First Time Provider	4				4	
Cleaning Campaign @ Goue Arendse Primvary	Happy Plaatjie (Pty) LTD	OPEX R8 700	02/06/2021	02/06/2021	Once Off	First Time Provider	4				4	
District Development Model	**Bohlale Ba Khanya (PTY) Ltd**	OPEX R8 970	17/06/2021	17/06/2021	Once Off	First Time Provider	4				4	

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q4	
Meeting												

POLITICAL OFFICE: OFFICE OF THE EXECUTIVE MAYOR

OFFICE OF THE EXECUTIVE MAYOR ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
MAYCO Catering	Businga tha		29/ 09/2020	29/ 09/ 2020	Completed	None	5		5			
Sanitary Towels	Mphohle Trading (Pty)		13/ 10/ 2020	15/10/2020		None	5		5			
World Aids Day - Catering	Thafifi Construction & Project		01/12 / 2020	02/12 / 2020	Completed	None	4		4			
GBV – Workshop Transport	Mtshepana Trading & Project (Pty)		09/12 /2020	09/12/2020	Completed	None	4		4			

OFFICE OF THE EXECUTIVE MAYOR

ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS
2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
GBV - Catering	Joshtha Trading Enterprise		09/12 /2020	09/12 /2020	Completed		4				4	
MAYCO Catering	Tabularasa Group		21/11 /2020	21/12/2021	Completed		5			4		
Food Parcels	Hope Sends Trading & Projects		10/03 / 2021	10/03/2021	Completed		4			4		
Sports Equipment for the elderly	Great Happiness (VIPCatering)		16/04/ 2021	16/04/ 2021	Completed		4				4	
Supply and delivery of sporting equipmen	Hlomphang Multi-traders		16/06/ 2021	16/04 /2021	Completed		4				4	
Sports Equipment for the elderly	LL TT Lere la Tlotlo (Catering)		16/04/ 2021	16/ 04/ 2021	Completed		4				4	
Gender Based Violence	Thata Consultant (Transport)		12/05 / 2021	12/ 05/ 2021	Completed		4			4		
Gender Based Violence	Jostha Trading Enterprise (catering)		12/05/ 2021	12/ 05/ 2021	Completed		4			4		
Gender Based Violence	Leboga Thuto (Catering)		12/05 /2021	12/05 / 2021	Completed		4				4	

OFFICE OF THE EXECUTIVE MAYOR ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Sanitary Towels for Learners	Mlungisi R Ngidi transport entertainment		19/05 /2021	19/05/2020	Completed		4				4	
Moral Regeneration	TSTE Enterprise		20/05/ 2021	20/05/ 2021	Completed		4				4	
			1									

POLITICAL OFFICE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
MPAC Meeting	Gran Meyer 2	OPEX: MPAC Catering	23/02/2021	23/02/2021	Complete	None	4			4		The food received was according to the request
AG Briefing Meeting	Rulaganyang Trading enterprise	OPEX: MPAC Catering	11/05/2021	11/05/2021	Complete	None	4				4	The food received was according to the request

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
MPAC meeting	Lift Link	OPEX:MPAC Catering	26/ May/2021	26/05/2021	Complete	None	4				4	The food received was according to the request
MPAC Site Inspection	Machwisa and Son Business Project	OPEX: MPAC Catering	20/06/2021	21/06/2021	Complete		2				2	The food was not according to the request and the caterer delayed the committee schedule of site inspection as the food was late

OFFICE OF THE MUNICIPAL MANAGER
COMMUNICATION

LED & PLANNING DEPT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Radio advertising	Star FM	Council funding	01/07/2020	Ongoing	Ongoing	None	5	5	5	5	5	Performance of the PSP is satisfactory
Radio advertising	Aganang FM	Council funding	01/07/2020	Ongoing	Ongoing	None	5	5	5	5	5	Performance of the PSP is satisfactory

LED & PLANNING DEPT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Newspaper advertising	Klerksdorp Record	Council funding	01/07/2020	Ongoing	Ongoing	None	5	5	5	5	5	Performance of the PSP is satisfactory
Newspaper advertising	Potch Herald	Council funding	01/07/2020	Ongoing	Ongoing	Late submission of invoices	3	3	3	4	4	Performance of the PSP is satisfactory
Newspaper advertising	Ntsae Media	Council funding	01/07/2020	Ongoing	Ongoing	None	5	5	5	5	5	Performance of the PSP is satisfactory
Newspaper advertising	North West Sun	Council funding	01/07/2020	Ongoing	Ongoing	None	4.25	4	4	4	5	Performance of the PSP is satisfactory

MISS (Minimum Information Security Standards)

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Security Services	PONO Security & Projects	OPEX	1 October 2019	30 September 2022	Services Rendered	Non	4	4	4	4	4	Satisfactory

BUDGET AND TREASURY OFFICE

BUDGET AND TREASURY OFFICE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021FINANCIAL 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Financial system	BUSINESS CONNEXION	R 1 390 703.63	2020/07/01	2021/06/30	completed		3	3	3	3	3	
Assistance of financial accounting support	MAINE MANAGEMENT	R 1 450 363.00	2020/07/15	2021/01/15	completed		4	4	4			
Updating Assets register	KRESTON	R 870 150.00	2020/07/20	2021/01/20	completed		4	4	4			
Post employment valuation	ARCH	R 19 895.00	2020/07/01	2020/09/01	completed		4	4				

LED & PLANNING

LED & PLANNING DEPT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Road Asset Management System (RAMS)	Nalko Engineering	Conditional grant	23-09-2019	30-06-2022	Contract completed 2 years out of 3 years duration	None	5	5	5	5	5	Performance of the PSP is satisfactory
Proposals are invited from suitably qualified consulting companies for	Ntiyiso Consulting (Pty) Ltd	Council's own funding	12 -11 -2020	30-06-2021	Contract completed	None	5	5	5	5	5	Performance of the PSP is satisfactory

LED & PLANNING DEPT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
the review of the district led strategy 2019												
Invitation from Suitably Qualified Professionals to Develop a Proposal for a District Housing Sector Plan and the Accreditation Business Plan for the Dr Kenneth Kaunda District Municipality	Cholaw Consulting (Pty) Ltd	Council's own funding	18 -03 -2021	30-09-2021	70 percent of milestone achieved	None	5	5	5	5	5	Performance of the PSP is satisfactory

CORPORATE SERVICES

CORPORATE SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
PhotoCopy Machine	Indlela	Internal budget	28-10-2019	27-10-2022		Delay on delivery of goods due to alert level lock down	3	3	3	3	3	
Office upgrade		Internal budget										
Building rental	Matlosana	Internal budget	01-02-2002	Until notice		Building decapitation None availability of the provider to fix the building Lack of communication and commitment Non disability friendly Chamber only one entrance and exit no second exit and entrance Structural stability (due to earth quack) Balcony loose plaster and severe cracks Drains at basement and back of building constantly blocked Electricity and sub stations needs to be inspected Water damage and cracks in roof and walls at LED & MHS offices Main Staircase steps are in poor condition need repairs Whole roof needs to be inspected and repaired Lack of enough office space and storage areas	1	1	1	1	1	There is maintenance of the building is very poor
	Colombia properties	Internal budget		Month to month		Building decapitation None availability of the provider to fix the building Lack of communication and Commitment Non disability friendly	1	1	1	1	1	There is maintenance of the building is very poor
Legal Services	Lizel Venter Attorneys	Internal budget	2019				4	4	4	4	4	

CORPORATE SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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
							2020/2021	Q 1	Q 2	Q 3	Q 4	
	Was Silent Attorneys	Internal budget	2019				5	5	5	5	5	They have never lost a case instructed to carry
	Modiboa Attorneys	Internal budget	2019				2	2	2	2		
	Keeping Inc Attorneys										X	
	Phambane Attorneys	Internal	Feb 2021	Still in progress	Still in progress	None	4			4	4	

COMMUNITY SERVICES

MUNICIPAL HEALTH SERVICES, DISASTER RISK MANAGEMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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**
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Water sampling (analysis)	Midvaal Water Company	Dr KKDM	01 July 2020	30 June 2021	Complete	None	5	5	5	5	5	Excellent service was provided
Dolomite Risk Management Strategy	Kgoma Africa	DKKDM	2018	2021	Completed	None	4	4	4	4	4	None
Cleaning campaign for removal of illegal dumping spots	K2018421070 (South Africa) (Pty) Ltd	39052301870FLP43ZZWD (Hire Charges)	14 June 2021	14 June 2021	Completed	None	5				5	Satisfactory
Cleaning campaign for removal of illegal dumping spots	Monsortium (Pty) Ltd	39052301870FLP43ZZWD (Hire Charges)	17 June 2021	17 June 2021	Completed	None	5				5	Satisfactory

MUNICIPAL HEALTH SERVICES, DISASTER RISK MANAGEMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2020/2021 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**
							2020/2021	Q 1	Q 2	Q 3	Q 4	
Rapid Intervention Vehicle (RIV)	National Treasury RT57 contract Ford SA // Marce' Fire Technologies	Own funding Dr KKDM	February 2021	September 2021	Super structure is at 86% completion stage. Chassis is due for inspection (it has been delivered on the 5th August 2021).	Interruptions of COVID-19 and unavailability of the chassis cab.	3		3	3	3	COVID-19 had negative impact on the delivery and completion date.
Air quality campaign at Matlosana Taxi Rank in Klerksdorp	Shepard Working Trading	Own funding Dr KKDM	14 May 2021	14 May 2021	Supplied 100 municipal branded shopping bags and 100 LED globes of 80W.	None	5				5	Excellent service
Dolomite Risk Management Strategy	Kgoma Africa	DKKDM	2018	2021	Completed	None	4	4	4	4	4	None

4. CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1. COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

INTRODUCTION

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

TOTAL NUMBER OF EMPLOYEES, STAFF TURNOVER AND VACANCIES

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

TOTAL NUMBER OF EMPLOYEES

Department	Total No 2019/20	Total No 2020/2021	Males 2019/20	Males 2020/21	Females 2019/20	Females 2020/21
Office of the Executive Mayor	12	11	6	6	6	5
Office of the Speaker	7	7	3	3	4	4
Office of the Single Whip	5	5	2	2	3	3
MPAC Office	2	2	0	0	2	2
Office of the Municipal Manager	17	16	9	10	8	6
Corporate Services	29	25	10	10	19	15
Budget and Treasury Office	20	14	9	6	11	8
Technical Services	7	8	5	3	2	5
Environmental Health	40	40	15	15	25	25
District Economic Development	5	5	5	3	2	2
Disaster Risk Management	30			10	17	15
TOTAL	174	133	64	68	97	90

Total Appointments during Financial Year 2020/21 = 9
Resignations during Financial Year 2020/21 = 6
Termination during Financial Year 2020/21 = 1

STATUS OF SENIOR MANAGERS APPOINTMENTS

The below table indicates the status of Senior Managers appointments in the Dr Kenneth Kaunda DM

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

4.2. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The following policies were workshopped and approved in 2020/21

POLICIES

POLICY REGISTER

POLICY	STATUS	DATE OF ADOPTION	REVIEW
Assets Management Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Annually
Cash Management & Investment Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Annually
Funding & Reserves Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Annually
Municipal Budget Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Annually
Budget and Virements Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Annually
Policy on Borrowing	Workshopped 28/2020	**ITEM A.33/10/2020**	Annually
Supply Chain Policy	Workshopped 28/2020	**ITEM A.33/10/2020**	Annually
Risk Management Policy	28//07/2020	**ITEM A.33/10/2020**	Bi Annually
Subsistence and Travelling Allowance Policy	28//07/2020	**ITEM A.33/10/2020**	Bi Annually
Danger Allowance Policy	Workshopped 28 /07/2020	**ITEM A.33/10/2020**	Annually
Cell phone And Data Allowance Policy	Workshopped 28/07/2020	**ITEM A.33/10/2020**	Bi Annually
Tabling of The MPAC Annual Work Plan Of 2019/20 Financial Year and The Revised Terms of Reference to Council	25 July 2019	**ITEM A.251/07/2019**	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	43	8.6	0
Temporary disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	5	43	8.6	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	25	1	1	1	
Directors	75	10	3	5	
Managers	43	7	9	18	
Mid- management/ professionals	204	8	15	23	
Skilled Tech/Juniors man	125	12	33	64	
Semi-skilled	223	2	22	22	
Unskilled	149	4	48	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 Finalized	Date Finalized
Manager Human Resource	Gross Misconduct	03/12/2018	dismissed	2 January 2021
Chief Accountant	Misconduct	8 September 2020	Matter finalized	June 2021
Municipal Manager	Misconduct	12 February 2021	Disciplinary hearing started	
Manager Legal	Misconduct	8 April 2021		

PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary Profile				
	Gender	Total Number of Employees in Group	Number of Beneficiaries	Expenditure on Rewards 2020/21	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	150 000	0	0	0
Outstanding Mandatory Grant funds from previous year	50 000	0	50 000	0
Discretionary Grants funds	1 500 000	1 750 000	1 500 000	1 750 000
Additional funding (Municipality/entity, donor funds, other government funds etc)	2 850 000	3 000 000	0	0
Totals	4 350 000		800 000	1 750 000

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE as at 1 March 2020 - 30 April 2021 – EMPLOYED

LGSETA FOCUS AREA	PERFORMANCE AREA	INTERVENTION TYPE	FUND TYPE	OFO CODE	OFO TITLE	EQUITY	GENDER
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-143105	Sports Administrator	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female

Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-422601	Receptionist (General)	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-243204-9	Event Coordinator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Bursary	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-243103-3	Tourism Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	White	Male

Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-251101-2	ICT Systems Advisor	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-243204-10	Sports Event Organiser	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-541907	Disaster Management Officer	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-243201	Communication Coordinator	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female

Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-541907	Disaster Management Officer	Indian	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-262202-5	Records Administrator	White	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-242102-6	Business / Community / Disability Liaison Officer	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	White	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-111102-3	Chief Whip	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-333905-1	Supply Chain Administrator	African	Female

Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-331201-11	Finance Clerk / Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	White	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-411101-9	Administration Clerk / Officer	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-331201-11	Finance Clerk / Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-331201-11	Finance Clerk / Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-242208	Organisational Risk Manager	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Learnership	LGSETA - Discretionary Grant funds	2019-411101-9	Administration Clerk / Officer	African	Female

Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Recognition of Prior Learning	LGSETA - Discretionary Grant funds	2019-411101-9	Administration Clerk / Officer	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242208	Organisational Risk Manager	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211-4	Audit Consultant	White	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211-4	Audit Consultant	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Male
Promoting Sound Financial Management & Financial	Municipal Financial Viability and	Skills Programme	Mandatory Grant funds	2019-242211-4	Audit Consultant	African	Male

Viability	Management	towards a Qualification					
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211-4	Audit Consultant	African	Male
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211-4	Audit Consultant	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-122201-3	Public Relations Manager	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-121104	Internal Audit Manager	African	Female
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Skills Programme towards a Qualification	Mandatory Grant funds	2019-242211	Internal Auditor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-3	Community Development Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111203-5	Municipal Manager	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242102-6	Business / Community / Disability Liaison Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-243203	Corporate Communication Manager	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	White	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341203-3	Community Service Worker	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	Coloured	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-4	Community Development Worker	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334302-2	Administrative Secretary	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-121301-2	Strategic Planning Manager	African	Male

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-3	Community Development Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242303-10	Hr Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-251101-2	ICT Systems Advisor	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-243103-3	Tourism Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-4	Community Development Worker	Coloured	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-422601	Receptionist (General)	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-732101-7	Driver-messenger	Coloured	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-422601	Receptionist (General)	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-541907	Disaster Management Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111101-1	Member of Mayoral Committee	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111101-1	Member of Mayoral Committee	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111102-3	Chief Whip	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-134507	Departmental Head	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-111203-5	Municipal Manager	African	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-243204-9	Event Coordinator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242208	Organisational Risk Manager	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-4	Community Development Worker	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242211	Internal Auditor	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-314201-3	Agricultural Technical Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-3	Community Development Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-811201-4	Office Cleaner	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-333905	Supply Chain Practitioner	Coloured	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334302	Personal Assistant	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	Coloured	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-331201-11	Finance Clerk / Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111102-3	Chief Whip	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-111101-8	Councillor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-134507	Departmental Head	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-243204-9	Event Coordinator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-251101-2	ICT Systems Advisor	African	Male

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-314201-3	Agricultural Technical Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334302	Personal Assistant	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-133105	Information Technology Manager	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242303-10	Hr Officer	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242211	Internal Auditor	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334302	Personal Assistant	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a	LGSETA - Discretionary Grant funds	2019-111203-5	Municipal Manager	African	Female

		Qualification					
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-334102	Office Administrator	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-441905	Account Clerk (Public Relations / Communication)	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-226301	Environmental Health Officer	African	Female
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-441905	Account Clerk (Public Relations / Communication)	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-242208	Organisational Risk Manager	African	Male
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Skills Programme towards a Qualification	LGSETA - Discretionary Grant funds	2019-341201-3	Community Development Officer	African	Female

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency 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	4		4	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	8	1	9	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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Transfers recognised - operational	179 967	185 029	193 506	202 266	207 041	207 041	149 919	205 766	209 510	213 762
Other own revenue	866	610	1 994	1 487	1 487	1 487	376	640	667	696
Total Revenue (excluding capital transfers and contributions)	183 605	189 234	201 177	208 953	213 728	213 728	151 888	211 606	215 595	220 115
Employee costs	86 772	89 696	96 365	112 879	112 879	112 879	69 808	119 016	124 848	130 341
Remuneration of councillors	9 661	9 850	10 257	13 190	13 075	13 075	6 663	13 075	13 624	14 223
Depreciation & asset impairment	8 908	7 760	6 931	5 494	5 494	5 494	–	6 704	6 986	7 249
Finance charges	849	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	6 609	4 333	6 919	7 691	8 691	8 691	2 494	8 122	5 426	4 758
Other expenditure	73 258	59 144	48 140	72 454	73 200	73 200	29 231	64 686	63 776	63 334
Total Expenditure	186 055	170 784	168 612	211 708	213 338	213 338	108 196	211 603	214 659	219 907
Surplus/(Deficit)	(2 450)	18 450	32 565	(2 755)	390	390	43 691	3	936	208

