



Dr. Beyers Naudé

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DRAFT ANNUAL REPORT 2020/2021



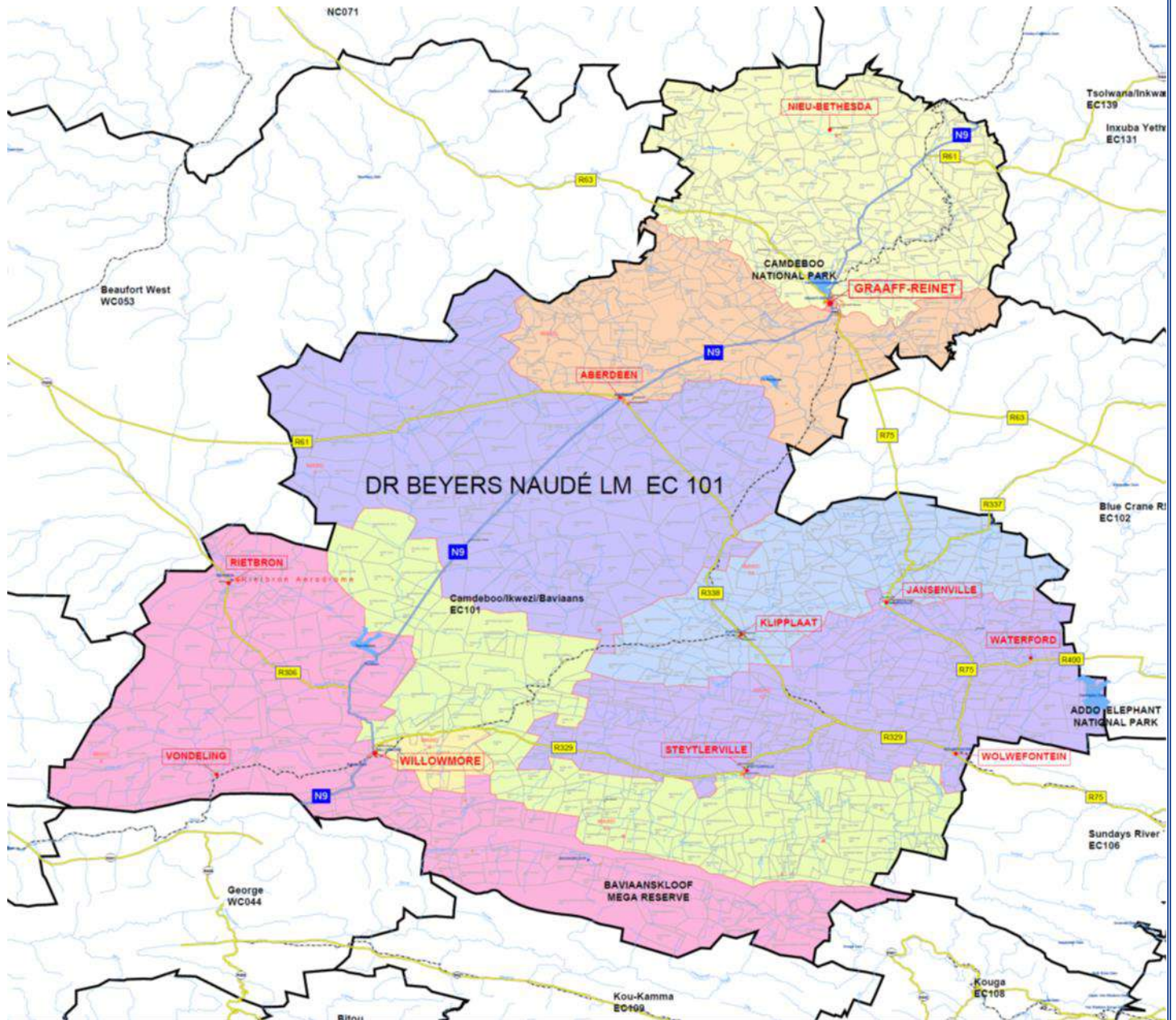


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ABBREVIATIONS & ACRONYMS

ADMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor-General
AGSA	-	Auditor-General South Africa
ANC	-	African National Congress
B&T	-	Budget and Treasury
CDW	-	Community Development Worker
CFO	-	Chief Financial Officer
COGTA	-	Cooperative Governance and Traditional Affairs
CPF	-	Community Police Forum
CPMD	-	Consolidated Program for Management Development
DA	-	Democratic Alliance
DBNLM	-	Dr Beyers Naudé Local Municipality
DCOMS	-	Department Community Services
DCSS	-	Department Corporate Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBW	-	Free Basic Water
GRAP	-	General Recognized Accounting Practice
GRT	-	Graaff-Reinet
HH	-	Households
ICT	-	Information and Communication Technology
IDP	-	Integrated Development Plan
IGG	-	Intergovernmental Grant
IIA (SA)	-	Institute of Internal Auditors (SA)
INEP	-	Integrated National Electrification Program
IT	-	Information Technology
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Agency
LLF	-	Local Labour Forum
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant