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 Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 450)	18 450		(2 755)	390	390	43 691	3	936	208
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 450)	18 450	–	(2 755)	390	390	43 691	3	936	208
Capital expenditure & funds sources										
Capital expenditure	**6 557**	2 517	2 356	27 760	28 950	28 950	2 756	117 305	18 713	19 298
Transfers recognised - capital	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**–**	–	–	–	–	–	–	90 000	–	–
Internally generated funds	**6 557**	2 517	2 356	27 760	28 950	28 950	2 756	27 305	18 713	19 298
Total sources of capital funds	**6 557**	2 517	2 356	27 760	28 950	28 950	2 756	117 305	18 713	19 298
Financial position										
Total current assets	**(43 973)**	71 304	111 113	24 415	26 370	26 370	151 621	52 906	32 300	10 646
Total non current assets	**31 724**	25 521	20 743	53 233	54 423	54 423	23 499	142 778	44 187	44 771
Total current liabilities	**(30 962)**	55 497	58 468	20 687	20 687	20 687	59 794	26 949	36 455	23 046
Total non current liabilities										

	9 510	11 704	11 670	11 397	11 397	11 397	11 670	103 364	13 364	13 364
Community wealth/Equity	**9 204**	29 625	61 718	45 565	48 709	48 709	103 655	65 371	26 668	19 008
Cash flows										
Net cash from (used) operating	**8 012**	27 506	38 530	2 739	5 884	5 884	43 691	6 707	7 922	7 458
Net cash from (used) investing	**(6 557)**	(2 517)	(2 356)	(27 760)	(28 950)	(28 950)	(2 756)	(117 305)	(18 713)	(19 298)
Net cash from (used) financing	**–**	–	–	–	–	–	–	90 000	(9 814)	(9 814)
Cash/cash equivalents at the year end	**15 194**	34 751	72 205	23 423	25 377	25 377	117 000	52 906	32 300	10 646
Cash backing/surplus reconciliation										
Cash and investments available	**(50 207)**	36 031	76 117	24 416	26 370	26 370	117 486	52 906	32 300	10 646
Application of cash and investments	**(81 066)**	(43 785)	(6 082)	5 930	5 930	5 930	(20 842)	21 890	21 890	9 337
Balance - surplus (shortfall)	**30 859**	79 816	82 199	18 485	20 440	20 440	138 328	31 016	10 410	1 309
Asset management										
Asset register summary (WDV)	**31 724**	25 521	20 743	53 233	54 423	54 423	54 423	142 778	44 187	44 771
Depreciation	**8 908**	7 760	6 931	5 494	5 494	5 494	5 494	6 704	6 986	7 249
Renewal and Upgrading of Existing Assets	**–**	1 288	212	–	–	–	–	3 300	6 500	7 500
Repairs and Maintenance	**1 628**	1 198	1 535	2 682	2 862	2 862	2 862	4 152	4 035	3 829
Free services										
Cost of Free Basic Services provided	**–**	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	**–**	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–

Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

5.2. COMPONENT B: STATEMENT OF FINANCIAL PERFORMANCE

Functional Classification Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
Revenue - Functional									
Governance and administration	**182 381**	**188 839**	**200 252**	**203 585**	**208 360**	**208 360**	**206 470**	**212 501**	**216 930**
Executive and council	117	–	5	–	–	–	–	–	–
Finance and administration	182 264	188 839	200 248	203 585	208 360	208 360	206 470	212 501	216 930
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**712**	**–**	**447**	**500**	**500**	**500**	**500**	**521**	**544**
Community and social services	195	–	447	500	500	500	500	521	544
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	517	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**512**	**396**	**478**	**4 868**	**4 868**	**4 868**	**4 636**	**2 573**	**2 641**
Planning and development	–	–	–	4 868	4 868	4 868	4 636	2 573	2 641
Road transport	–	–	–	–	–	–	–	–	–
Environmental protection	512	396	478	–	–	–	–	–	–
Trading services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources	–	–	–	–	–	–	–	–	–
Water management							–	–	–

	–	–	–	–	–	–			
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	–	–	–	–	–	–	–	–	–
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	**183 605**	**189 234**	**201 177**	**208 953**	**213 728**	**213 728**	**211 606**	**215 595**	**220 115**
Expenditure - Functional									
Governance and administration	**138 034**	**121 976**	**117 319**	**128 501**	**133 146**	**133 146**	**131 647**	**136 769**	**139 984**
Executive and council	55 357	41 184	44 766	60 927	63 043	63 043	61 601	64 361	67 628
Finance and administration	78 734	75 841	67 511	61 525	63 612	63 612	63 166	65 281	64 960
Internal audit	3 943	4 951	5 042	6 049	6 491	6 491	6 879	7 126	7 396
Community and public safety	**10 348**	**11 101**	**14 777**	**52 715**	**51 249**	**51 249**	**51 603**	**52 598**	**54 890**
Community and social services	6 648	7 613	8 275	52 715	51 249	51 249	51 603	52 598	54 890
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	3 700	3 489	6 502	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**37 674**	**37 706**	**36 516**	**30 492**	**28 943**	**28 943**	**28 353**	**25 292**	**25 032**
Planning and development	12 594	10 212	8 503	30 492	28 943	28 943	28 353	25 292	25 032
Road transport	–	–	–	–	–	–	–	–	–
Environmental protection	25 079	27 494	28 013	–	–	–	–	–	–
Trading services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources							–	–	–

	–	–	–	–	–	–			
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	–	–	–	–	–	–	–	–	–
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Functional	**186 055**	**170 784**	**168 612**	**211 708**	**213 338**	**213 338**	**211 603**	**214 659**	**219 907**
Surplus/(Deficit) for the year	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**3**	**936**	**208**

EXPENDITURE PERFORMANCE (REVENUE & EXPENDITURE)

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
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	2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Interest earned - outstanding debtors										
Dividends received	2	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–
Licences and permits	313	396	478	500	500	500	332	500	521	544
Agency services										
Transfers and subsidies	179 967	185 029	193 506	202 266	207 041	207 041	149 919	205 766	209 510	213 762
Other revenue	40	207	1 516	987	987	987	44	140	146	152
Gains	510	8	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**183 605**	**189 234**	**201 177**	**208 953**	**213 728**	**213 728**	**151 888**	**211 606**	**215 595**	**220 115**

Expenditure By Type										
Employee related costs	86 772	89 696	96 365	112 879	112 879	112 879	69 808	119 016	124 848	130 341
Remuneration of councillors	9 661	9 850	10 257	13 190	13 075	13 075	6 663	13 075	13 624	14 223
Debt impairment	121	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	8 908	7 760	6 931	5 494	5 494	5 494	–	6 704	6 986	7 249
Finance charges	849	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–
Inventory consumed	–	–	–	–	–	–	–	–	–	–
Contracted services	42 669	29 657	24 246	28 987	31 416	31 416	17 002	27 698	26 995	27 346
Transfers and subsidies	6 609	4 333	6 919	7 691	8 691	8 691	2 494	8 122	5 426	4 758
Other expenditure	29 034	28 528	23 894	43 466	41 783	41 783	12 229	36 988	36 781	35 988
Losses	1 434	960	–	–	–	–	–	–	–	–
Total Expenditure	**186 055**	**170 784**	**168 612**	**211 708**	**213 338**	**213 338**	**108 196**	**211 603**	**214 659**	**219 907**
Surplus/(Deficit)	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**43 691**	**3**	**936**	**208**
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 Corporatons, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)										

Surplus/(Deficit) after capital transfers & contributions	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**43 691**	**3**	**936**	**208**
Taxation										
Surplus/(Deficit) after taxation	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**43 691**	**3**	**936**	**208**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**43 691**	**3**	**936**	**208**
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	**(2 450)**	**18 450**	**32 565**	**(2 755)**	**390**	**390**	**43 691**	**3**	**936**	**208**

5.3. COMPONENT C: STATEMENT OF FINANCIAL POSITION

Description	**2017/18**	**2018/19**	**2019/20**	**Current Year 2020/21**				**2021/22 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 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
ASSETS										
Current assets										
Cash	(85 207)	18 031	46 117	9 415	11 370	11 370	17 486	52 906	32 300	10 646
Call investment deposits	35 000	18 000	30 000	15 000	15 000	15 000	100 000	–	–	–
Consumer debtors	751	(25)	(20)	–	–	–	(20)	–	–	–
Other debtors	5 483	35 299	35 016	–	–	–	34 155	–	–	–
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–	–	–	–
Total current assets	**(43 973)**	**71 304**	**111 113**	**24 415**	**26 370**	**26 370**	**151 621**	**52 906**	**32 300**	**10 646**
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–

Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	30 165	24 872	20 204	47 694	49 184	49 184	22 705	134 739	40 187	41 767
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	1 559	649	538	5 539	5 239	5 239	793	8 039	3 999	3 004
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	**31 724**	**25 521**	**20 743**	**53 233**	**54 423**	**54 423**	**23 499**	**142 778**	**44 187**	**44 771**
TOTAL ASSETS	**(12 248)**	**96 826**	**131 856**	**77 649**	**80 793**	**80 793**	**175 120**	**195 684**	**76 487**	**55 417**
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	494	494	48	263	263	263	48	308	9 814	9 814
Consumer deposits										
Trade and other payables	(47 238)	40 798	41 126	5 930	5 930	5 930	42 453	22 746	22 746	9 337
Provisions	15 782	14 205	17 294	14 493	14 493	14 493	17 294	3 895	3 895	3 895
Total current liabilities	**(30 962)**	**55 497**	**58 468**	**20 687**	**20 687**	**20 687**	**59 794**	**26 949**	**36 455**	**23 046**
Non current liabilities										
Borrowing	149	154	–	(154)	(154)	(154)	–	90 000	–	–
Provisions	9 361	11 551	11 670	11 551	11 551	11 551	11 670	13 364	13 364	13 364
Total non current liabilities	**9 510**	**11 704**	**11 670**	**11 397**	**11 397**	**11 397**	**11 670**	**103 364**	**13 364**	**13 364**
TOTAL LIABILITIES	**(21 452)**	**67 201**	**70 138**	**32 084**	**32 084**	**32 084**	**71 464**	**130 313**	**49 819**	**36 410**
NET ASSETS								**65**	**26**	**19 008**

	9 204	**29 625**	**61 718**	**45 565**	**48 709**	**48 709**	**103 655**	**371**	**668**	
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	9 204	29 625	61 718	45 565	48 709	48 709	103 655	65 371	26 668	19 008
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**9 204**	**29 625**	**61 718**	**45 565**	**48 709**	**48 709**	**103 655**	**65 371**	**26 668**	**19 008**

5.4. COMPONENT D: CASH FLOW

Description	**2017/18**	**2018/19**	**2019/20**	**Current Year 2020/21**				**2021/22 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 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–	–	–
Service charges								–	–	–
Other revenue	866	946	1 028	1 487	1 487	1 487	376	640	667	696
Transfers and Subsidies - Operational	179 967	185 029	193 506	202 266	207 041	207 041	149 919	205 766	209 510	213 762
Transfers and Subsidies - Capital								–	–	–
Interest	2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Dividends								–	–	–
Payments										
Suppliers and employees	(168 984)	(157 731)	(154 762)	(198 523)	(199 153)	(199 153)	(105 702)	(196 777)	(202 248)	(207 899)
Finance charges				–	–	–		–	–	–
Transfers and Grants	(6 609)	(4 333)	(6 919)	(7 691)	(8 691)	(8 691)	(2 494)	(8 122)	(5 426)	(4 758)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**8 012**	**27 506**	**38 530**	**2 739**	**5 884**	**5 884**	**43 691**	**6 707**	**7 922**	**7 458**

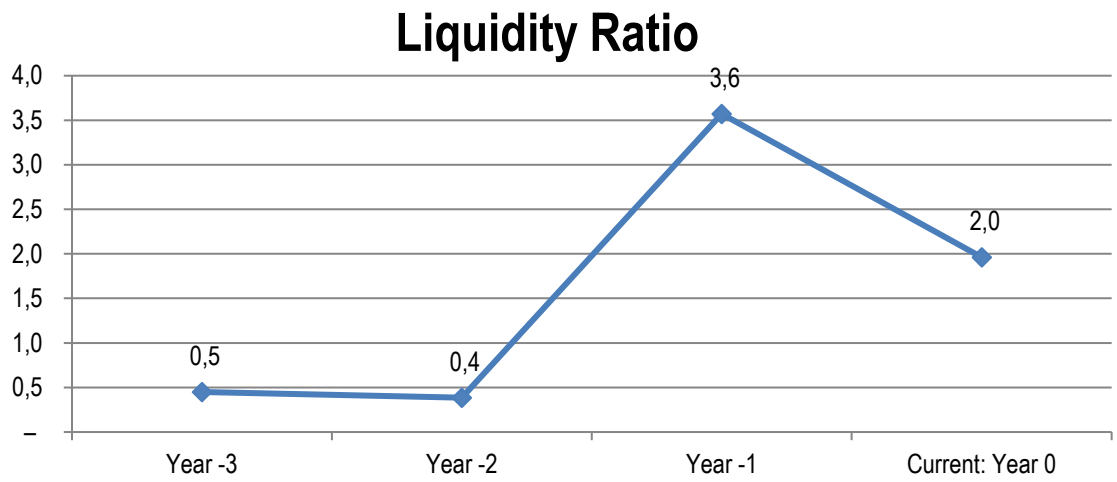
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–	–	–
Decrease (increase) in non-current receivables								–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
Payments										
Capital assets	(6 557)	(2 517)	(2 356)	(27 760)	(28 950)	(28 950)	(2 756)	(117 305)	(18 713)	(19 298)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6 557)**	**(2 517)**	**(2 356)**	**(27 760)**	**(28 950)**	**(28 950)**	**(2 756)**	**(117 305)**	**(18 713)**	**(19 298)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	90 000	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	(9 814)	(9 814)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90 000**	**(9 814)**	**(9 814)**
NET INCREASE/ (DECREASE) IN CASH HELD	**1 456**	**24 990**	**36 175**	**(25 021)**	**(23 066)**	**(23 066)**	**40 936**	**(20 598)**	**(20 606)**	**(21 654)**
Cash/cash equivalents at the year begin:	**13 739**	**9 761**	**36 031**	**48 444**	**48 444**	**48 444**	**76 064**	**73 503**	**52 906**	**32 300**
Cash/cash equivalents at the year end:	**15 194**	**34 751**	**72 205**	**23 423**	**25 377**	**25 377**	**117 000**	**52 906**	**32 300**	**10 646**

5.5. COMPONENT E: GRANTS

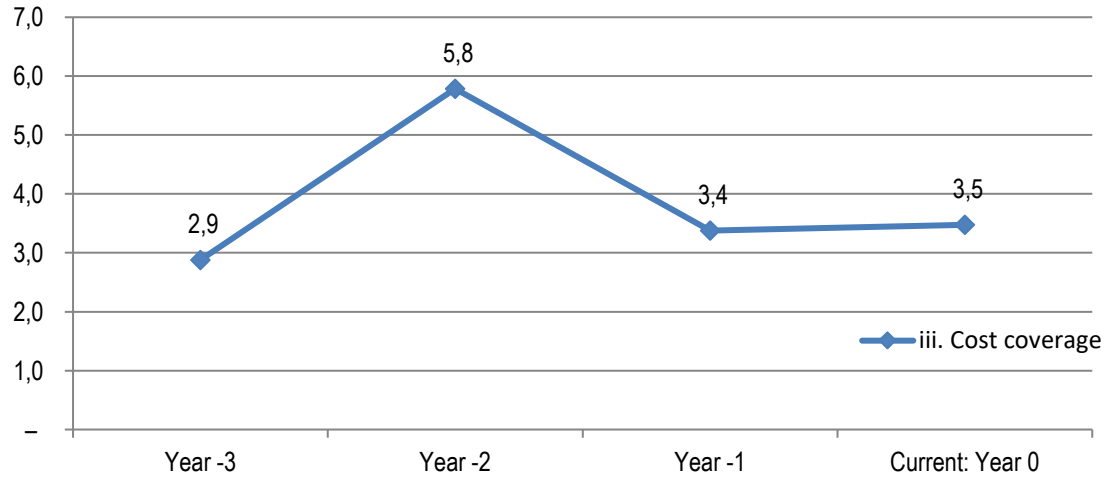
Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2021/22**	**Budget Year +1 2022/23**	**Budget Year +2 2023/24**
RECEIPTS:									
-									
Operating Transfers and Grants									
National Government:	**178 673**	**184 532**	**193 301**	**199 016**	**203 791**	**203 791**	**205 766**	**209 510**	**213 762**
Local Government Equitable Share	20 039	21 710	24 622	26 461	31 236	31 236	28 052	29 703	30 023
Expanded Public Works Programme Integrated Grant	1 292	1 151	1 649	1 691	1 691	1 691	2 122	–	–
Local Government Financial Management Grant	1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Disaster Relief Grant	–	–	447	–	–	–	–	–	–
Municipal Systems Improvement Grant	–	–	–	–	–	–	–	–	–
RSC Levy Replacement	153 637	158 323	162 977	167 384	167 384	167 384	172 078	176 234	180 098
Rural Road Asset Management Systems Grant	2 455	2 348	2 606	2 480	2 480	2 480	2 514	2 573	2 641
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**1 294**	**496**	**205**	**3 250**	**3 250**	**3 250**	**–**	**–**	**–**
Education Training and Development Practices SETA	–	–	205	3 250	3 250	3 250			
Local Government Water and Related Service SETA	98	–	–	–	–	–	–	–	–

Parent Municipality	1 196	496	–	–	–	–	–	–	–
Production	–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	**179 967**	**185 029**	**193 506**	**202 266**	**207 041**	**207 041**	**205 766**	**209 510**	**213 762**
Capital Transfers and Grants									
National Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Rural Road Asset Management Systems Grant	–	–	–	–	–	–	–	–	–
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Transfers and Grants	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**179 967**	**185 029**	**193 506**	**202 266**	**207 041**	**207 041**	**205 766**	**209 510**	**213 762**

5.6. COMPONENT F: FINANCIAL RATIOS

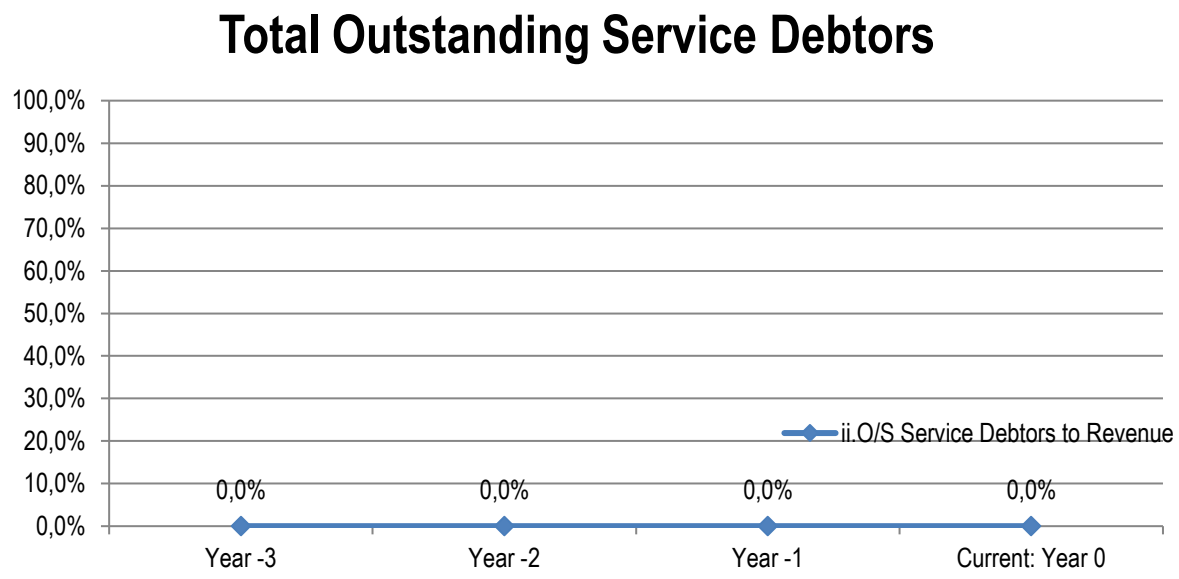


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

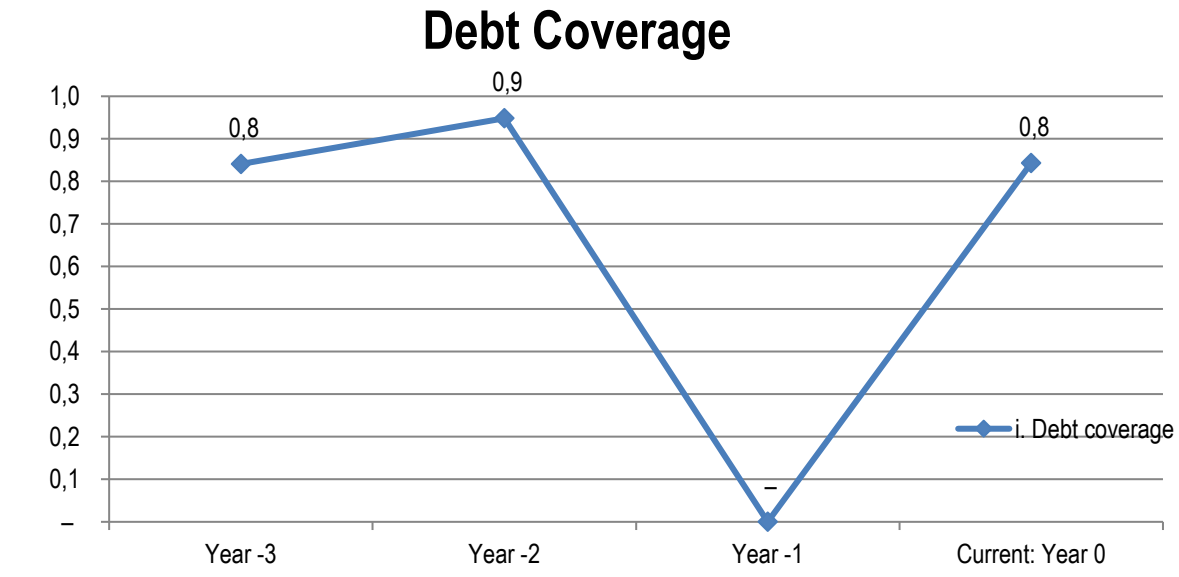


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

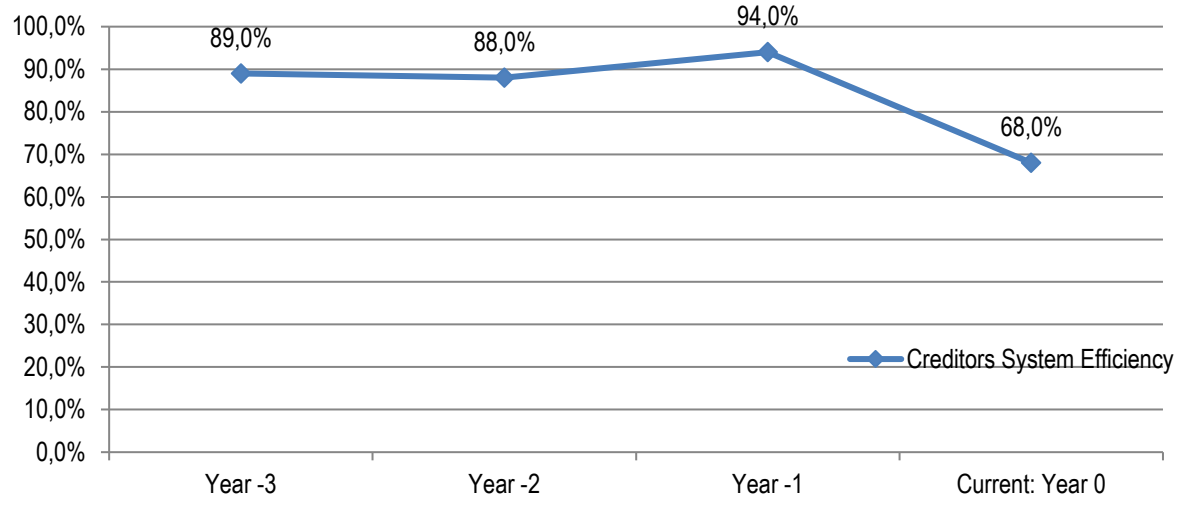


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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



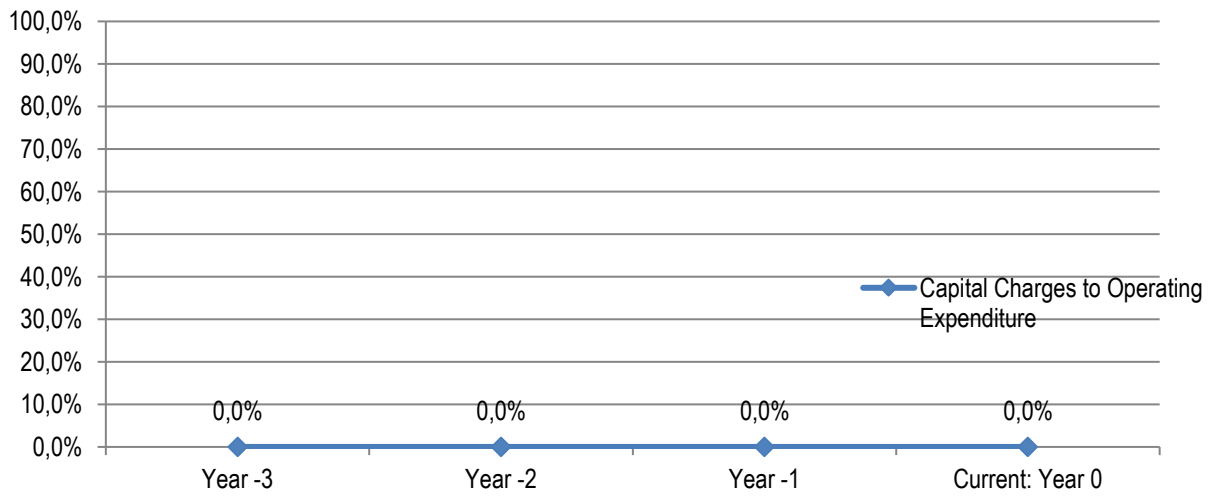
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8



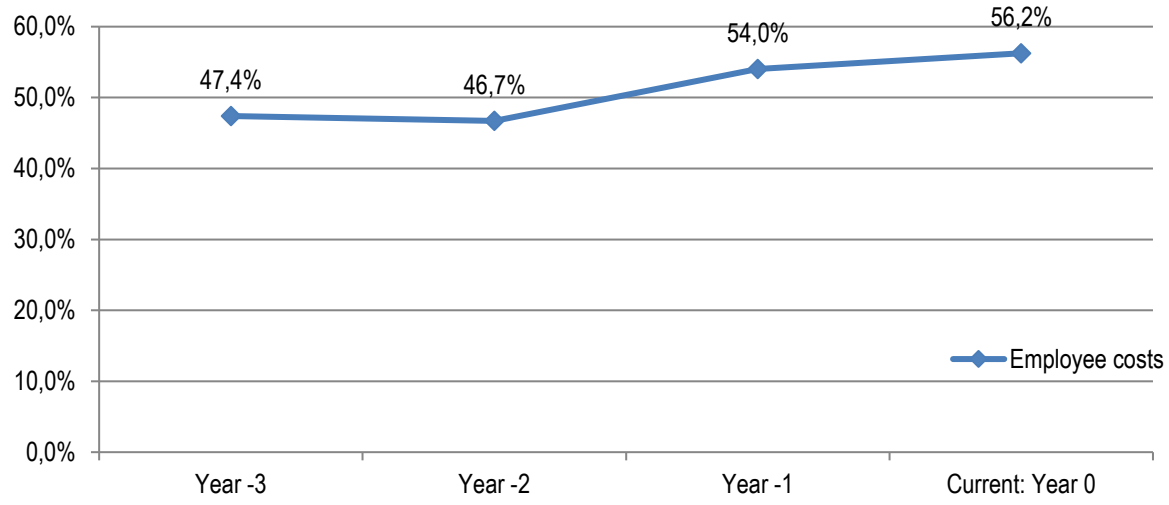
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8



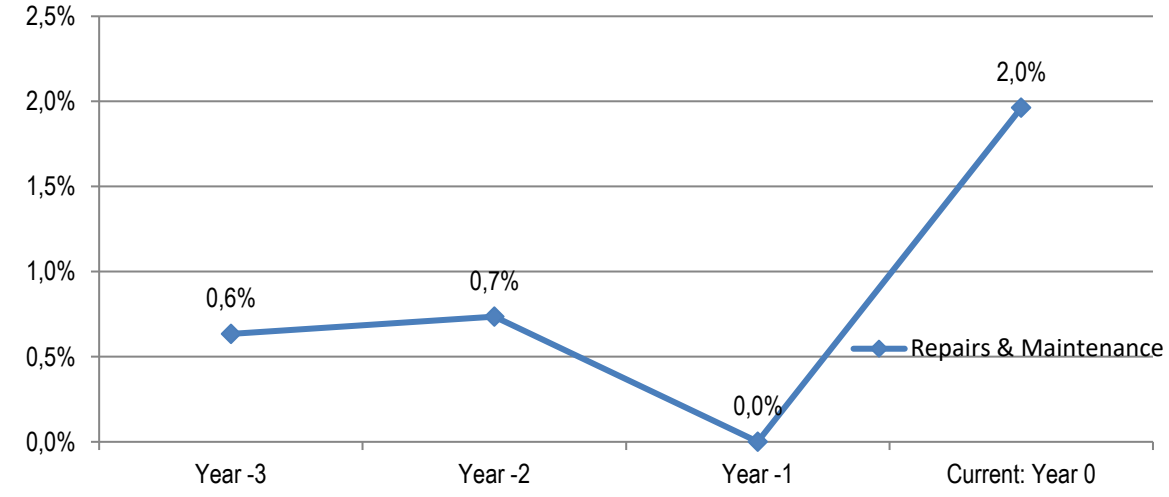
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



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.

Data used from MBRR SA8



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

Data used from MBRR SA8

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

ITEM	ENTITY	Amount owed to DrKKDM	Amount owed by DrKKDM
VAT Receivable	SARS	R 4 278 938.00	R 0
Compensation commissioner	Dept of labour (Office of the compensation commissioner)	R 0	R 4 022 134.00
Tax refunds payable	DrKKDM Economic Agency	R 0	R 450 000.00

6. CHAPTER 6: AUDITOR GENERAL'S REPORT 2020/21

6.1. COMPONENT A: 2020/2021 AUDIT REPORT

Auditing to build public confidence

AUDITOR-GENERAL
SOUTH AFRICA

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 200 to 274, which comprise the consolidated and separate statement of financial position as at 30 June 2021, and the consolidated and separate statement of financial performance, statement of changes in net assets, consolidated and separate 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 financial position of the Dr. Kenneth Kaunda District Municipality and its subsidiary as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (DoRA).

Basis for opinion

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

Emphasis of matters

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

Unauthorised, irregular and fruitless and wasteful expenditure

7. As disclosed in note 33 to the consolidated and separate financial statements, the unauthorised expenditure of R70 748 925 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 R26 655 328 and R26 583 024 was incurred in the current year and irregular expenditure of R204 772 600 and R199 243 431 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 R204 582 and R7 374 was incurred in the current year and fruitless and wasteful expenditure of R11 453 890 and R11 020 835 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 40 to the financial statements, a number of corresponding figures have been restated as a result of errors discovered during the year ended 30 June 2021.

Other matter

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

Unaudited disclosure notes

12. 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

13. 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.

14. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the Dr. Kenneth Kaunda District 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

15. 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 financial statements.

16. 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

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures 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.

19. 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 2021:

Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	48 – 57

20. 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.

21. 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 matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 47 to 103 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.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 - Basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information.

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 municipality's compliance 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 financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified opinion.

Procurement and contract management

28. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1)(a) and (c).

29. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

30. Some of the tenders which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable tender in accordance with regulation 5(6) of the 2017 preferential procurement regulations.

Consequence management

31. Unauthorised, irregular, 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) and (b) of the MFMA.

32. Disciplinary proceedings were not instituted by the council where the report of independent investigators confirmed the financial misconduct by a senior manager, as required by regulation 5(6) of the disciplinary regulations for senior managers and regulation 6(8) of municipal regulations on financial misconduct procedures and criminal proceedings.

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure of R26 666 938 as disclosed in note 34 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by not following competitive bidding processes where required.

Strategic planning and performance management

34. Annual performance objectives and indicators were not established for Dr Kenneth Kaunda District Municipality Economic Agency SOC Ltd and included in its multi-year business plan, as required by section 93B(a) of the Municipal Systems Act 32 of 2000 (MSA).

35. The performance of Dr Kenneth Kaunda District Municipality Economic Agency SOC Ltd was not monitored and reviewed as part of the annual budget process, as required by section 93B(b) of the MSA.

Other information

36. The accounting officer is responsible for the other information. The other information does not include the consolidated and separate financial statements, the auditor's report thereon and those selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

37. 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.

38. 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.

39. 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

40. 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 was not fully effective. All the necessary internal controls have not been institutionalised to ensure credible financial and performance reporting as various adjustments were affected to the financial statements and the annual performance report. The municipality has not yet established effective monitoring controls to ensure compliance with legislative prescripts and resultantly various instances of non-compliance was detected.

Auditor - General

Rustenburg

15 December 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 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 consolidated and separate 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'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 consolidated and separate financial statements, including the disclosures, and whether thep consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also 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: 2020/2021 AUDIT COMMITTEE REPORT

LEGISLATIVE REQUIREMENTS

The Audit Committee is pleased to present its annual report for the year ended 30 June 2021. 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 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 during the Financial year.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

Name of Member	Designation	Number of Meetings Attended.
A M Langa	Chairperson	8
Ms S Makhathini	Member	8
Ms M Ramataboe	Member	7
Adv. I Motala	Member	5
B Mathibela	Member	8

A total of 4 ordinary meetings and 4 special 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 were 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 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 2019/2020 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, MSCOA implementation.

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

RISK MANAGEMENT

Effective Risk management forms an integral part of the institution's objectives of implementing and maintaining effective risk assessment system on risk identification and monitoring of maturing and emerging risks through progress reports drawn from risk registers by risk owners in accordance with the requirements of the MFMA. The Municipality's strategic risk register was updated based on risk assessments performed by Management with the assistance 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 as the need arises.

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.

EFFECTIVENESS OF INTERNAL CONTROLS

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

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

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

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 satisfied that there is sufficient expertise to fulfil the responsibility. The Committee noted that additional expertise is 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 Chief Audit Executive effective 1st November 2020 and reports functionally to the Audit Committee and administratively directly to the Accounting Officer. The unit operates based on a risk based internal audit plan approved by the Audit Committee. The Committee further approved the internal audit charter for the year under review. Further the Committee approved the three - year rolling internal audit plan for the unit.

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

- Quarterly Performance Management System Review;
- Quarterly Supply Chain Management, including Covid-19 Review;
- Strategic Planning review;
- Compliance with Laws and Regulations;
- Asset Management Review;
- Determination Test Review – UIFW;
- EPWP Audit;
- Follow-Up On Audit Committee Resolutions;
- Follow-Up Audits

The Committee noted the need for continued development of the internal audit staff and further to employ IT Auditor(s) to execute the Information Communication Technology Review effectively. The Committee developed a tracking tool for the implementation of internal audit recommendations by management and noted the significant 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 2020/2021 annual financial statement and the annual performance report as required by the MFMA. The Committee identified challenges which included but not limited to arithmetical errors which were pointed out to management for rectification. Due to time constraints the corrected reports could not be considered by the committee. The 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 the external auditor's conclusions on the annual financial statements and the annual performance report for the 2020/2021 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

6.3. COMPONENT C: 2020/2021 INTERNAL AUDIT REPORT

INTRODUCTION

This report highlights the outcomes of Internal Audit activities in the year (FY) 2020-2021 (July 2020 – June 2021) 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.

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 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) N0. 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 and Maquassi Hills Local Municipalities.

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 through the Audit Committee 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).
Section 165(2) states that "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 two (2) Internal Audit Charters for the 2020/2021 financial year (Maquassi Hills Local Municipality and Dr Kenneth Kaunda District Municipality).