MM	-	Municipal Manager
MPAC	-	Municipal Public Accounts Committee
MSA	-	Municipal Structures Act No.17 of 1998
MSA	-	Municipal Systems Act No.32 of 2000
NERSA	-	National Electricity Regulator South Africa
OHS	-	Occupational Health and Safety
ORA	-	Organizational Rights Agreement
OTP	-	Office of the Premier
PMS	-	Performance Management System
RDP	-	Reconstruction and Development Program
RRAMS	-	Rural Roads Asset Management System
SANS	-	South African National Standard
SAPS	-	South African Police Services
SCM	-	Supply Chain Management
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
SPU	-	Special Programmes Unit
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan



CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY





I have great pleasure in presenting the Draft 2020/21 Annual Report of Dr Beyers Naudé Local Municipality, which is both a legislative and an accountability requirement.

The Dr Beyers Naudé Local Municipality was established by merging the former Camdeboo, Ikwezi and Baviaans Local Municipalities. The Municipality incorporates the towns of Graaff-Reinet, Aberdeen, Nieu-Bethesda, Jansenville, Klipplaat, Rietbron, Steytlerville and Willowmore, with Graaff-Reinet as the seat. The Municipality was officially established on 8 August 2016, following the Local Government elections on 3 August 2016.

Dr Beyers Naudé Local Municipality covers a geographic area of $\pm 28,690 \text{ km}^2$, which stretches from the Sneeuberge in the north to the Baviaanskloof in the south. According to the 2011 Census by StatsSA, there was a combined population of 79,291 residents; their 2016 Community Survey provides an estimated number of 82,197 residents (also by combining the results of the 3 disestablished Municipalities). The Municipality makes up more than 49% of the landmass of the Sarah Baartman District Municipality, with a low population density of 2.8 persons per km^2 . It consists of 14 wards and has 27 Council members.

The Municipality comprises of the following Management/Service areas:

- Graaff-Reinet
- Aberdeen
- Nieu-Bethesda
- Jansenville, Klipplaat, Waterford
- Willowmore, Steytlerville, Baviaanskloof, Rietbron

The Annual Report offers the Municipality and stakeholders the opportunity to assess the effectiveness and impact made in changing the lives of its community/residents. It also gives them an opportunity to diagnose the state of financial affairs and administrative and governance maturity levels of the institution.

This annual report is a culmination of the implementation of the Council's Integrated Development Plan, Budget, and its Service Delivery and Budget Implementation Plan for the 2020/2021 financial year. The report is an account of the achievements of the Dr Beyers Naudé Local Municipality in the year under review, and also

assists in identifying our successes and failures. The report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

We highlighted our challenges last year when presenting the previous annual report. The Municipality is still very much confronted by the same challenges, such as limited financial resources. The situation is being exacerbated by the continuous theft and vandalism of municipal assets and infrastructure. This is having a severe impact on service delivery. However, despite all of this, progress has been made. We remain resolute to succeed by serving our community, and in so doing, improving their lives.

The impact of the Covid-19 pandemic had severe consequences for the country, resulting in an economic, health and humanitarian crisis. The Municipality's dire financial position combined with effects of the Covid-19 lockdown, created one of the most difficult environments to plan. The increased pressure on an already depressed economy by the national lockdown had a compounding negative effect and increased the universal challenges experienced by all spheres of government. By the end of June 2020, the substantial reduction in economic activity negatively impacted the ability of consumers and businesses to honour their municipal accounts. The current economic climate for the country as a whole and more specifically the local municipal region makes it very difficult for the municipality to maintain a healthy financial position.

I would fail in my duty if I do not reflect on the prolonged drought affecting many parts of the country. The much lower than usual annual rainfall over the past few years has had a devastating effect on the whole Dr Beyers Naudé Municipal area, and the agricultural industry especially has suffered huge losses as a result. Surface water (small and large dams) has dried up and aquifers are taking an unprecedented amount of strain. Very stringent water restrictions have been imposed, and the situation is continuously monitored. Due to the demand versus supply, water interruptions are being experienced. Currently, the delivery of water from the boreholes has dropped and reservoir levels are affected. The Municipality has been looking at various ways and means to mitigate the impact of the drought, whilst also investigating more effective methods to harness scarce water resources and to reduce wastage.