INDEPENDENCE OF THE INTERNAL AUDIT ACTIVITY

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

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 has sourced the services of the approved External Quality Assurance Provider to review the Internal Audit Activity's conformance with the requirements of the Standards and ensure quality of the work conducted during the previous five(5) years, i.e., 2016/2017 to 2020/2021. The purpose of the external quality assurance review is to assist Internal Audit to identify areas that needs improvement.

THE ANNUAL INTERNAL AUDIT PLANS AND THE PROGRESS AGAINST THE PLANS
The two (2) Annual Internal Audit Plans (Dr Kenneth Kaunda District Municipality and Maquassi Hills Local Municipality) were approved by the Shared Audit Committee and progress made was constantly reported to the Audit Committee on a quarterly basis.

FY 2020 - 20 Statistical Highlights
Delivery of Dr Kenneth Kaunda District Municipality's 2020/2021 Annual Internal Audit Plan:

- Twenty-One (21) projects including Adhoc assignments were planned;
- Twenty (20) Planned projects were successfully completed – 95% achievement;
- One (1) planned project, i.e., ICT Review, was deferred to 2021/22;
- Formal Adhoc assignments achieved (01) – Special PayDay System Review;

Delivery of Maquassi Hills Local Municipality's 2020/2021 Annual Internal Audit Plan:

- Seventeen (17) projects were planned;
- All seventeen (17) planned projects were successfully completed – 100% achievement;
- No Ad-Hoc assignment were received;

RESULTS OF AUDIT ACTIVITIES
DR KENNETH KAUNDA DISTRICT MUNICIPALITY
Quarterly Performance Management System Review
The review was conducted on a quarterly basis and the objective of the review was to evaluate the measures implemented by management to measure and report on performance. The scope of the review included, 1) Review of the processes followed in developing the reported performance information; 2) Analysis of the Portfolio of Evidence supporting the reported performance information for accuracy and completeness of information reported; and 3) Review of controls in place around the key processes giving rise to Quarterly reporting, to ensure reliability, accuracy and completeness.

The review results revealed that the systems of internal control with regards to recording, processing and reporting on Performance Information are generally good, minor improvements are required to ensure that business objectives are achieved throughout the period of reliance.

Quarterly Supply Chain Management Review
The review was conducted on a quarterly basis and the objective of the review was to ensure that the Municipality has processes in place to determine the adequacy and effectiveness of internal controls with regards to procurement of good and services. The scope of the review included, 1) Review of the processes followed in approving and awarding quotations and whether these were in accordance with the MFMA SCM Regulations and SCM Policy; 2)

Review of the processes followed in approving and awarding of competitive bids and whether these were in accordance with the MFMA SCM Regulations and SCM Policy; and 3) Review of the processes followed in approving and awarding of deviations and whether these were in accordance with the MFMA SCM Regulations and SCM Policy.

The review results revealed that the that the Municipality does have adequate monitoring controls in place, however monitoring controls were not effectively implemented through the period of reliance, thus moderate improvements are required in order ensure that the objectives and goals will be met throughout the period of reliance.

Strategic Planning Review

The review was conducted during the IDP/SDBIP preparation process, prior to the approval by the Municipal Council. The objective of the review was to ensure that the Municipality has processes in place to ensure compliance with the applicable laws and regulations with regards to development of Integrated Development Plan and the Service Delivery and Budget Implementation Plan. The scope of the review included, 1) Reviewing alignment of the 2021/22 SDBIP to the 2021/22 IDP; 2) Reviewing of Key Performance Indicators in accordance with the characteristics of good KPI as prescribed by the National Treasury Framework for Managing Programme Performance; and 3) Review of set Targets in accordance with the SMART criteria.

The review results revealed that the that the Municipality does have adequate and effective monitoring controls in place and these were effectively implemented through the period of reliance.

Compliance with Laws and Regulations Review

The overall purpose of this review was to assist Management to develop its regulatory universe and ensure that there is Compliance Monitoring Tool within the Municipality. The objective of the review was to ensure that the Municipality has processes in place to ensure compliance with the applicable laws and regulations. The scope of the review was limited to confirmation of compliance with applicable laws and regulations.

The review results revealed that the that the Municipality does have adequate monitoring controls in place, however monitoring controls were not effectively implemented through the period of reliance, thus moderate improvements are required in order ensure that the objectives and goals will be met.

Asset Management Review

The objective of the review was to ensure that the Municipality has processes in place to ensure effective and efficient systems of internal controls with regards to Asset Management. The scope of the review was limited to; 1) Review of compliance with the stipulations of the Asset Management Framework, MFMA, Local Government Capital Asset Management Guideline, GRAP and the Municipality Asset Management Policy; 2) Physical Verification of Assets for both existence and completeness; and 3) Review of the asset reconciliations conducted between asset register and General Ledger and/or Asset Count.

The review results revealed that the that the Municipality does have adequate monitoring controls in place, however monitoring controls were not effectively implemented through the period of reliance, thus significant improvements are required in order ensure that the objectives and goals will be met.

Determination Test Review - UIFW

The objective of the review was to ensure that the Municipality has processes in place to ensure accuracy and completeness of the UIFW Register and whether identified instances of UIFW are investigated and reported on by both the MPAC and FMB. The scope of the review was limited to; 1) Review the UIFW for Accuracy and Completeness; 2) Assess the status of reported instances of UIFW; and 3) Review the progress made by the MPAC & FMB in investigating the UIFW instances.

The review results revealed that the that the Municipality does have adequate and effective monitoring controls in place and these were effectively implemented through the period of reliance in order ensure that the objectives and goals will be met.

EPWP Review

The objective of the review was to ensure that the Municipality has processes in place to determine the adequacy and effectiveness of internal controls by within the Extended Public Works Programme during the period ended 30th June 2021. The scope of the review was limited to; 1) Appointment, Termination and Resignation of EPWP Officials; 2) Contracts Assess the status of reported instances of UIFW; and 3) Review the progress made by the MPAC & FMB in investigating the UIFW instances.

The review results revealed that the that the Municipality does have adequate and effective monitoring controls in place and these were effectively implemented through the period of reliance in order ensure that the objectives and goals will be met.

Ad-Hoc Request – Special PayDay System Review

Internal Audit was requested by Management to conduct an investigation into alleged misconduct by the Chief Accountant. The investigation objective was to establish whether the Chief Accountant has committed the alleged Misconducts as enlisted in the Suspension Letter.

The investigation revealed that the Chief Accountant did not deliberately fail to implement the Council Resolution and failed to make the payment to the affected officials, however it can be concluded that the Accused deliberately failed to implemented a resolution made in a meeting with her superiors within the BTO and the Acting DCS.

We recommended that the District must ensure that there is a documented, approved and implemented Acting Allowance Policy and such policy must enlist the procedures to be followed when Acting Allowance claims are submitted and that the policy must clearly stipulate the, nature and kind of the minimum information to be submitted in support of the Acting Allowance claim, and relevant submission timeframes. We further recommend that the Accused be charged with insubordination as intentionally disobeyed a reasonable instruction.

MAQUASSI HILLS LOCAL MUNICIPALITY

Quarterly Performance Management System Review

The review was conducted on a quarterly basis and the objective of the review was to evaluate the measures implemented by management to measure and report on performance. The scope of the review included, 1) Review of the processes followed in developing the reported performance information; 2) Analysis of the Portfolio of Evidence supporting the reported performance information for accuracy and completeness of information reported; and 3) Review of controls in place around the key processes giving rise to Quarterly reporting, to ensure reliability, accuracy and completeness.

The review results revealed that the systems of internal control with regards to recording, processing and reporting on Performance Information requires improvement as in most instances reported results are not supported by valid and accurate portfolio of evidence, thus moderate improvements are required to ensure that business objectives are achieved throughout the period of reliance.

Quarterly Supply Chain Management Review

The review was conducted on a quarterly basis and the objective of the review was to ensure that the Municipality has processes in place to determine the adequacy and effectiveness of internal controls with regards to procurement of good and services. The scope of the review included, 1) Review of the processes followed in approving and awarding quotations and whether these were in accordance with the MFMA SCM Regulations and SCM Policy; 2) Review of the processes followed in approving and awarding of competitive bids and whether these were in accordance with the MFMA SCM Regulations and SCM Policy; and 3) Review of the processes followed in approving and awarding of deviations and whether these were in accordance with the MFMA SCM Regulations and SCM Policy.

The review results revealed that the that the Municipality does have adequate monitoring controls in place, however monitoring controls were not effectively implemented through the period of reliance, thus moderate improvements are required in order ensure that the objectives and goals will be met throughout the period of reliance.

Strategic Planning Review

The review was conducted during the IDP/SDBIP preparation process, prior to the approval by the Municipal Council. The objective of the review was to ensure that the Municipality has processes in place to ensure compliance with the applicable laws and regulations with regards to development of Integrated Development Plan and the Service Delivery and Budget Implementation Plan. The scope of the review included, 1) Reviewing alignment of the 2021/22 SDBIP to the 2021/22 IDP; 2) Reviewing of Key Performance Indicators in accordance with the characteristics of good KPI as prescribed by the National Treasury Framework for Managing Programme Performance; and 3) Review of set Targets in accordance with the SMART criteria.

The review results revealed that the that the Strategic Planning processes require significant improvement, in order to ensure that strategic goals and objectives of the Municipality are achieved.

Compliance with Laws and Regulations Review

The overall purpose of this review was to assist Management to develop its regulatory universe and ensure that there is Compliance Monitoring Tool within the Municipality. The objective of the review was to ensure that the Municipality has processes in place to ensure compliance with the applicable laws and regulations. The scope of the review was limited to confirmation of compliance with applicable laws and regulations.

The review results revealed that the that the Municipality does have adequate monitoring controls in place, however monitoring controls were not effectively implemented through the period of reliance, thus moderate improvements are required in order ensure that the objectives and goals will be met.

Records Management Review

The objective of the review was to evaluate the adequacy and effectiveness of internal controls in responding to the risks within the Records Management Municipality has processes in place

to ensure effective and efficient systems of internal controls with regards to Asset Management. The scope of the review was limited to; 1) Determine whether the municipal records irrespective of form or medium are properly created, maintained, accessed and disposed of through efficient, transparent and accountable governance. 2) Determine whether the municipality captures, maintains and protects a memory of decisions and actions that impact on the lives of the people and the environment it governs. 3) Determine whether the proper classification and storage of records are promoted. 4) Determine whether the compliance with legislations and records management standards are adhere to.

The review results revealed that the that the Municipality does have internal controls in place over Records Management, however the effective implementation of such controls could not be confirmed , thus major improvements are required in order ensure that the objectives and goals will be met.

Revenue Management Review - UIFW

The objective of the review was to evaluate the adequacy and effectiveness of the systems of internal controls with regards to Revenue Management. The scope of the review was limited to; 1) The adequacy and effectiveness of the internal controls within the process of revenue management and receivables. 2) To determine whether revenue collection processes are adequate and effective and are in accordance to the prescripts of the Treasury Regulations and approved Debt Collection Policy. 3) To determine the overall compliance with the policies and procedures for the processes being covered, however limited to the selected sample.

The review results revealed that the that the Municipality does not have adequate internal controls in place over Revenue Management. The controls require major improvement in order ensure that the objectives of the municipality will be met.

Corporate Governance Review

The objective of the review was to ensure that the Municipality has processes in place to ensure efficient and effective functioning of its Corporate Governance structures / committees. The scope of the review was limited to; 1) Municipal Council; 2) Executive Committee; 3) Management Committee; 4) Municipal Public Accounts Committee; and 5) Financial Misconduct Board.

The review results revealed that the that the Municipality does not have adequate and effective controls in place with regards to Corporate Governance, i.e., functioning of the Council, Council Committees and Management Committee. The controls require major improvement in order ensure that the objectives of the municipality will be met.

INTERNAL AUDIT STAFF COMPLIMENTS

The two (2) Internal Audit Plans were delivered by Staff compliments of nine (9) members (CAE, Manager Internal Audit, three (3) Senior Internal Auditors, one (1) Internal Auditor, three (3) interns.

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

_____

Chief Audit Executive- SG Mtemekwana (PIA)

6.4. MANAGEMENT'S ACTION PLAN ON THE AG'S FINDINGS: 2020/2021

MANAGEMENT'S ACTION PLAN ON THE AG'S FINDINGS: 2020/2021

No.	AUDIT FINDINGS & ROOT CAUSE			REMEDIAL	ACTIONS &	TARGET DATES
	Audit Paragraph	Audit Finding	Root cause	Action taken/to be taken	Person Responsible	Targeted Date for completion
1(a)	Unauthorised Expenditure	(a). As disclosed in note 33 the consolidated and separate financial statements, the unauthorized expenditure of **R70 748 925** in respect of the prior years have not been dealt with in accordance with section 32 of the MFMA.	(i). Over-spending on the budget as a results of inadequate budget provision	(i). The unauthorised expenditure report was submitted to municipal council in June 2021 and the report was referred to MPAC in accordance with Circular 68 of the MFMA. The MPAC has gone through the report and subsequently requested additional information from management in order to be able to make an informed decision and recommendations to council. Due to the timeliness (considering the 2021 municipal elections) and the extent of the additional information requested management was unable to submit all the	Municipal Manager/CFO	31 March 2022.

				information required. MPAC couldn't finalised their report. The Chief Financial Officer will submit outstanding information to MPAC office. Management is looking forward to an opportunity to make a presentation to the new committee to discuss and explain all instances which led to unuathorised expenditure.		
1(b)	**Irregular Expenditure**	(a). As disclosed in note 35 the consolidated and separate financial statements, irregular expenditure of **R26 583 024** was incurred in the current financial year and **R199 243 431** in respect of the prior years have not been dealt with in accordance with section 32 of the MFMA.	(i). Ineffectiveness of the Bid Adjudication Committee, the committee was not able to reach a quorum of at least four senior managers in most of its meeting. (ii) Two senior managers' positions were vacant for very quiet long and	(i). The Dr KKDM has co-opted senior managers from the local municipalities within the Dr KKDM to participate in the Bid Adjudication Committee of the Dr KKDM. (ii). The composition of the Bid Adjudication Committee is now in line with SCM Regulation 29(2). The schedule of the Bid Adjudication Committee meeting to be formalised. (iii). The management to engage	Municipal Manager Municipal Manager	Done (April 2021) Done (April 2021)

			were only filled in the 2020/21 financial year. (iii) Lack of review SCM regulations and SCM policy in previous financial years. (iv) Cost benefits associated from procuring on the expired contract. (v). Non-Compliance with Municipal Systems act.	the Provincial Treasury and the office of the Auditor-General to reach a consensus on the interpretation and application of the SCM Regulation 29(2). (iv) CFO to develop UIF&W prevention and reduction strategy.	CFO	28 February 2022 31 January 2022

1(c)	**Fruitless & Wasteful Expenditure**	(a). As disclosed in note 34 the consolidated and separate financial statements, fruitless & wasteful expenditure of **R7 374** was incurred in the current financial year and **R11 020 835** in respect of the prior years have not been dealt with in accordance with section 32 of the MFMA.	(i). Advance payment of service providers. (ii). Invoices not properly tracked by the user departments and results in interest for late payment of suppliers. (ii). Discrepancies identified on a billing system of the financial service provider. The invoices are submitted with interest already accrued on the statement/invoices.	(i). 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. (ii). Engage the financial system service provider to negotiate the possibility of writing-off the interest. The service provider has issued a credit note to write-off the interest on other invoices. (ii) The municipal manager to follow-up the criminal case opened against the service provider in relation to advance payment made and a grant payment made to service provider who failed to render the service.	CFO/All Directorates	Throughout Done(May 2022).
2	**Restatement of Corresponding**	(a). As disclosed in note 40 the consolidated and separate	(i). Lack of adequate review	(i). CFO to develop the detailed Annual Financial Statements	CFO	31 January 2022

	Figures.	financial statements, a number of corresponding figures have been restated as a results of errors discovered during the year-end 30 June 2021	of the Annual financial statements timeously by internal audit. (ii). Lack of adequate knowledge of the financial system and Case-ware software by other users. (iii) Financial System discrepancies identified on the opening balances.	preparation plan and monitor the implementation to ensure that all the recons are done and reviewed at least on a monthly basis. (ii). Engage the service provider to provide a training on the financial system to key personnel. (iii). Prepare interim financial statements. (iv). Submit the 2021/2022 draft financial statements to internal audit with the audit file, Provincial Treasury and Audit Committee for review.	CFO CFO CFO/Chief Audit Executive	31 January 2022 31 March 2022 31 July 2022
3	**Unaudited**	(a). In terms of section	(i). Lack of	The CFO to ensure that the	CFO	31 July 2022

	Disclosure Notes	125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA.	adequate review of the Annual financial statements timeously by internal audit	MFAM disclosure is prepared in line with the MFMA disclosure checklist to ensure accurate and complete financial and performance reports that are supported and evidenced by reliable information.		
4	**Annual Performance Report**	Identified material adjustments in the annual performance reports submitted for auditing on KPA_1 basic service delivery & infrastructure developments.	(i). Lack of adequate review of the Annual performance information timeously by management and internal audit.	The Manager PMS to finalise the annual performance information timeously for submission to internal audit for quality assurance.	Manager PMS	31 July 2022
5	**Non-Compliance with Legislation**					
5.1	**Financial Statements**	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	Lack of adequate review of the Annual financial statements timeously.	(i). CFO to develop the detailed Annual Financial Statements preparation plan and monitor the implementation to ensure that all the recons are done and reviewed at least on a monthly basis.	CFO	31 January 2022

		statements were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.		(ii). Engage the service provider to provide a training on the financial system to key personnel. (iii). Prepare interim financial statements. (iv). Submit the 2021/2022 draft financial statements to internal audit with the audit file, Provincial Treasury and Audit Committee for review.	CFO CFO CFO/Chief Audit Executive	31 January 2022 31 March 2022 31 July 2022
5.2	**Procurement and Contract Management**					

(a)		Some of the goods and services with a transaction value of below **R200 000** were procured without obtaining the required price quotations, in contravention with SCM Regulation 17(1)(a) and (c).	(i). Some of the services rendered are deemed not to be a deviation and the SCM Policy was updated us such, unfortunately the Auditor-General did not consider the Dr KKDM approved SCM Policy.	The SCM Policy was reviewed during for the 2020/2021 financial year and item like software licenses, local radio stations were deemed not be a deviation considering the nature and the scarcity of the service rendered. The management will engage the office of the Auditor-general to reach a consensus on this matters.	CFO	04 February 2022
(b)		Some of the quotations were accepted from bidders whose tax matters had not been declared by the SARS to be in order, in contravention of SCM Regulation 43	(i). Delays in procurement processes, when the quotation was evaluated and adjudicated the tax matters were in order and few days when the accounting officer appoint the eservice provider the tax status had changed.	The Bid committees to ensure timeous conclusion of the procurement processes and to ensure compliance with SCM Regulation 43	Bid Committees/CFO/SCM Manager /Municipal Manager	Throughout
(c)		Some of the tenders which failed to achieve the minimum	(i). Oversight and Lack of due	(i). The quotation was included in the irregular expenditure	CFO	Done 30 June

		qualifying score for functionality criteria were not disqualified as unacceptable tender in accordance of Regulation 5(6) of the 2017 Preferential Procurement Regulations.	diligence performed by the Bid Evaluation Committee. (ii) Lack of adequate training on SCM Bid Committee System	register. (ii). The Acting Municipal Manager to request the Provincial Treasury to provide training to SCM Committee Systems.		2021) 04 February 2022
6	**Consequence Management**					
6(a)		Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality was not investigate d not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.	(i). Inadequate budget provision. (ii). Non-Compliance with SCM Regulations. (iii). Advance payment of service providers	(i). The irregular expenditure register is still being investigations by the Financial Misconduct Board and once the board has finalized the investigation a report will be tabled before the municipal council with the recommendations. (ii). 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	Municipal Manager/CFO/ Financial Misconduct Board. Municipal Manager/CFO/	31 March 2022

				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. Other matter on the Fruitless and Wasteful expenditure were still being investigated by Municipal Public Accounts Committee.	MPAC	

6(b)		Disciplinary proceedings were not instituted by the council where the report of independent investigators confirmed the financial misconduct by a senior manager, as required by Regulation 5(6) of the disciplinary regulations for senior managers and Regulation 6(8) of municipal regulations on financial misconduct procedures and criminal proceedings.	(i). Lack of regular oversight responsibility.	Management will exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that other matters are dealt with by no later than 31 March 2022.	Municipal Manager	Throughout
7	**Expenditure Management**	Reasonable steps were not taken to prevent irregular expenditure of **R26 583 024** as disclosed in note 34 to the financial statements, as required by section 62(1)(d) of the MFMA.	(i). Ineffectiveness of the Bid Adjudication Committee, the committee was not able to reach a quorum of at least four senior managers in most of its meeting. The majority of the disclosed	(i). The Dr KKDM has co-opted senior managers from the local municipalities within the Dr KKDM to participate in the Bid Adjudication Committee of the Dr KKDM. (ii). The composition of the Bid Adjudication Committee is now in line with SCM Regulation 29(2). The schedule of the Bid Adjudication Committee	Municipal Manager Municipal	Done (April 2021) Done (April

			irregular expenditure was caused by payments made on expired contracts and awards evaluated and adjudicated by the committees not properly constituted (iv) Cost benefits associated from procuring on the expired contract. (v). Non-Compliance with Municipal Systems Act.	meeting to be formalised. (iii). The management to engage the Provincial Treasury and the office of the Auditor-General to reach a consensus on the interpretation and application of the SCM Regulation 29(2). (iv) CFO to develop UIF&W prevention and reduction strategy.	Manager CFO CFO	2021) 28 February 2022 31 January 2022
8	**Strategic planning & performance Management**					

			Municipal Systems Act.			
8	**Strategic planning & performance Management**					
8(a)		Annual performance objectives and indicators were not established for Dr Kenneth Kaunda Economic Agency SOC Ltd and included in its multi-year business plan, as required by section 93B(a) of the Municipal Systems Act.	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) of Municipal Systems Act .	Municipal council/Municipal Manager/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
8(b)		The performance of Dr KKDM Economic Agency SOC Ltd was not monitored and reviewed as part of the annual budget process, as required by section 93B(b)of the Municipal Systems Act.	Non-compliance to section 93B(b) of the Municipal Systems Act.	The Leadership to ensure that the performance of the Dr Kenneth Kaunda Economic Agency SOC Ltd is monitored and reviewed as part of the annual budget process, as required by section 93B(b)of the Municipal Systems Act.	Municipal council/Municipal Manager/Manager PMS	Throughout
9	**Internal Control Deficiencies**					
		Leadership's oversight over the financial reporting and compliance with legislation was not fully effective. All the necessary internal controls have not been institutionalized to ensure credible financial and performance reporting as various adjustments were effected to the financial	(i). Lack of adequate training during the Covid-19 environment	Council to paly oversight role as when required in terms of the legislations.	.Executive Mayor/Council	Throughout

		was not fully effective. All the necessary internal controls have not been institutionalized to ensure credible financial and performance reporting as various adjustments were effected to the financial statements and the annual performance report. The municipality has not yet established effective monitoring controls to ensure compliance with legislative prescripts and resultantly various instances of no-compliance were detected.	19 environment	legislations.		

APPENDICES

APPENDIX A: LEADERSHIP **(Status as at end June 2021)**

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	Indirectly 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	Alderman 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 **(Status as at end June 2021)**

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	AFRICAN	100%	None

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
				%	%
		SERVICES, CORPORATE & FINANCE	NATIONAL 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 & INFRATRUCTURE	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 (**Status as at end June 2021**)

Corporate Services Portfolio Committee	**Community Services Portfolio Committee**	**Finance Portfolio Committee**
M MOJAHI 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	**M ZEPHE** M Kortjaas L S Mokgalagadi P Lesomo A Motladile L Cutswa J Le Grange A Phutiyagae C Bester E Mosweu
Local Economic Development and Planning Committee		
District Economic Development	**Sports, Arts and Culture**	**Technical Services (Infrastructure)**
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	**S VALIPATHWA** C J Bester J J Le Grange B Tsabedze L Moremi A Motladiile P Z Lesomo E Mosweu M J Van Tonder

APPENDIX D: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEMBERS (MPAC)

(Status as at end June 2021)

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: SENIOR MANAGEMENT

(Status as at end June 2021)

Senior Management	
Directorate	**Director/Manager**
Office of the Municipal Manager	**Municipal Manager**- T.M Rampedi (Acting)
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**- M.A Metswamere
Local Economic Development and Planning	**Senior Manager Local Economic Development and Planning**- K.T. Tshukudu (Acting)
Chief Audit Executive	**Chief Audit Executive**- S.G Mtemekwana

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 PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R' 000
Vote Description	Year - 2019 /2020	Current: 2020 /2021			Year 2020 / 2021 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Revenue by Vote						
Vote 01 - Executive & Council	5	-	-	-	-	-
Vote 02 - Municipal Manager	-	-	-	-	-	-
Vote 03 - Corporate Services	205	3 250	3 250	328	-14,00%	-14,00%
Vote 04 - Financial Services	195 091	200 335	205 110	203 717	0,02%	-0,01%
Vote 05 - LED & Planning	4 951	4 868	4 868	4 171	-0,20%	-0,20%
Vote 06 - Community Services	925	500	500	407	-0,23%	-0,23%
Total Revenue by Vote	**201 177**	**208 953**	**213 728**	**208 623**	**0,16%**	**-2,45%**

APPENDIX H: REVENUE PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R' 000
Vote Description	Year - 2019 /2020	Current: 2020 /2021			Year 2020 / 2021 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	5 677	5 200	5 200	4 186	-24%	-24%
Interest earned - outstanding debtors	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Licences and permits	477	500	500	407	-23%	-23%
Agency services	-	-	-	-	-	-
Transfers and subsidies	193 506	202 266	207 041	203 672	0,69%	-1,65%
Other revenue	1 512	987	987	358	-1,76%	-1,76%
Gains on disposal of PPE	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	**201 172**	**208 953**	**213 728**	**208 623**	**0,16%**	**-2,45%**

APPENDIX I: CONDITIONAL GRANTS

Conditional Grants: Excluding MIG						R' 000
	Current: 2020 /2021			Year 2020 / 2021 Variance		
Details	Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget	Major Conditions applied by Donor (continue below if necessary)
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify						
Rural Roads Asset Management Systems Grants	2 480	2 480	2 480	0%	0%	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 prioritize 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
Financial Management Grant	1 000	1 000	1 000	0%	0%	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.
Expanded Public Works Programme	1 691	1 691	1 691	0%	0%	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 update 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 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
Total	**5 171**	**5 171**	**5171**			

APPENDIX J: CAPITAL EXPENDITURE

Capital Expenditure - New Assets Programme							R '000
Description	2019/20	Budget Year 2020/21			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class							
Infrastructure Total	**–**	**3 900**	**3 900**	**–**	**6 100**	**12 000**	**14 000**
Roads Infrastructure	–	–	–	–	–	–	–
Roads		–	–		–		
Storm water Infrastructure	–	–	–	–	–	–	–
Drainage Collection							
Electrical Infrastructure	**–**	**1 500**	**1 500**	**–**	**–**	**–**	**–**
HV Transmission Conductors		1 500	1 500		–		
Water Supply Infrastructure	**–**	**–**	**–**	**–**	**3 300**	**6 500**	**7 500**
Dams and Weirs	–	–	–	–	–	–	–
Boreholes	–	–	–	–	300	–	–
Reservoirs	–	–	–	–	3 000	6 500	7 500
Sanitation Infrastructure	**–**	**2 400**	**2 400**	**–**	**2 800**	**5 500**	**6 500**
Waste Water Treatment Works		2 400	2 400		2 800	5 500	6 500
Community Assets	**538**	**9 200**	**9 200**	**1 123**	**90 800**	**250**	**230**
Community Facilities	**538**	**9 200**	**9 200**	**1 123**	**90 800**	**250**	**230**
Halls		–	–	–			
Fire/Ambulance Stations	538	200	200	70	300	250	230
Parks		9 000	9 000	1 053	90 500		
Sport and Recreation Facilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Indoor Facilities							
Heritage assets	–	–	–	–	–	–	–
Monuments							
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–
Improved Property							
Non-revenue Generating	–	–	–	–	–	–	–
Unimproved Property							
Other assets	**–**	**3 200**	**2 700**	**–**	**3 100**	**350**	**200**
Operational Buildings	**–**	**3 200**	**2 700**	**–**	**3 100**	**350**	**200**
Municipal Offices	–	3 200	2 700	–	3 100	350	200
Yards	–	–		–			
Biological or Cultivated Assets	–	–	–	–	–	–	–
Biological or Cultivated Assets							
Intangible Assets	**463**	**4 890**	**4 890**	**268**	**7 390**	**3 350**	**2 355**
Servitudes							
Licences and Rights	**463**	**4 890**	**4 890**	**268**	**7 390**	**3 350**	**2 355**
Computer Software and Applications	463	4 890	4 890	268	7 390	3 350	2 355
Computer Equipment	**803**	**1 480**	**1 480**	**1 162**	**3 200**	**1 205**	**1 010**
Computer Equipment	803	1 480	1 480	1 162	3 200	1 205	1 010
Furniture and Office Equipment	**94**	**320**	**810**	**88**	**715**	**233**	**237**
Furniture and Office Equipment	94	320	810	88	715	233	237
Machinery and Equipment	**361**	**270**	**770**	**409**	**2 900**	**1 325**	**1 266**
Machinery and Equipment	361	270	770	409	2 900	1 325	1 266
Transport Assets	**–**	**4 500**	**5 000**	**547**	**3 100**	**–**	**–**
Transport Assets	–	4 500	5 000	547	3 100		
Land	–	–	–	–	–	–	–
Land							
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals							
Total Capital Expenditure on new assets	**2 259**	**27 760**	**28 750**	**3 598**	**117 305**	**18 713**	**19 298**

VOLUME II: ANNUAL FINANCIAL STATEMENTS

DR. KENNETH KAUNDA

DISTRICT MUNICIPALITY

Dr Kenneth Kaunda DM Group
Group Annual Financial Statements
for the year ended June 30, 2021

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

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 Mmametlholo Mojahi
	Magogodi Innocentia Martins
	Zanele Ezekiel Mphafudi
	LM Lebenuya - Kortjaas
	Hazel Htombenhle Mbele
	Frank Thapelo M osothwane
	Lawrence Siamisang Motlhoiwa
	Beatrice Aletta Susanna C ampbell-Cloete
	Karina Lizette Van Z
	Willem Andries Mostert
	Linah Nokhuthazo Dayiya
	Sadi Victoria Letshwiti
	Francois Jacobus Botha
Directly Elected Councillors	Aletta Serame Motladiile
	Andries Olebogeng 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

General Information

	Lesego Sylvia Mokgalagadi Madikgapa Elisa Mosweu Hendrik Frans Cornelius Jordaan Matthys Jacobus Van Tonder MJ van Rensburg
Accounting Officer	SM Lesupi(Municipal Manager) MA Metswamere (Acting Municipal Manager from September 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 June 30, 2021

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

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GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

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 June 30, 2022 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)
Mr MA Metswamere

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Accounting Officer's Report

The accounting officer submits his report for the year ended June 30, 2021.

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 June 30, 2021, the municipality had an accumulated surplus (deficit) of R 76,893,629 and that the municipality's total liabilities exceed its assets by R 76,893,629.

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

3. Subsequent events

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

4. Accounting policies

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

5. Corporate governance

General

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

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

6. Interest in controlled entities

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

7. Auditors

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

The group annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 October 2020 and were signed on its behalf by:

Accounting Officer (Acting)
Mr MA Metswamere

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Statement of Financial Position as at June 30, 2021

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2021	2020 Restated*	2021	2020 Restated*
Assets					
Current Assets					
Receivables from exchange transactions	7	4,007,846	2,442,360	3,745,677	2,243,218
VAT receivable	8	4,278,939	5,326,618	4,278,939	5,326,618
Non Current assets held for sale	9	91,352	149,208	-	-
Cash and cash equivalents	10	99,029,665	75,371,115	98,984,943	73,503,490
		107,407,802	**83,289,301**	**107,009,559**	**81,073,326**
Non-Current Assets					
Property, plant and equipment	2	17,254,876	19,991,231	17,254,876	19,991,231
Intangible assets	3	454,580	538,377	454,580	538,377
Investments in controlled entities	4	-	-	120	120
		17,709,456	**20,529,608**	**17,709,576**	**20,529,728**
Total Assets		**125,117,258**	**103,818,909**	**124,719,135**	**101,603,054**
Liabilities					
Current Liabilities					
Payables from exchange transactions	13	27,914,672	22,363,798	27,675,323	21,664,859
Payables from non-exchange transactions	14	1,074,557	1,014,006	1,524,557	1,464,006
VAT payable	15	2,850,224	2,488,497	-	-
Post retirement medical aid liability	5	322,000	287,000	322,000	287,000
Unspent conditional grants and receipts	16	65,626	65,626	65,626	65,626
Long service award liability	6	377,000	167,000	377,000	167,000
		32,604,079	**26,385,927**	**29,964,506**	**23,648,491**
Non-Current Liabilities					
Post retirement medical aid liability	5	14,351,000	11,670,000	14,351,000	11,670,000
Long service award liability		3,510,000	3,310,000	3,510,000	3,310,000
		17,861,000	**14,980,000**	**17,861,000**	**14,980,000**
Total Liabilities		**50,465,079**	**41,365,927**	**47,825,506**	**38,628,491**
Net Assets		**74,652,179**	**62,452,982**	**76,893,629**	**62,974,563**
Accumulated surplus	11	74,652,179	62,452,982	76,893,629	62,974,563

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Statement of Financial Performance

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2021	2020 Restated*	2021	2020 Restated*
Revenue					
Revenue from exchange transactions					
Sale of tender documents		44,300	88,800	44,300	78,800
Agency services		-	697,000	-	697,000
Commissions received		19,585	701,062	19,585	701,062
SARS refund		-	39,397	-	-
Other income - refunds		-	35,037	-	35,037
Licensing and permits		407,476	477,332	407,476	477,332
Interest received - investment	17	4,201,529	5,839,887	4,186,300	5,677,254
Dividends received	17	273,508	-	273,508	-
Total revenue from exchange transactions		**4,946,398**	**7,878,515**	**4,931,169**	**7,666,485**
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	18	203,457,090	196,114,569	203,672,307	193,505,873
Public contributions and donations	41	20,400	-	20,400	-
Other transfer revenue 1		38,680	-	-	-
Total revenue from non-exchange transactions		**203,516,170**	**196,114,569**	**203,692,707**	**193,505,873**
Total revenue		**208,462,568**	**203,993,084**	**208,623,876**	**201,172,358**
Expenditure					
Employee related costs	19	(111,872,149)	(99,481,559)	(110,330,545)	(97,442,027)
Remuneration of councillors and board allowance	20	(10,529,831)	(10,427,655)	(10,366,968)	(10,253,749)
Depreciation and amortisation	21	(5,968,859)	(7,004,502)	(5,911,003)	(6,930,570)
Contracted services	22	(29,661,792)	(24,197,842)	(29,661,792)	(24,197,842)
Transfers and Subsidies	23	(5,419,808)	(5,073,489)	(7,703,797)	(5,073,489)
General Expenses	24	(30,720,578)	(27,450,469)	(29,285,114)	(25,938,184)
Total expenditure		**(194,173,017)**	**(173,635,516)**	**(193,259,219)**	**(169,835,861)**
Operating surplus		**14,289,551**	**30,357,568**	**15,364,657**	**31,336,497**
Actuarial gains/losses	5	(922,000)	1,073,140	(922,000)	1,073,140
Loss on non-current assets held for sale or disposal groups		(526,731)	(5,596)	(526,731)	(5,596)
		12,840,820	**31,425,112**	**(1,448,731)**	**1,067,544**
Surplus for the year		**12,840,820**	**31,425,112**	**13,915,926**	**32,404,041**