Another challenge that is faced by the Municipality, is vandalism of its water and electrical infrastructure. The pump houses and power stations are vandalized on a regular basis for copper and light fittings, etc. The Municipality is investigating these cases and, if found, the perpetrators will be brought to book.

The Municipality acknowledges that communication to the community on water-related matters and device delivery in general needs to be strengthened and therefore alternative forms of communication has been implemented, such as social media, e-newsletters and weekly updates to the community from the Mayors desk.

The Municipality was able to maintain a qualified audit outcome with a reduction in material findings. A lot of work went into the audit, and we are pleased with the progression. The goal is clear, and the objective of the Municipality is to receive a clean audit opinion.

There are many small victories to celebrate. In this regard, I must mention the substantial amount of good work being carried out between our residents and business community, which is further encouragement for us not to fail them. We will therefore continue to work tirelessly to support an efficient, effective and highly skilled administration that delivers improved services and grows the Local Economy to create jobs.

HONOURABLE MAYOR, CLLR DEON DE VOS

DATE

1.1 MUNICIPAL MANAGER'S OVERVIEW

Dr Beyers Naudé Local Municipality's Annual Report for the 2020/2021 Financial year is published in terms of the Municipal Finance Management Act 56/2003 (MFMA). The MFMA requires high standards when it comes to the accounting on the use of public funds.

The 2020/10 financial year was another challenging year against the backdrop of continued difficult economic conditions and challenges present in both Local and National Environments. In addition, the impact of the COVID-19 pandemic has been severe for all sectors within the Country, resulting in an economic, health and humanitarian crisis. This ripple effect resulted in a loss of revenue, thus negatively impacting on cashflows of municipality. The Eastern Province and Karoo areas are also still faced with a drought, and water restrictions remain in place within our Municipal area.

This Annual Report is an effort to reflect on progress made in delivering basic services and expanding services such as the provision of water, sanitation and electricity. The funding challenges indicated in the 2019/20 overview have become even greater and place tremendous burdens on our citizens who depend on effective public services. However, no effort is spared in attaining efficiency targets in our work and responding to the performance framework.

Stakeholder forums have been established and as the Administration, we look forward to working with them to deliver even better public services. It has been a challenge to remain on track in meeting the growth and development targets of the Municipality, in the context of a developmental state. This Annual Report outlines details of the various programs managed by the Directorates and indicates how we have performed in our efforts to meet set targets.

On behalf of the Management of Dr Beyers Naudé Local Municipality, I express my profound appreciation to the political leadership and the opportunity they have given us to serve the people of our area. The staff of the Municipality continues to put in every effort to ensure that the organisation implements its mandate effectively, and that individually and collectively we can contribute to making a difference in quality of life in our communities.

MUNICIPAL MANAGER, DR E.M. RANKWANA

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

The introductory information given below was sourced from the Municipality's 2017 – 2022 Integrated Development Plan, which is reviewed and updated annually.

POPULATION PROFILE AND ACCESS TO BASIC SERVICES

CENSUS 2011

The following statistical information has been calculated based on the combined figures of 2011 Census results released by StatsSA, for the former Municipalities of Camdeboo, Baviaans and Ikwezi which were amalgamated directly after the August 2016 Local Elections. Where only percentages were available, an average has been given.

According to the 2011 Census, Dr Beyers Naudé Municipality had a total population of 79,291 – made up as follows:

Coloured	67%
Black	24%
White & Other	9%

	100%

Male	49%
Female	51%

	100%

- The Youth (15 – 34 years) made up 34% of the total population.
- The Official Unemployment Rate recorded was 26%; however, it is presumed that it was in fact higher due to an understatement in the former Ikwezi Municipality's unemployment figure. The unemployment figure for Dr Beyers Naudé Municipality for 2021, is estimated at 35%.
- Of the 12,765 economically active Youth, 33% were unemployed in 2011. It is likely to be higher in 2021 – estimated at around 40%.
- The annual population growth rate was about 0.6% with an average of 3.9 persons per household, based on the calculation of 79,291 persons ÷ by 19,925 households.

2016 COMMUNITY SURVEY AND PROJECTED GROWTH ESTIMATES

Early in 2016, StatsSA, ahead of the Municipal Elections, conducted a Community Survey in the former Camdeboo, Baviaans and Ikwezi Municipal areas. Results, based on selected sampling, were indicative of a growth in population from 79,291 to 82,197 persons; which constitutes an estimated annual growth rate of 0.8% and a total growth of 3.6% since 2011, with an average of 4 persons per household, based on the calculation of 82,197 persons ÷ by 20,748 households. There was also an overall improvement in socio-economic conditions. See table T1.2.2 for projected growth estimates, which have been calculated using a conservative 0.6 – 0.7% annual growth rate, with an adjustment in 2021, to align with StatsSA's projections. More accurate data can only be provided after the next full Census, which will be later in 2021, or early 2022.

ACCESS TO BASIC SERVICES

There are an estimated 17,950 households in the urban areas and approximately 3,350 in the non-urban (farm) areas. Only urban households are serviced by Dr Beyers Naudé Municipality. High levels of accessibility to Basic Services are maintained in the Municipal area, with an estimated average of 17,950 households (95%), deriving direct or indirect benefit from services being rendered by the Municipality. Households that do not have direct access to these basic services are informal dwellings – mainly shacks situated in backyards or informal settlements, or those on farms or small holdings in the more remote areas.

- 98% of urban households have access to a minimum standard of piped potable water (within 200 metres), with a minimum service level in urban areas of 97%;
- 84% of urban households have access to a minimum standard of sanitation (flush, chemical & VIP pit latrines), with a minimum service level in urban areas of 84%;
- 96% of urban households have access to a minimum standard of electricity (energy for lighting), with a minimum service level in urban areas of 96%;
- 100% of urban households have access to a minimum standard of refuse removal & disposal facility (Municipal, communal or private), with a minimum service level in urban areas of 100%.

Unfortunately, the severe and prolonged drought over the past few years has had a serious impact on water provision in some areas, but this was mitigated through the drilling of additional boreholes in the affected areas and some upgrading of infrastructure, as well as the installation of rainwater tanks at schools and other strategic points, as part of the COVID-19 Disaster Relief programme, provided by different sectors as follow:

190 rainwater harvesting tanks from DWS

10 rainwater harvesting tanks COGTA

15 rainwater harvesting tanks from SBDM

15 rainwater harvesting tanks from SANPARKS

Department of Water and Sanitation (DWS) assisted with the provision of 4 water tankers supplied by Randwater, 2 water tankers supplied by DWS and the Municipality procured and purchases two water tankers through the RBIG grant under the re-prioritisation of the grant. Water has been carted to areas affected by shortage in supply.

A drought mitigation plan was also submitted to the National Disaster Management Centre through COGTA to assist with the re-declaration of the drought. The Municipality is actively addressing the problem to the best of its ability, with the assistance from the Department of Water and Sanitation, COGTA and Sarah Baartman District Municipality.

CHALLENGES IN POPULATION AND BASIC NEEDS

Some of the main challenges in terms of Dr Beyers Naudé Municipality's growing population and increasing demand for basic services are:

- Consumers are not adhering to the water restrictions and as a result water usage is very high.
- Top 20 water users in all towns were identified for reduction in supply and the Mayor in the weekly notice of the "Mayor's Desk" requested the community to use water sparingly.
- High welfare dependency and serious social problems (e.g. unemployment and substance abuse);
- The provision of suitable skills development and training, as well as the creation of sufficient and sustainable employment opportunities, especially amongst the unemployed Youth; Plumbers were trained by DWS to assist with water leaks in the Municipal area.
- Addressing the current housing backlog adequately in order to reduce and eventually eradicate the number of unserviced informal households; Additional water and sanitation services were provided to informal settlements in Graaff-Reinet.
- Loadshedding was experienced and created electricity problems that contributed to water supply and sewer spillages. The town of Jansenville required their maximum demand to be upgraded by Eskom and 119

beneficiaries benefited from non-grid electricity in Vondeling, Baviaanskloof with the support of DOE. Informal settlements have grown and most dwellings do not comply with legal requirements for the provision of safe electrical installations. Some settlements are serviced by Eskom.