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Economic entity		
Opening balance as previously reported	29,810,291	29,810,291
Adjustments		
Prior year adjustments	1,126,207	1,126,207
Balance at July 1, 2019 as restated*	**30,936,498**	**30,936,498**
Changes in net assets		
Surplus for the year	31,425,112	31,425,112
Total changes	31,425,112	31,425,112
Opening balance as previously reported	62,361,610	62,361,610
Adjustments		
Prior year adjustments	(550,251)	(550,251)
Restated* Balance at July 1, 2020 as restated*	**61,811,359**	**61,811,359**
Changes in net assets		
Surplus for the year	12,840,820	12,840,820
Total changes	12,840,820	12,840,820
Balance at June 30, 2021	**74,652,179**	**74,652,179**
Note(s)		
Controlling entity		
Opening balance as previously reported	29,584,410	29,584,410
Adjustments		
Correction of errors	986,112	986,112
Balance at July 1, 2019 as restated*	**30,570,522**	**30,570,522**
Changes in net assets		
Surplus for the year	32,404,041	32,404,041
Total changes	32,404,041	32,404,041
Opening balance as previously reported	62,974,563	62,974,563
Adjustments		
Correction of errors	3,140	3,140
Restated* Balance at July 1, 2020 as restated*	**62,977,703**	**62,977,703**
Changes in net assets		
Surplus for the year	13,915,926	13,915,926
Total changes	13,915,926	13,915,926
Balance at June 30, 2021	**76,893,629**	**76,893,629**
Note(s)		

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Cash flow statement

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2021	2020 Restated*	2021	2020 Restated*
Cash flows from operating activities					
Receipts					
Government grant and subsidies		203,357,090	193,002,730	203,672,307	193,394,034
Interest income		3,823,401	5,839,887	3,808,172	5,677,254
Dividends received		273,508	-	273,508	-
Cash receipts from charges for goods and services		394,710	1,743,606	394,710	1,743,606
Sale of tender documents/goods and services		(24,347)	(45,105)	-	-
		207,824,362	200,541,118	208,148,697	200,814,894
Payments					
Employee costs		(107,234,513)	(98,288,644)	(105,000,223)	(96,174,394)
Suppliers		(57,555,347)	(50,493,284)	(55,998,454)	(49,126,449)
Remuneration of councillors and board allowance		(10,529,831)	(10,440,453)	(10,366,968)	(10,253,749)
Transfer payments		(5,419,808)	(1,873,489)	(7,703,797)	(4,873,489)
		(180,739,499)	(161,095,870)	(179,069,442)	(160,428,081)
Net cash flows from operating activities	26	**27,084,863**	**39,445,248**	**29,079,255**	**40,386,813**
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(3,329,598)	(2,350,439)	(3,329,597)	(2,451,148)
Purchase of other intangible assets	3	(268,205)	(462,777)	(268,205)	(462,777)
Net cash flows from investing activities		**(3,597,803)**	**(2,813,216)**	**(3,597,802)**	**(2,913,925)**
Net increase/(decrease) in cash and cash equivalents		**23,639,345**	**36,810,109**	**25,481,453**	**37,472,888**
Cash and cash equivalents at the beginning of the year		75,390,320	38,561,006	73,503,490	36,030,601
Cash and cash equivalents at the end of the year	10	**99,029,665**	**75,371,115**	**98,984,943**	**73,503,489**

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of tender documents	90,000	-	**90,000**	44,300	**(45,700)**	
Sale of assets	200,000	-	**200,000**	-	**(200,000)**	
Spartial development framework	697,000	-	**697,000**	-	**(697,000)**	
Commissions received	-	-	-	19,585	**19,585**	
Licensing and permits	500,000	-	**500,000**	407,476	**(92,524)**	
Interest received - investment	5,200,000	-	**5,200,000**	4,201,606	**(998,394)**	
Dividends received	-	-	-	273,508	**273,508**	
Total revenue from exchange transactions	**6,687,000**	**-**	**6,687,000**	**4,946,475**	**(1,740,525)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	205,416,000	1,625,000	**207,041,000**	205,741,079	**(1,299,921)**	38
Public contributions and donations	-	-	-	20,400	**20,400**	
SARS refund	-	-	-	38,680	**38,680**	
Total revenue from non-exchange transactions	**205,416,000**	**1,625,000**	**207,041,000**	**205,800,159**	**(1,240,841)**	
Total revenue	**212,103,000**	**1,625,000**	**213,728,000**	**210,746,634**	**(2,981,366)**	
Expenditure						
Employee related costs	(112,878,907)	-	**(112,878,907)**	(111,872,149)	**1,006,758**	38
Remuneration of councillors	(13,190,316)	15,461	**(13,174,855)**	(10,529,831)	**2,645,024**	
Depreciation and amortisation	(5,298,933)	(2,510,000)	**(7,808,933)**	(5,911,003)	**1,897,930**	38
Other material	(5,118,500)	1,084,000	**(4,034,500)**	(3,394,081)	**640,419**	38
Contracted Services	(28,987,300)	(5,789,000)	**(34,776,300)**	(29,661,792)	**5,114,508**	
Transfers and Subsidies	(7,691,000)	(404,000)	**(8,095,000)**	(7,703,797)	**391,203**	
Operational fees	(38,347,850)	5,873,000	**(32,474,850)**	(27,547,216)	**4,927,634**	38
Total expenditure	**(211,512,806)**	**(1,730,539)**	**(213,243,345)**	**(196,619,869)**	**16,623,476**	
Operating surplus	**590,194**	**(105,539)**	**484,655**	**14,126,765**	**13,642,110**	
Actuarial gains/losses	-	-	-	(922,000)	**(922,000)**	
Loss on non-current assets held for sale or disposal groups	(195,000)	-	**(195,000)**	(526,731)	**(331,731)**	
	(195,000)	**-**	**(195,000)**	**(1,448,731)**	**(1,253,731)**	
Surplus before taxation	**395,194**	**(105,539)**	**289,655**	**12,678,034**	**12,388,379**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**395,194**	**(105,539)**	**289,655**	**12,678,034**	**12,388,379**	

Dr Kenneth Kaunda DM Group

Group Annual Financial Statements for the year ended June 30, 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of tender documents	90,000	-	**90,000**	44,300	**(45,700)**	37
Spartial development framework	697,000	-	**697,000**	-	**(697,000)**	
Sale of assets	200,000	-	**200,000**	-	**(200,000)**	
Commision received	-	-	-	19,585	**19,585**	
Interest received - investment	5,200,000	-	**5,200,000**	4,186,300	**(1,013,700)**	
Dividends received	-	-	-	273,508	**273,508**	
Licences and permits	500,000	-	**500,000**	407,476	**(92,524)**	
Total revenue from exchange transactions	**6,687,000**	**-**	**6,687,000**	**4,931,169**	**(1,755,831)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	202,266,000	4,775,000	**207,041,000**	203,672,307	**(3,368,693)**	37
Public contributions and donations	-	-	-	20,400	**20,400**	
Total revenue from non-exchange transactions	**202,266,000**	**4,775,000**	**207,041,000**	**203,692,707**	**(3,348,293)**	
Total revenue	**208,953,000**	**4,775,000**	**213,728,000**	**208,623,876**	**(5,104,124)**	
Expenditure						
Employee related costs	(112,878,907)	-	**(112,878,907)**	(110,330,545)	**2,548,362**	37
Remuneration of councillors	(13,190,316)	115,461	**(13,074,855)**	(10,366,968)	**2,707,887**	37
Depreciation and amortisation	(5,493,933)	(2,510,000)	**(8,003,933)**	(5,911,003)	**2,092,930**	37
Other materials	(5,118,500)	1,084,000	**(4,034,500)**	(3,394,081)	**640,419**	37
Contracted Services	(28,897,300)	(5,789,000)	**(34,686,300)**	(29,661,792)	**5,024,508**	37
Transfers and Subsidies	(7,691,000)	(404,000)	**(8,095,000)**	(7,703,797)	**391,203**	37
General Expenses	(38,347,850)	5,873,000	**(32,474,850)**	(25,891,033)	**6,583,817**	37
Total expenditure	**(211,617,806)**	**(1,630,539)**	**(213,248,345)**	**(193,259,219)**	**19,989,126**	
Operating surplus	**(2,664,806)**	**3,144,461**	**479,655**	**15,364,657**	**14,885,002**	
Acturial gains/losses	-	-	-	(922,000)	**(922,000)**	
Gain(Loss) on write-off of assets	-	-	-	(526,731)	**(526,731)**	
	-	**-**	**-**	**(1,448,731)**	**(1,448,731)**	
Surplus before taxation	**(2,664,806)**	**3,144,461**	**479,655**	**13,915,926**	**13,436,271**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(2,664,806)**	**3,144,461**	**479,655**	**13,915,926**	**13,436,271**	

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.

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.

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.

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, it's deemed cost is the carrying amount of the asset(s) given up.

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

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

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

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

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

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.

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.

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.

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:

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:

Accounting Policies

1.8 Financial instruments (continued)

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

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

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

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

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

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

- derivatives;
- 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	Category
Other financial Assets	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Non Current Assets Held for Sale	Financial asset measured at cost

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

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Operating lease obligation	Financial liability measured at amortised cost
Unspent Conditional Grants	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

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.

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.

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.

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);

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.

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

[Specify judgements made]

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.

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.

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.

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.

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.

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.

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.

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.

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-measure 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.

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.

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.

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.

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.

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, which-ever 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.

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 7/1/2020 to 6/30/2021.

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.

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 June 30, 2021

Notes to the Group Annual Financial Statements

Figures in Rand	Economic entity 2021	Economic entity 2020	Controlling entity 2021	Controlling entity 2020

2. Property, plant and equipment

Economic entity

	2021 Cost / Valuation	2021 Accumulated depreciation and accumulated impairment	2021 Carrying value	2020 Cost / Valuation	2020 Accumulated depreciation and accumulated impairment	2020 Carrying value
Plant and machinery	6,060,759	(4,651,405)	1,409,354	5,674,065	(4,190,163)	1,483,902
Furniture and fixtures	5,402,898	(4,478,445)	924,453	5,345,935	(4,102,440)	1,243,495
Motor vehicles	8,506,223	(3,734,047)	4,772,176	7,959,157	(3,332,877)	4,626,280
IT equipment	6,231,599	(4,370,837)	1,860,762	5,094,195	(3,589,457)	1,504,738
Infrastructure	21,666,502	(18,527,588)	3,138,914	21,666,503	(15,345,688)	6,320,815
Community	7,506,627	(3,410,380)	4,096,247	7,823,974	(3,011,973)	4,812,001
Work in progress	1,052,970	-	1,052,970	-	-	-
Total	**56,427,578**	**(39,172,702)**	**17,254,876**	**53,563,829**	**(33,572,598)**	**19,991,231**

Controlling entity

	2021 Cost / Valuation	2021 Accumulated depreciation and accumulated impairment	2021 Carrying value	2020 Cost / Valuation	2020 Accumulated depreciation and accumulated impairment	2020 Carrying value
Machinery & Equipment	6,060,759	(4,651,405)	1,409,354	5,674,065	(4,190,163)	1,483,902
Furniture & Office Equipment	5,402,898	(4,478,445)	924,453	5,345,935	(4,102,440)	1,243,495
Transport Assets	8,506,223	(3,734,047)	4,772,176	7,959,157	(3,332,877)	4,626,280
Computer Equipment	6,231,599	(4,370,837)	1,860,762	5,094,195	(3,589,457)	1,504,738
Infrastructure Assets	21,666,502	(18,527,588)	3,138,914	21,666,503	(15,345,688)	6,320,815
Community Assets	7,506,627	(3,410,380)	4,096,247	7,823,974	(3,011,973)	4,812,001
Work in progress	1,052,970	-	1,052,970	-	-	-
Total	**56,427,578**	**(39,172,702)**	**17,254,876**	**53,563,829**	**(33,572,598)**	**19,991,231**

Notes to the Group Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Machinery & Equipment	1,483,902	409,335	(1,811)	(482,072)	1,409,354
Furniture and Office Equipment	1,243,495	88,014	(5,018)	(402,038)	924,453
Transport Assets	4,626,280	547,066	-	(401,170)	4,772,176
Computer Equipment	1,504,738	1,162,212	(17,200)	(786,988)	1,860,762
Infrastructure Assets	6,320,815	-	-	(3,181,901)	3,138,914
Community Assets	4,812,001	70,000	(507,496)	(278,258)	4,096,247
Work in progress	-	1,052,970	-	-	1,052,970
	19,991,231	**3,329,597**	**(531,525)**	**(5,534,427)**	**17,254,876**

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	Reclassification on on Adjustment	Depreciation	Total
Machinery & Equipment	1,703,035	361,474	-	(112,980)	(467,627)	1,483,902
Furniture & 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	-	-	(258,878)	4,812,001
	24,712,151	**1,796,423**	**(9,996)**	**1**	**(6,507,348)**	**19,991,231**

Assets under investigation

Assets with a Net Book Value of R 641 324,37 could not be physically verified by management as at 30 June 2021 (2020: R 386 056). These assets will be investigated by management in the 2021/2022 financial year to confirm their existence

These assets will be investigated by management in the 2021/2022 financial year to confirm their existence.

Fully depreciated assets

Fully depreciated assets still in use are included in the Transport Assets, Computer equipment, Infrastructure Assets and the Furniture and office equipment balance. The majority are old assets purchased in 2008-2017 for which the useful lives have not been extended and management plans to dispose and replace these assets in the near future.Net book value as a result of the net realisable value of these assets amounts to 2021: R 5 155 247 (2020: R 1 197 443,73) . No adjustment in the financial statements regarding these assets and the useful lives of these assets will not be extended.

Notes to the Group Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress Economic entity - 2021

	Included within Community	Total
Additions/capital expenditure	1,052,970	1,052,970

Reconciliation of Work-in-Progress Controlling entity - 2021

	Included within Community	Total
Additions/capital expenditure	1,052,970	1,052,970

Work in progress consists of work already carried out on the renovations of the Disaster Risk Management Center Building. To date costs has been capitalised under work in progress are as follows: Capitalised expenditure 2021: R 1 052 970 (2020: R 0)

Notes to the Group Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Maintenance of property, plant and equipment

Maintenance of property, plant and equipment by Condition - Economic entity - 2021

	Preventative Maintenance		Corrective Maintenance	
	Condition Based	Total	Total	Total
Buildings	1,411,657	1,411,657	-	1,411,657
Other	802,106	802,106	-	802,106
Motor vehicles	287,039	287,039	-	287,039
	2,500,802	**2,500,802**	**-**	**2,500,802**

Maintenance of property, plant and equipment by condition - Controlling entity - 2021

	Preventative Maintenance		Corrective Maintenance	
	Condition Based	Total	Total	Total
Buildings	1,411,657	1,411,657	-	1,411,657
Other	802,106	802,106	-	802,106
Motor Vehicles	287,039	287,039	-	287,039
	2,500,802	**2,500,802**	**-**	**2,500,802**

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.

Notes to the Group Annual Financial Statements

Figures in Rand

3. Intangible assets

Economic entity

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5,249,737	(4,795,157)	454,580	4,987,240	(4,448,863)	538,377

Controlling entity

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5,249,737	(4,795,157)	454,580	4,987,240	(4,448,863)	538,377

Reconciliation of intangible assets - Controlling entity - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	538,377	268,205	(4,115)	(347,887)	454,580

Reconciliation of intangible assets - Controlling entity - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	649,458	462,777	(573,858)	538,377

Pledged as security

No assets were pledged as security for liabilities of the Municipality

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

4. Investments in controlled entities

Name of company	Held by	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
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.

The council has taken a resolution the unwind Dr Kenneth Kaunda Districmuniciipality Economic Agency, The matter has not yet been finalised and is in progress.

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

5. Employee benefit obligations

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

Carrying value				
Openning balance	(11,957,000)	(11,813,621)	(11,957,000)	(11,813,621)
Acturial(gains)Losses	(1,002,000)	1,375,357	(1,002,000)	1,375,357
Interest cost	(1,286,000)	(1,122,941)	(1,286,000)	(1,122,941)
Current service cost	(715,000)	(695,389)	(715,000)	(695,389)
Benefits paid	287,000	299,594	287,000	299,594
	(14,673,000)	**(11,957,000)**	**(14,673,000)**	**(11,957,000)**
Non-Current Portion of Liability	(14,351,000)	(11,670,000)	(14,351,000)	(11,670,000)
Current Portion of Liability (due in the next 12 months)	(322,000)	(287,000)	(322,000)	(287,000)
	(14,673,000)	**(11,957,000)**	**(14,673,000)**	**(11,957,000)**

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 themunicipality.
The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

Member catergory				
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 catergory - 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

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

5. Employee benefit obligations (continued)

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:

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 memebership at retirement %	-	-	75	75
Proportion assumed married at retirement %	-	-	60	60
Average retirment 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
Acturial gains and losses	(1,375,357)	(1,001,869)	(1,441,932)	(1,001,869)
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)	377,000	167,000	377,000	167,000
Non-Current Portion of Liability	3,510,000	3,310,000	3,510,000	3,310,000
	3,887,000	**3,477,000**	**3,887,000**	**3,477,000**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

6. Long service award liability (continued)

Reconciliation for long service award				
Opening balance	3,477,000	3,425,886	3,477,000	3,425,886
Current service cost	394,000	344,612	394,000	344,612
Utilised during the year(benefits vesting)	(167,000)	(856,468)	(167,000)	(856,468)
Interest	263,000	260,753	263,000	260,753
Acturial (gains)/loss	(80,000)	302,217	(80,000)	302,217
	3,887,000	**3,477,000**	**3,887,000**	**3,477,000**

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 (in 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 theexpense 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%

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

6. Long service award liability (continued)

Summarises 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	Libaility	% 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	2,511,522	1,736,993	2,250,753	1,203,847
Deposits	173,491	96,066	172,091	94,666
Accrual-interst on call deposit	907,328	529,200	907,328	529,200
Other debtors	415,505	415,505	415,505	415,505
	4,007,846	**2,422,360**	**3,745,677**	**2,243,218**

8. VAT receivable

VAT	4,278,939	5,326,618	4,278,939	5,326,618

9. Non current assets held for sale

Current assets	91,352	149,208	-	-

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

10. Cash and cash equivalents (continued)

Cash on hand	6,625	6,625	6,600	6,600
Bank balances	64,023,040	43,985,249	63,978,343	43,496,890
Short-term deposits	35,000,000	31,379,241	35,000,000	30,000,000
	99,029,665	**75,371,115**	**98,984,943**	**73,503,490**

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2021	June 30, 2020	June 30, 2019
Current Account (Primary BankAccount ABSA KlerksdorpAccount no 950 000 627)	62,997,887	42,486,535	17,037,891	62,997,887	42,486,535	17,037,891
Current Account (LocalGovernment Support Grant)ABSA Klerksdorp Account no405 643 8304	987,056	1,010,355	986,110	987,056	1,010,355	986,110
Account no 038659190301-Standard Bank call account	20,000,000	-	-	20,000,000	-	-
Account no 038659190302-Standard Bank call account	15,000,000	-	-	15,000,000	-	-
Total	**98,984,943**	**43,496,890**	**18,024,001**	**98,984,943**	**43,496,890**	**18,024,001**

11. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2021

	Capital replacement reserve	Total
Balance	521,822	521,822

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2021

	Capital replacement reserve	Total
Balance	1,588,167	1,588,167

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

12. Operating lease liability

Matlosana City Council :

Nature of the lease
The lease agreement is between City Council of Klerkdorp 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 53 398-56 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 negations 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 on a montn to month basis.