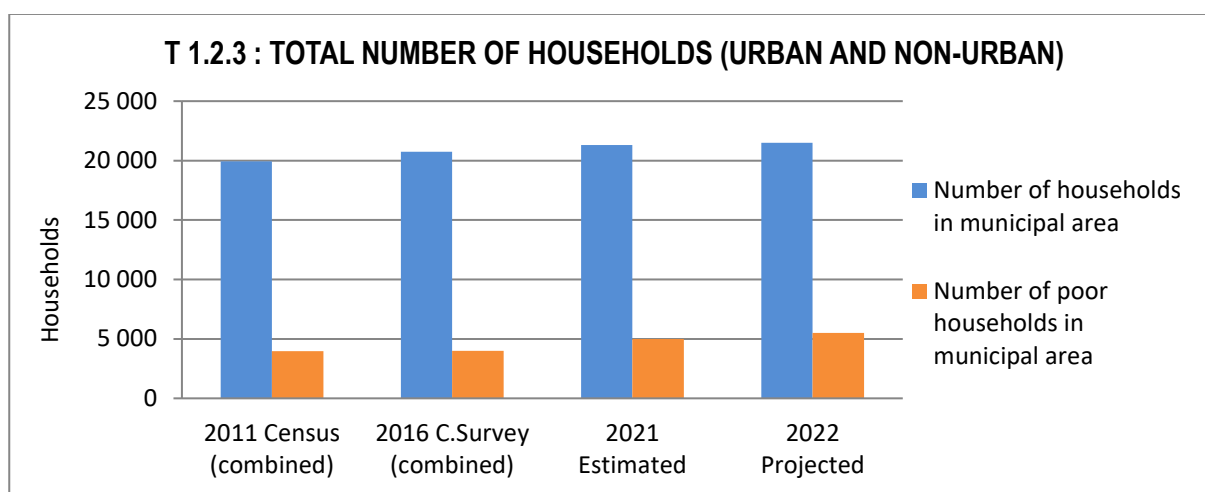
- All towns experienced water supply challenges which are being addressed through grant-funded capital infrastructure projects and operation and maintenance. Funding from DWS under RBIG, WSIG during 2020/21 FY was utilized for addressing water challenges. The Municipality has been exploring ways and means of finding solutions for managing its scarce water resources more effectively and economically. Stringent water restrictions are in place. Defective water meters have been replaced in residential areas and bulk meters were installed.
- Over the past few years there have been issues with sewage pump and reticulation systems – mainly as a result of having to carry higher volumes, large objects being disposed of in and blocking the system, vandalism and ageing infrastructure. The Municipality implemented the Refurbishment of sewer pump stations and completed 3 sewer pump stations during the financial year. The project is funded under the Municipal Infrastructure Grant.
- An increase of vandalism has been observed in Municipal Infrastructure at a huge cost to the Municipality and its residents, as well as disruptions in service delivery. Mainly electricity, water and sanitation infrastructure were vandalised.
- Aging infrastructure also remains a challenge.
- Water losses as reflected in the IDP amounted to 47%, and the Municipality is proud to report that water losses for the financial year ending 30 June 2021 has been reduced to 38%.
- Electricity losses has also been reduced from 17% to 12% for the financial year ending 30 June 2021.

IMPACT OF AUGUST 2016 MUNICIPAL AMALGAMATIONS

The amalgamation of Camdeboo, Baviaans and Ikwezi Local Municipalities has created a very extensive Municipal area (49% of the District surface), with vast distances between main and subsidiary places. 14 Wards were delimited, of which some are extremely large. This factor, as well as inner boundaries between towns, suburbs and settlements, has created spatially divided communities. All three Municipalities were experiencing financial difficulties before the amalgamations and the situation became much worse after the amalgamations. Another delimitation of Ward boundaries took place during 2020/21, and the 14 Wards of Dr Beyers Naudé Local Municipality have been reduced to 12 by the Municipal Demarcation Board and come into effect after the next LG Elections, scheduled to take place on 1 November 2021. This will not improve the Municipality's dire situation and more focussed support is required to overcome these challenges.

T 1.2.2 : POPULATION DETAILS									
(Figures are given in units of a Thousand)									
Age	Year -2 : 2011 StatsSA Census (Former LMs combined)			Year -1 : 2016 StatsSA Community Survey (CS) (Former LMs combined at 3.66%)			Year 0 : 2021 Estimated (at adjusted p.a. growth estimate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	4,218	4,185	8,403	4,370	4,470	8,840	4,550	4,650	9,200
Age: 5 - 9	3,969	4,027	7,996	4,110	4,160	8,270	4,275	4,325	8,600
Age: 10 - 19	7,619	7,429	15,048	7,885	7,685	15,570	8,205	7,990	16,195
Age: 20 - 29	6,420	6,284	12,704	6,647	6,502	13,149	6,910	6,760	13,670
Age: 30 - 39	4,924	5,211	10,135	5,100	5,400	10,500	5,310	5,615	10,925
Age: 40 - 49	4,582	4,946	9,528	4,740	5,120	9,860	4,930	5,330	10,260
Age: 50 - 59	3,453	3,964	7,417	3,570	4,100	7,670	3,715	4,265	7,980
Age: 60 - 69	2,106	2,567	4,673	2,180	2,658	4,838	2,270	2,765	5,035
Age: 70+	1,305	2,082	3,387	1,350	2,150	3,500	1,395	2,240	3,635
TOTAL	38,596	40,695	79,291	39,952	42,245	82,197	41,560	43,940	85,500

NB : Above Census and CS data was calculated by combining the figures of former Camdeboo, Ikwezi and Baviaans Municipalities, from results released by StatsSA and a calculated projection for 2021. The 2016 Community Survey did not provide the same comprehensive breakdown per category as the 2011 Census, so the figures pertaining to the 2016 Community Survey are based on an average growth estimate per category.



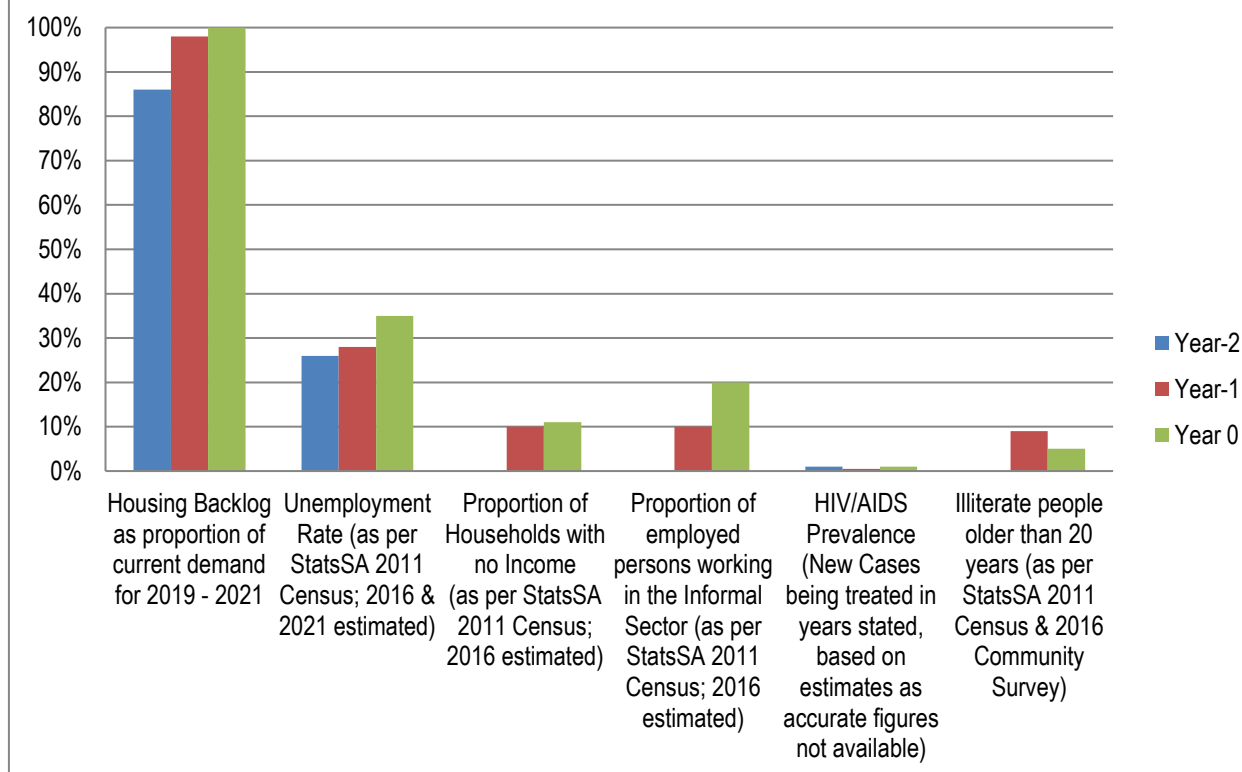
■ COMMENT ON POPULATION AND HOUSEHOLDS

More accurate figures in terms of population and household data will only become available after the next Census, scheduled to be held early 2022. In the meantime, the Municipality is relying on estimates and projections, that are being calculated with formulas made available by StatsSA on their SuperCROSS system. It is estimated (and projected) that the number of poor households have increased quite drastically, as a result of the severe impact that the COVID-19 Lockdown has had on our local economy, employment opportunities and household income. It is foreseen that this will continue well into 2022, before stabilizing and improving.