Amount of the lease:
The lease amount for the financial year was R145 200.

13. Payables from exchange transactions

Trade payables	6,846,254	4,401,116	6,327,349	4,201,602
Retention	502,006	308,059	502,006	308,059
Other creditors: Accrual - Compesation commissioner	4,022,134	3,457,687	4,022,134	3,457,687
Leave and bonus	16,544,278	13,888,456	16,823,834	13,697,511
	27,914,672	**22,055,318**	**27,675,323**	**21,664,859**

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 acordance with the credit polices of the various individual creditors 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.

The ageing of Trade payables is summarised below:

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

13. Payables from exchange transactions (continued)

DESCRIPTION	0-6 MONTHS	7 TO 12MONTHS	13 TO 24MONTHS	OVER 2YEARS	Total
Trade payables	1,034,508	-	5,812,610	-	6,847,118
Retention	193,947	-	-	308,059	502,006
Compesation Commessioner	-	-	564,447	3,457,687	4,022,134
Leave & Bonus Provision	-	3,306,323	13,237,091	-	16,543,414
	1,228,455	**3,306,323**	**19,614,148**	**3,765,746**	**27,914,672**

14. Payables from non-exchange transactions

Tax refunds payables	-	-	450,000	450,000
Bank reconcilliation clearing account	1,074,557	1,014,006	1,074,557	1,014,006
	1,074,557	**1,014,006**	**1,524,557**	**1,464,006**

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

The entity didnot default on any payment of its creditors. No terms for payment have been renegiated 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	2,850,224	2,488,497	-	-

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

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

Dividend revenue				
Dividends received	273,508	-	273,508	-
Interest revenue				
Listed financial assets	15,229	162,633	-	-
Interest revenue	130,661	768,739	130,661	768,739
Investment and call deposit	4,055,639	4,908,515	4,055,639	4,908,515
	4,201,529	**5,839,887**	**4,186,300**	**5,677,254**
	4,475,037	**5,839,887**	**4,459,808**	**5,677,254**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

18. Government grants and subsidies

Operating grants

Equitable share	30,789,000	24,622,000	30,789,000	24,622,000
LG Seta mandatory grant	328,307	204,873	328,307	204,873
Expandad Public Works Program grant	1,691,000	1,649,000	1,691,000	1,649,000
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	167,384,000	162,977,000	167,384,000	162,977,000
Transfer revenue	(215,217)	2,608,696	-	-
Rural Road Asset Management System grant	2,480,000	2,606,000	2,480,000	2,606,000
	203,457,090	**196,114,569**	**203,672,307**	**193,505,873**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	5,499,307	5,906,873	5,499,307	5,906,873
Unconditional grants received	198,173,000	187,599,000	198,173,000	187,599,000
	203,672,307	**193,505,873**	**203,672,307**	**193,505,873**

Tirelo Bosha Grant

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

LG Seta Mandatory Grant

Current-year receipts	328,307	204,873	328,307	204,873
Conditions met - transferred to revenue	(328,307)	(204,873)	(328,307)	(204,873)
	-	-	-	-

Expanded Public Work Program

Current-year receipts	1,691,000	1,649,000	1,691,000	1,649,000
Conditions met - transferred to revenue	(1,691,000)	(1,649,000)	(1,691,000)	(1,649,000)
	-	-	-	-

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)
	-	-	-	-

RSC Replacement Grant

Current-year receipts	167,384,000	162,977,000	167,384,000	162,977,000
Conditions met - transferred to revenue	(167,384,000)	(162,977,000)	(167,384,000)	(162,977,000)
	-	-	-	-

Rural Road Asset Management grant

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020
18. Government grants and subsidies (continued)				
Current-year receipts	2,480,000	2,606,000	2,480,000	2,606,000
Conditions met - transferred to revenue	(2,480,000)	(2,606,000)	(2,480,000)	(2,606,000)
	-	-	-	-

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020
19. Employee related costs				
Basic	67,521,460	61,412,715	65,979,856	59,356,195
Medical aid - company contributions	4,754,433	4,021,968	4,754,433	4,021,968
UIF	275,375	240,510	275,375	240,510
SDL	17,622	14,921	17,622	14,921
Leave pay provision charge	6,741,353	5,598,320	6,741,353	5,598,320
Short term benefit 3	1,323,539	966,930	1,323,539	966,930
Defined contribution plans	2,491,485	2,539,756	2,491,485	2,539,756
Overtime payments	259,337	187,999	259,337	187,999
13th Cheques	5,215,002	4,142,165	5,215,002	4,142,165
Acting allowances	793,813	714,297	793,813	714,297
Car allowance	9,156,705	8,783,171	9,156,705	8,783,171
Housing benefits and allowances	535,396	519,432	535,396	519,432
Standby allowance	1,025,952	554,999	1,025,952	554,999
Group life insurance-council contribution	588,318	494,619	588,318	494,619
Pension fund-council contribution	10,129,159	8,761,728	10,129,159	8,761,728
Uniform allowance	-	545,017	-	545,017
Danger allowance	1,043,200	-	1,043,200	-
	111,872,149	**99,498,547**	**110,330,545**	**97,442,027**
Remuneration of executive management				
	-	-	-	-
Remuneration of Municipal Manager-SM Lesupi				
Annual remuneration	1,227,109	1,074,355	1,227,109	1,074,355
Leave sold	39,635	33,544	39,635	33,544
Other allowances-cellphone	25,000	15,000	25,000	15,000
	1,291,744	**1,122,899**	**1,291,744**	**1,122,899**
Remuneration of Chief Finance Officer-LO Steenkamp				
Annual remuneration	850,628	722,847	850,628	722,847
Leave sold	-	12,600	-	12,600
Other allowances - cellphone	20,200	-	20,200	-
Bonus	171,600	171,600	171,600	171,600
	1,042,428	**907,047**	**1,042,428**	**907,047**
Remuneration of Director Corporate Services-SC Abrams				
Annual remuneration	839,133	889,447	839,133	889,447
Other allowance-Cellphone	20,677	12,600	20,677	12,600
Ad-hoc subsistance and travell	273	1,365	273	1,365
Leave sold	33,010	-	33,010	-
Travelling allowance	22,925	-	22,925	-
Acting allownace	187,464	-	187,464	-
	1,103,482	**903,412**	**1,103,482**	**903,412**
Remuneration of Chief Audit Executive-SG Mtemekwana				
Annual remuneration	387,594	-	387,594	-
Other allowance	16,000	-	16,000	-
Ad-hoc subsistance and travell	513	-	513	-

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020
19. Employee related costs (continued)				
Travelling allowance	208,704	-	208,704	-
	612,811	**-**	**612,811**	**-**
Remuneration of Director District Economic Development-RM Rampedi				
Annual remuneration	470,432	-	470,432	-
Other allowance	17,346	-	17,346	-
Acting allowance	24,511	-	24,511	-
Travelling allowance	80,000	-	80,000	-
	592,289	**-**	**592,289**	**-**
Remuneration of Director Disaster Management				
Annual Remuneration	-	557,011	-	557,011
Leave Sold	-	98,962	-	98,962
Other allowance	-	145	-	145
Acting allowance	-	177,917	-	177,917
	-	**834,035**	**-**	**834,035**
Remuneration of Director Community services-MA Metswamere				
Annual remuneration	525,151	-	525,151	-
Other allowance	14,000	-	14,000	-
Travelling allowance	105,000	-	105,000	-
	644,151	**-**	**644,151**	**-**
Remuneration of Director infrastructure				
Annual remuneration	-	557,011	-	557,011
Leave sold	-	28,910	-	28,910
Other allowance	-	23,316	-	23,316
Acting allowance	-	171	-	171
	-	168,354	-	168,354
	-	**777,762**	**-**	**777,762**

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 Enviroment 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.

Remuneratiion of director environmental health				
Annual remuneration	-	557,011	-	557,011
Leave sold	-	70,884	-	70,884
Other allowance	-	189,092	-	189,092
Acting allowance	-	15,977	-	15,977
	-	**832,964**	**-**	**832,964**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020
20. Remuneration of councillors				
Executive Major	1,101,113	1,112,156	938,250	938,250
Mayoral Committee Members	3,983,652	3,984,054	3,983,652	3,984,054
Speaker	759,479	759,478	759,479	759,478
Councillors	3,970,800	3,857,180	3,970,800	3,857,180
Single whip	714,787	714,787	714,787	714,787
	10,529,831	**10,427,655**	**10,366,968**	**10,253,749**
21. Depreciation and amortisation				
Property, plant and equipment	5,622,565	6,430,644	5,564,709	6,356,712
Intangible assets	346,294	573,858	346,294	573,858
	5,968,859	**7,004,502**	**5,911,003**	**6,930,570**
22. Contracted services				
Presented previously				
Fleet Services	9,112,015	8,745,329	9,112,015	8,745,329
Specialist Services	14,342,654	10,871,518	14,342,654	10,871,518
Other Contractors	6,207,123	4,580,995	6,207,123	4,580,995
23. Transfers and subsidies				
EPWP skills development and training	1,691,000	-	1,691,000	-
Local economic development support	1,475,645	-	1,475,645	-
Bursaries non-employees	137,906	260,000	137,906	260,000
Dr Kenneth Kaunda Economic Development Agency	-	-	2,283,989	3,000,000
Merit Bursaries Community	2,115,257	1,813,489	2,115,257	1,813,489
	5,419,808	**2,073,489**	**7,703,797**	**5,073,489**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

24. General expenses

Advertising	154,030	260,437	-	-
Assessment rates & municipal charges	1,653,187	1,304,711	1,653,187	1,304,711
Auditors remuneration	4,934,668	3,912,695	4,005,675	3,455,982
Bank charges	127,124	150,326	127,124	150,326
Donations	-	7,000	-	7,000
Entertainment	21,110	42,408	14,910	23,190
Hire charges	562,028	480,665	562,028	480,665
Insurance	1,024,295	789,124	1,024,295	789,124
Conferences and seminars	1,050,836	1,388,643	1,050,836	1,388,643
Skills development levy	1,061,787	796,284	715,546	625,489
IT expenses	1,640,773	1,942,543	1,640,773	1,942,543
Compensation commissioner	564,447	557,893	564,447	557,893
Motor vehicle expenses	112,026	112,277	112,026	112,277
Printing and stationery	395,989	212,595	395,989	212,595
Protective clothing	256,376	357,643	256,376	357,643
Repairs and maintenance	-	1,479	-	1,479
License fees	529,963	207,367	529,963	207,367
Subscriptions and membership fees	1,449,794	272,309	1,449,794	272,309
Telephone and fax	994,861	1,070,086	994,861	1,070,086
Accomodation, subsistence and travel	313,287	888,129	313,287	888,129
Training	3,529,342	1,778,073	3,529,342	1,778,073
Travel - local	35,110	39,002	35,110	39,002
Toll fees	-	29,514	-	29,514
Office rental	3,380,771	2,508,166	3,380,771	2,508,166
Business expenses: councillors and directors	48,096	16,164	48,096	16,164
Events and campaigns	3,516,321	4,125,475	3,516,321	4,125,475
Consumables	3,364,357	3,594,339	3,364,357	3,594,339
	30,720,578	**(27,450,469)**	**29,285,114**	**25,938,184**

25. Auditors' remuneration

Fees	4,934,668	3,912,695	4,005,675	3,455,982

26. Cash generated from operations

Surplus	10,556,831	32,013,246	13,915,926	32,404,041
Adjustments for:				
Depreciation and amortisation	5,968,859	7,004,502	5,911,003	6,930,570
Gain(Loss) on sale of assets	526,731	5,596	526,731	5,596
Movements in operating lease assets and accruals	-	(153,600)	-	(153,600)
Movements in retirement benefit assets and liabilities	-	194,493	-	194,493
Public donations	-	-	(20,400)	-
Increase relating to employee cost	6,252,362	-	6,252,362	-
Movement in provisions	-	-	(378,128)	-
Changes in working capital:				
Receivables from exchange transactions	-	(885,987)	(72,891)	(895,297)
Other receivables from non-exchange transactions	(100,000)	(450,000)	-	-
Payables from exchange transactions	2,944,652	1,322,447	2,944,652	931,988
VAT	781,423	584,811	-	649,671
Taxes and transfers payable (non-exchange)	-	403,615	-	431,190
Unspent conditional grants and receipts	-	(111,839)	-	(111,839)
	26,930,858	**39,927,284**	**29,079,255**	**40,386,813**

27. Financial instruments disclosure

Categories of financial instruments

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

27. Financial instruments disclosure (continued)

Economic entity - 2021

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	4,007,846	4,007,846
Cash and cash equivalents	99,029,665	99,029,665
	103,037,511	**103,037,511**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	27,914,673	27,914,673
Trade and other payables from non-exchange transactions	1,524,557	1,524,557
	29,439,230	**29,439,230**

Economic entity - 2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	2,442,360	2,442,360
Cash and cash equivalents	75,371,115	75,371,115
	77,813,475	**77,813,475**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	22,363,798	22,363,798
Trade and other payables from non-exchange transactions	1,014,006	1,014,006
	23,377,804	**23,377,804**

Controlling entity - 2021

Financial assets

	At amortised cost	Total
Other receivables from -exchange transactions	3,745,677	3,745,677
Cash and cash equivalents	98,984,943	98,984,943
	102,730,620	**102,730,620**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	27,675,323	27,675,323
Trade and other payables from non-exchange transactions	1,524,557	1,524,557
	29,199,880	**29,199,880**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

27. Financial instruments disclosure (continued)

Controlling entity - 2020

Financial assets

	At amortised cost	Total
Trade and other receivables from 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**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

28. Contingencies

Litigations against the municipality

Contingent liabilities

DDr KKDM // Melvin Rampedi//Batting Development Products against DrKKDM.The matter is pending - R ampedi against DR KKDM, Nature of dispute - Unfair labour practice.Status of case - A rbitration was scheduled for 23 January2015.The matter is pending. Case no NWD 0 1410	2,412,097	1,800,000	2,412,097	1,800,000
DNalko Civil Engineering and Projects CC // Dr KKDM & Another //The Plaintiff hasissued summons on 1 June 2018 form the N orth West.The municipality has agood defense in that the Plaintiff did not render s ervices which they claim tohave rendered	5,864,403	5,864,403	5,864,403	5,864,403
MW Asset Rentals // Dr KKDM//DR KKDM cancelled the M aster RentalAgreement with Bakopane Information Systems CC t/a Toshiba Office S ystemsand Technology.The agreement was entered during the month of October 2 00and it was for the rental of photocopy machines, printers and faxes. The rightof t he Master Rental Agreement were then ceded by Toshiba to Merchant westAsset R entals (MW Rentals). The Auditor- General Report for the year end 30June 2 010,indicated that procurement procedures were not properly followed inthe a ppointment of Toshiba. On 27 February 2012 the agreement between DRKKDMand M W Rentals was then cancelled due to the fat that the agreementwas not valid as p roper procurement procedures were not followed.MW AssetRentals vs DR K KDM,The applicant will be heard on 02 October 2020.This is anongoing litigation	1,318,461	1,318,461	1,318,461	1,318,461
Zelinzima Abram Beya // Dr KKDM//Zelinzima Abram Beya v DR KKDM, a labourdispute c urrently before the Labour court (held in Braamfontein) under casenumber ; J R211/2018 (review application brought by Beya) and JR1629/2018 (counter-review a pplication brought by the Municipality)	600,000	600,000	600,000	600,000
Dr KKDM // Morathi Mataka Attorneys C ase no. 172.2019 / /Summons forprofessional services rendered	309,650	289,651	309,650	289,651
Dr KKDM // M.B Molefe C ase no. 38168/15// unfair labour practices	250,000	250,000	250,000	250,000
Dr KKDM // M.B Molefe C ase no. NWD031915//unfair labour practices	220,000	110,000	220,000	110,000
Dr KKDM // ISD Mothibi C ase no. NWD07804 / /Unfair dismissal	200,000	196,674	200,000	196,674
Dr KKDM // M.B Molefe C ase no. NWD081909//unfair labour practices	-	17,000	-	17,000
	-	-	-	-
	11,174,611	**10,446,189**	**11,174,611**	**10,446,189**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

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, RM Rampedi-Senior Manager Local Economic Development and Planning, Chief Audit Executive SG Mtemekwana, Senior Manager Community Service-Mr M A Metswamere

Related party balances

Transfer payment grant		
Dr Kenneth Kaunda Economic Development Agency	2,283,989	3,000,000

Key management information

Class	Description	Number
Executive mayor	Executive authourity	1
Members of mayroyal council	Executive authourity	6
Single whip	Executive authourity	1
Chairperson MPAC	Executive authourity	1
Councillors (Part time and directly elected)	Executive authourity	30
Speaker	Executive Authority	1

30. Risk management

Financial risk management

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				
Cash and cash equivalents	-	-	99,029,665	75,371,115
Payables from exchange	-	-	27,914,672	22,363,798
Payables from non exchange	-	-	1,074,557	1,014,006
Receivables from exchane	-	-	4,007,846	2,442,360
Controlling entity				
Receivables from exchange transactions	-	-	3,745,677	2,243,218
Cash and cash equivalent	-	-	98,984,943	73,503,490

31. Going concern

We draw attention to the fact that at June 30, 2021, the municipality had an accumulated surplus (deficit) of R 74,652,179 and that the municipality's total assets exceed its liabilities by R 76,893,629.

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

31. Going concern (continued)

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.