T 1.2.4 : SOCIO-ECONOMIC STATUS						
Year	Housing Backlog (as proportion of current demand for 2019 – 2021)	Unemployment Rate (as per StatsSA 2011 Census; 2016 & 2021 estimated)	Proportion of Households with no Income (as per StatsSA 2011 Census; 2016 estimated)	Proportion of employed persons working in the Informal Sector (as per StatsSA 2011 Census for Yr-1; 2016 estimated)	HIV/AIDS Prevalence (New Cases being treated in years stated, based on estimates as accurate figures not available)	Illiterate people older than 20 years (as per StatsSA 2011 Census and 2016 Community Survey)
Year -2	2019 : 10,124	2011 : 26%	N/A	N/A	2016 : 406	N/A
Year -1	2020 : 11,600	2016 : 28%	2011 : 10%	2011 : 10%	2017 : 393	2011 : 9%
Year 0	2021 : 11,778	2020: 35%	2016 : 11%	2016 : 20%	2019 : 421	2016 : 5%

■

T 1.2.5 : SOCIO-ECONOMIC STATUS



COMMENT ON POPULATION AND HOUSEHOLDS

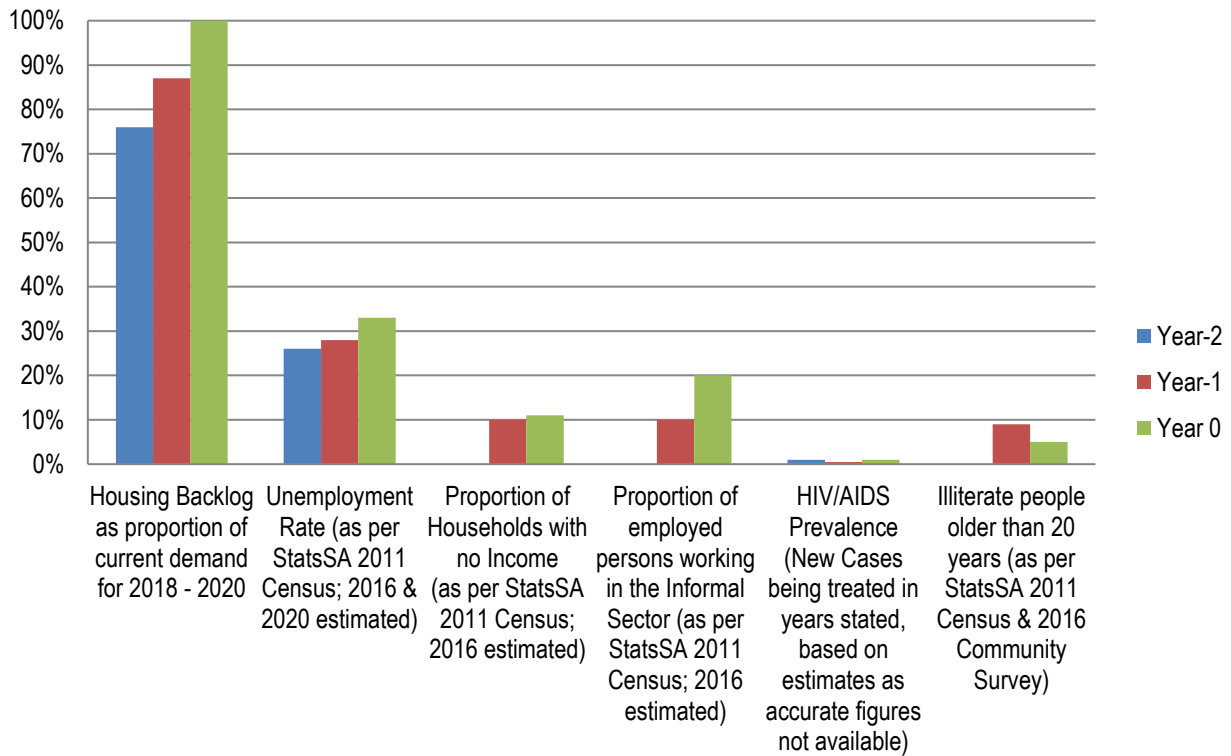
More accurate figures in terms of population and household data will only become available after the next Census, scheduled to be held in the latter half of 2021. In the meantime, the Municipality is relying on estimates and projections that are being calculated with formulas made available by StatsSA, on their SuperCROSS system. It is estimated (and projected) that the number of poor households have increased quite drastically as a result of the severe impact that the COVID-19 Lockdown has had on the local economy, employment and household income. It is foreseen that this will continue well into 2021, before stabilizing and improving.