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	728,043	44,400	165,807	-	938,250
DP MASIU	599,830	44,400	115,249	-	759,479
NM KOLOTI	621,630	44,400	48,757	-	714,787
MI MARTINS	555,622	44,400	114,765	-	714,787
M ZEPHE	563,239	44,400	107,148	-	714,787
MM MOJAHI	571,311	44,400	99,076	-	714,787
HH MBELE	571,311	44,400	99,076	-	714,787
ZE MPHAFUDI	625,765	44,400	44,622	-	714,787
SP VALIPATI	387,517	22,200	-	-	409,717
KL VAN ZYL	282,870	44,400	-	-	327,270
MOHOEMANG	319,386	22,200	-	-	341,586
LN DAYIYA	251,047	44,400	31,823	-	327,270
SV LETSHWITI	251,047	44,400	31,823	-	327,270
BAS C CLOETE	282,870	44,400	-	-	327,270
LS MOTLOIWA	251,047	44,400	31,823	-	327,270
FJ BOTHA	251,047	44,400	31,823	-	327,270
WA MOSTERT	240,439	44,400	42,431	-	327,270
MOSHOTWANA	282,870	44,400	-	-	327,270
EM POSTMA	-	-	-	28,684	28,684
D GIWILI	-	-	-	23,654	23,654
AS MOTLADI	-	-	-	20,961	20,961
HF SAUDI	-	-	-	28,684	28,684
B TABEDZ	-	-	-	89,362	89,362
LS MOKGALADI	-	-	-	161,599	161,599
SL MOREMI	-	-	-	45,232	45,232
G MOSENOGI	-	-	-	22,064	22,064
K NDINCEDE	-	-	-	142,013	142,013
LL CUTSWA	-	-	-	94,872	94,872
SL MONDLANE	-	-	-	20,961	20,961
PZ LESOMO	-	-	-	125,695	125,695
LM LEBENYA	-	-	-	16,548	16,548
JJ LE GRANGE	-	-	-	20,961	20,961
ME MOSWEU	-	-	-	34,200	34,200
AO PHUTIYAGAE	-	-	-	20,388	20,388
MN NTULI	-	-	-	19,527	19,527
CJ BESTER	-	-	-	24,271	24,271
C HATTINGH	-	-	-	10,399	10,399
HFC JORDAAN	-	-	-	24,271	24,271
MJ VAN TONDER	-	-	-	12,136	12,136
JS XABA	-	-	-	24,570	24,570
Total payments made to councillors	7,636,891	754,800	964,223	1,011,052	10,366,966
	7,636,891	**754,800**	**964,223**	**1,011,052**	**10,366,966**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

33. Unauthorised expenditure

Opening balance as previously reported	70,748,925	67,966,774	70,748,925	67,966,774
Opening balance as restated	**70,748,925**	**67,966,774**	**70,748,925**	**67,966,774**
Add: Expenditure identified current	-	2,782,151	-	2,782,151
Closing balance	**70,748,925**	**70,748,925**	**70,748,925**	**70,748,925**

34. Fruitless and wasteful expenditure

Opening balance as previously reported	11,453,890	10,989,425	11,020,835	10,616,640
Opening balance as restated	**11,453,890**	**10,989,425**	**11,020,835**	**10,616,640**
Add: Fruitless and wasteful Expenditure	204,582	63,837	7,374	3,567
Add: Fruitless and wasteful expenditure identified in the current year relating to prior year	-	400,628	-	400,628
Closing balance	**11,658,472**	**11,453,890**	**11,028,209**	**11,020,835**

35. Irregular expenditure

Opening balance as previously reported	204,772,600	147,382,928	199,243,431	141,932,731
Opening balance as restated	**204,772,600**	**147,382,928**	**199,243,431**	**141,932,731**
Add: Irregular Expenditure - current period	26,655,328	21,420,033	26,583,024	20,998,902
Add: Irregular expenditure identified in the current year relating to prior year	11,610	36,311,798	-	36,311,798
Closing balance	**231,439,538**	**205,114,759**	**225,826,455**	**199,243,431**

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

36. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	(201,497)	210,723	(201,497)	210,723
Current year subscription / fee	1,302,293	1,009,820	1,302,293	1,009,820
Amount paid - current year	(1,237,178)	(1,422,040)	(1,237,178)	(1,422,040)
	(136,382)	**(201,497)**	**(136,382)**	**(201,497)**

Audit fees

Opening balance	902,865	20,706	902,865	20,706
Current year subscription / fee	5,325,975	4,219,145	4,314,288	3,762,432
Amount paid - current year	(5,467,451)	(3,336,986)	(5,200,663)	(2,880,273)
	761,389	**902,865**	**16,490**	**902,865**

PAYE and UIF

Opening balance	63,721	-	-	-
Current year subscription / fee	22,624,798	19,753,772	22,165,347	19,314,934
Amount paid - current year	(22,165,347)	(19,690,051)	(22,165,347)	(19,314,934)
	523,172	**63,721**	**-**	**-**

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

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

Pension and Medical Aid Deductions

Current year subscription / fee	15,787,724	13,667,328	15,787,724	13,667,328
Amount paid - current year	(15,787,724)	(13,667,328)	(15,787,724)	(13,667,328)
	-	-	-	-

VAT

VAT receivable	4,278,939	5,326,618	4,278,939	5,326,618
VAT payable	(2,850,224)	(2,488,497)	-	-
	1,428,715	**2,838,121**	**4,278,939**	**5,326,618**

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.

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

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	31,625	29,000	31,625	29,000
Hasler	11,439	10,879	11,439	10,879
South African Broadcasting Corporation Corp.	14,310	6,360	14,310	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	19,428	14,036	19,428	14,036
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
Loabile Holdings (Pty) Ltd	70,000	70,000	70,000	70,000
Midvaal Water Company	18,566	246,428	18,566	246,428
Envirocare Laboratory	29,155	242,720	29,155	242,720
Absolute Answer Trading (Pty) Ltd	48,500	-	48,500	-
Assessment Toolbax CC	34,500	-	34,500	-
Kreston North west	965,000	-	965,000	-
Gifios And Popla Trading Enterprise	55,500	-	55,500	-
Pay day Software System	35,138	-	35,138	-
Power Mowers CC	6,670	-	6,670	-
Pono Security Services Projects	333,385	-	333,385	-
Sasfin Commerical Solution	2,950	-	2,950	-
ATC Approvement Construction	82,110	-	82,110	-
Iveco Truck & Bus	102,799	-	102,799	-
Rauco Trading CC	188,947	-	188,947	-
Maine Management	1,450,363	-	1,450,363	-
SEDIBANAMETSEENG PROJECTS (PTY) LTD	244,650	-	244,650	-
	3,745,035	**3,682,587**	**3,745,035**	**3,682,587**

38. Budget differences

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- Bidders have an option to either download bid documents free of charge from the E-Tender Portal or to buy tender document from municipal offices.Bidders opted to download tender documents free of charge on ETender
portal

Spartial development framework) – The District Municipality budgeted for the Spartial
development framework grant as the District Municipality anticipated that the grant would be transferred by National Treasury. The grant was not transferred over in this current year as it was in the previous financial year..

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

38. Budget differences (continued)

Sale of assets The sale of assets process required the appointment of an auctioneer to auction the assets. The District Municipality advertised the appointment of an auctioneer and there was no responsive bidder/auctionee

Commissions received The commission received is from the insurance service provider on the premiums deducted from the employees salary. The budget was based on the number of employees who had insurance policies with service providers registered with the Municipality, thus it could not be estimated with certainty the number of new employees who will take up the policy and the relevant increase in premiums. In certain instances employees took up more insurance policies and other increased their cover, thus the increase in the premiums and consequently the revenue collected by the Municipality on behalf of insurance service providers.

Outsource Services-(i) Other mayoral progammes as well as those in the speaker office did not move on outsource services. (ii) Spending on Hygiene services was less than the budgeted amount because material and other supplies were purchased with the consumable stores, material and supplies under inventory

Depreciation variance: The 2019 / 2020 actual performance on the Depreciation was used as a baseline for the 2020 / 20221 financial year. Also, the poor condition of other assets was taken into consideration

Remuneration of Councillors: The provision on upper limits was budgeted however the Minister announced that there will be no increase on the remuneration of public office bearers in the 2020/21 financial year..

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

Other materials: A portion of this budget was for Covid-19 however the municipality received donations of sanitizers & PPE for Covid 19 ...hence the spending is less.

Other Expenditure: Due to the abnormal nature of opeartions during the covid-19 pandemnic, general expenses e.g. Accommodation,Entertainment, conference and seminars, Travel Local and Business expenses for Councillors and Directors.(ii) Less spending or no spending on Public Participation, CBPs in the office office of the Speaker(iii) Less spending or no spending on some of the LED programmes. (iv) Generally the budgetd amount inclueds VAT and the actual spending excludes VAT

Licensing and permits 4) In the previous financial year more service providers and/or entrepreneurs required their businesses to be disinfected and sanitised more frequently due to COVID – 19 infections. The District Municipality budgeted based on the previous year's rate of infections. Due to the slow rate of infections, less visits by the health workers were requested by business.

Interest received - investment) The shortfall on the interest received was based on the interest received on the positive bank balance. The District Municipality budgeted in accordance to the interest received last year on a similar positive bank balance. A lesser interest was as compared to the previous financial year..

Dividends received - The dividend received was from a liquidation and distribution from the High Court of South Africa which ordered the creditors of the former New Republic Bank Limited (under receivership) ("NRB") that all dividends shall immediately be paid by the receiver. This court order was order on the 8th October 2020 and the District Municipality was unaware of the case..

39. Changes from the approved budget to the final budget

The changes between the approved and final budget ae consequences of changes in the overall budget parameters. For details on these changes please see details

Government Grants & Subsidies - The difference is as a results of additional grant on Local Government Equitable Share.The allocation was meant to assist municipalities to procure preventive items to curb or minimise the spread of the virus. However during the 4th quarter, the last trench of Equitable share was less with which was the additional management relief grant received in the 2019/20 financial year.

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

39. Changes from the approved budget to the final budget (continued)

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 due to number of litigations taking place

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

Transfers and Subsidies: Additional allocation was meant for merit bursaries and SMMEs support grants (this will change after adj budget) that were not adequately provided for in the original budget

General expenses:Other Expenditure: Due to the abnormal nature of operations during the covid-19 pandemic, general expenses e.g. Accommodation, Entertainment, conference and seminars, Travel Local and Business expenses for Councillors and Directors the spending was less. Less spending or no spending on Public Participation, CBPs in the office of the Speaker. Less spending or no spending on some of the LED programmes. Generally, the budgeted amount includes VAT and the actual spending excludes VAT

Remuneration of councillorsThe remuneration of other councillors was erroneously processed from the office of the Municipal Manager and LED & Planning. The adjustment was meant to correct the misallocation

Depreciation and amortisation: The 2019 / 2020 actual performance on the Depreciation was used as a baseline for the 2020 / 20221 financial year. Also, the poor condition of other assets was taken into consideration. The management anticipated that through that conditional assessment, the depreciation amount will increase

Other materials: A portion of this budget was for Covid-19 however the municipality received donations of sanitizers & PPE for Covid 19 from DBSA. As a result was taken from operating budget to capital budget for the purchase of screening station container for the Dr KK Disaster Centre

General expenses:Other Expenditure: Due to the abnormal nature of operations during the covid-19 pandemic, general expenses e.g. Accommodation, Entertainment, conference and seminars, Travel Local and Business expenses for Councillors and Directors the spending was less. Less spending or no spending on Public Participation, CBPs in the office of the Speaker. Less spending or no spending on some of the LED programmes. Generally, the budgeted amount includes VAT and the actual spending excludes VAT

40. Prior period error

Property, plant and Equipment

In 2020, the Community Assets Costs as well as the Accumulated Depreciation was understated with R150 634. These adjustments had no effect on the Net Book Value and Retained Earnings.

AFS line item	2020 AuditedAFS	2021reinstatedAFS	Correction oferror
Unspent conditional grant	1,051,738	65,626	986,112
Accumulated surplus	61,988,451	62,974,563	(986,112)
	63,040,189	**63,040,189**	-

Unpsent conditional grant included an amount of R 986 112 from the 18/19 financial year. This amount relates to an equitable share received, and it was set aside in a different bank account to avioid spending it. As a result of the amount being set aside the municipality incorrectly classified the amount as unspent conditioinal grant. This amount is equitable share and should be classified as revenue

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

40. Prior period error (continued)

Remuneration of Councillors	2020 AuditedAFS	2021reinstatedAFS	Correction oferror
Speaker	681,868	759,479	(77,611)
Single Whip	792,397	714,787	77,610
	1,474,265	**1,474,266**	**(1)**

The following account detailed were misclassified between speaker and single whip under remuneration of councillors,SPEAKER: PENSION FUND CONTRIBUTIONS,SPEAKER: MEDICAL AID BENEFITS.

AFS line Item	2020 AuditedAFS	2021reinstatedAFS	Correction oferror
13th Cheque	4,086,562	4,142,165	(55,603)
Car allowance	8,611,571	8,783,171	(171,600)
Cellphone allowance	1,194,133	966,930	227,503
	13,892,266	**13,892,266**	**300**

In the prior year audited financial statements, 13th cheque and car allowance for the CFO was incorrectly mapped/classified to cellphone allowance. The misclassification related to employee related costs.

Contracted services	2020 AuditedAFS	2021reinstatedAFS	Correction oferror
Outsourced services	8,922,224	8,745,329	176,895
General expenses			
Donations	207,000	7,000	200,000
Hire Charges	303,770	480,665	(176,895)
Transfers and subisidies			
Busaries non employees	60,000	260,000	(200,000)
	9,492,994	**9,492,994**	**-**

In the prior year audited financial statements, operational costs relating to hire charges under general expenses were incorrectly classified to oursourced services under contracted services. Also under general expenses, covid 19 relief was classified under donations incorrectly, the amount should have been classified under Transfers and subsidies

Prior period errors were identified during the current year and corrected in line with GRAP 3 - Accounting Policies, Changes in Accounting Policies and Errors.

The correction of the error(s) relating to line items disclosed in the statements of financial position, performance and cash flow statement results in adjustments as follows:

Statement of Financial position	Asprevious ly reported	Correction of errors	Restated balance
Receivables from exchange transactions - Consumer debtors - Other 1	545,330	(545,330)	-
Receivables from exchange transactions - Staff advances	-	197,742	197,742
Receivables from exchange transactions - Deposits	-	1,400	1,400
Receivables from non-exchange transactions - Other	-	450,000	450,000
Non-current assets held for sale	348,583	(199,375)	149,208
Cash and cash equivalents - Bank balances	1,886,830	(1,789,843)	96,987
Cash and cash equivalents - Cash on hand	-	25	25
Cash and cash equivalents - Call account	-	1,779,241	1,779,241
Payables from exchange transactions - Trade payables	(499,365)	(8,630)	(507,995)
Payables from exchange transactions - Leave accrual provision	(360,419)	5,237	(355,182)
VAT Payable	(3,041,888)	553,391	(2,488,497)

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020
40. Prior period error (continued)				
Accumulated surplus		(65,478)	(413,296)	(478,774)
Statement of Financial performance				
Employee related costs - Salaries and Wages		2,076,700	(37,168)	2,039,532
Board allowances - Board members		189,616	(2,912)	186,704
Depreciation and amortisation - Property plant and equipment		67,326	6,606	73,932
Operational fees - Refreshments		16,306	2,912	19,218
		1,163,541	-	**1,163,541**

Prior period error

Receivables from exchange transactions - Consumer debtors - Other 1 incorrectly disclosed in the prior year was correctly reclassfied in the current year. The effect of the restatement is as follows:

Statement of financial position				
Decrease in Receivables from exchange transactions - Consumer debtors - Other 1	-	(545,330)	-	-
ncrease in Receivables from exchange transactions - Staff advances	-	93,930	-	-
Increase in Receivables from exchange transactions - Deposits	-	1,400	-	-
Increase in Receivables from Non-exchange transactions - Consumer debtors - Otherreceivables from non-exchange revenue	-	450,000	-	-
	-	-	-	-

Prior period error

During the current year, it was noted that some staff advances deposits were incorrectly accounted for in the prior financial year.
The effect of the adjustment is as follows:.

Statement of financial position				
Increase in Receivables from exchange transactions - Staff advances	-	19,207	-	-
Decrease in Cash and cash equivalents - Bank balances	-	(19,207)	-	-
	-	-	-	-

Fair value of receivables from non-exchange transactions

Prior period error

During the current year, it was noted that there were overpaymentsof basic salaries which was incorrectly accounted for in the prior financial years. The effect of the adjustment is as follows:

Statement of Financial position				
Decrease in Receivables from exchange transactions - Staff advances	-	(102,745)	-	-
Decrease in Accumulated surplus	-	102,745	-	-
	-	-	-	-

Notes to the Group Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2021	2020	2021	2020

40. Prior period error (continued)

During the current year, it was noted there was overpayment of allowances not recognised as a receivable in the prior financial years. The effect of the adjustment is as follows:

Statement of Financial position				
Increase in Receivables from exchange transactions - Staff advances	-	7,043	-	-
Increase in Accumulated surplus	-	(7,043)	-	-
	-	-	-	-

Prior period error

During the current year, it was noted there was overpayment of basic salaries not recognised as a receivable in the prior financial years. The effect of the adjustment is as follows:

Statement of Financial position				
Increase in Receivables from exchange transactions - Staff advances	-	180,307	-	-
Increase in Accumulated surplus	-	(143,139)	-	-
Statement of Financial performance				
Decrease in Employee related costs - Salaries and Wages	-	(37,168)	-	-
	-	-	-	-

During the current year, Non-current assets held for sale disclosed in the prior year was recalculated and corrected to reflectcorrect closing balances per the Fixed Asset register. The effect of the adjustment is as follows

Correction of Non-current assets held for sale				
Statement of Financial position				
Decrease in Non-current assets held for sale	-	(199,375)	-	-
Decrease in Accumulated surplus	-	192,769	-	-
Statement of financial performance				
Increase in Depreciation: Property plant and equipment	-	6,606	-	-
	-	-	-	-

41. Public contributions and donations

Public contributions and donations	20,400	-	20,400	-

The donation is an asset (Mist Blower) received from the Department of Cooperate Governance and Traditional Affairs to the municipality in order to assist the municipality deal with the challenges of covid 19 pandemic

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