T 1.2.4 SOCIO-ECONOMIC STATUS

Year	Housing Backlog (as proportion of current demand for 2018 – 2020)	Unemployment Rate (as per StatsSA 2011 Census; 2016 & 2020 estimated)	Proportion of Households with no Income (as per StatsSA 2011 Census; 2016 estimated)	Proportion of employed persons working in the Informal Sector (as per StatsSA 2011 Census for Yr-1; 2016 estimated)	HIV/AIDS Prevalence (New Cases being treated in years stated, based on estimates as accurate figures not available)	Illiterate people older than 20 years (as per StatsSA 2011 Census and 2016 Community Survey)
Year -2	2018 : 8,793	2011 : 26%	N/A	N/A	2016 : 406	N/A
Year -1	2019 : 10,124	2016 : 28%	2011 : 10%	2011 : 10%	2017 : 393	2011 : 9%
Year 0	2020 : 11,600	2020: 33%	2016 : 11%	2016 : 20%	2019 : 421	2016 : 5%

T 1.2.4

T 1.2.5 : SOCIO-ECONOMIC STATUS



COMMENT ON SOCIO-ECONOMIC STATUS

In general, the socio-economic conditions of residents in the Municipal area have improved over the years, with better access to basic services, educational and health care facilities. However, the demand for housing continues to grow, and unemployment is on the rise. COVID-19 has had a very negative impact on the local economy.

T 1.2.6 : OVERVIEW OF NEIGHBOURHOODS WITHIN DR BEYERS NAUDÉ MUNICIPALITY
(as per StatsSA Census 2011 data combined)

Settlement Type	Households	Population
TOWNS		
Graaff-Reinet (incl. Kroonvale)	5,932	26,585
Willowmore	1,938	7,673
Aberdeen	1,407	5,133
Klipplaat	618	2,214
Steytlerville	540	1,836
Nieu-Bethesda (incl. Pienaarsig)	318	1,540
Rietbron	378	1,184
Jansenville	347	1,134
Sub-Total	11,478	47,299
TOWNSHIPS		
Umasizakhe (Graaff-Reinet)	2,460	9,087
KwaZamukucinga (Jansenville)	1,172	4,479
Vuyolwethu (Willowmore)	656	2,184
Thembalesizwe (Aberdeen)	648	2,030
Wongaletu (Klipplaat)	256	750
Sub-Total	5,192	18,530
RURAL SETTLEMENTS		
Waterford	14	43
Non-urban settlements & farms	3,241	13,419
Sub-Total	3,255	13,462
INFORMAL SETTLEMENTS		
There are informal settlements in Graaff-Reinet (Umasizakhe and Asherville areas), Aberdeen, Nieu-Bethesda, Jansenville & Klipplaat. Their household and population figures were included in the listings above by StatsSA. Early in 2021, a total of 630 units were counted in the pockets of informal settlements situated within the Municipal area. Another audit is required.		
TOTAL	19,925	79,291

NB : Above figures were sourced from the Municipal Profiles on StatsSA's website, featuring the three former Municipalities of Camdeboo, Ikwezi & Baviaans. This detailed breakdown was not made available for the 2016 Community Survey, which consisted only of sampling in designated areas.

T 1.2.7 : NATURAL RESOURCES, CHALLENGES & OPPORTUNITIES	
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national grid.
Wind	Can be utilized extensively for wind power (turbines). Challenge : The systems are expensive to install and can be harmful to the environment (destroying bats and birds, cause noise pollution and have a detrimental impact on the area's pristine landscape, i.e. viewshed).
Water	Required for domestic, agricultural and industrial use. We have surface and underground water, but not in sustainable supply – heavily dependent on good annual rainfall, which in this semi-arid region of the Karoo is unreliable. Systems are systematically being upgraded for improved storage and reticulation capacity and new RDP houses will be fitted with gutters and rainwater tanks. Due to a prolonged drought the past few years, dam and underground water levels have dropped substantially and strict water restrictions were imposed during the year of reporting.
Land	The Dr Beyers Naudé Municipality Municipal area is about 28,690 km ² in extent and most of the land is utilized for agricultural purposes – one of our main economic drivers. Commonage land is quite extensive but is not being managed properly and serious land degradation is occurring. The Municipality has created a post on its Organizational Structure for an Officer to deal with this issue. Closer to the urban areas there is a big need for smaller tracts of land that can be utilized for agricultural purposes, and also a demand for sites that can be utilized for recreational, commercial and other purposes. The Town Planner has been investigating ways and means of addressing this need: it will receive more attention during the development of a new Spatial Development Framework.
Minerals (sand, clay, gravel and stone)	Sand, clay, gravel and stone is being mined for building new houses and road maintenance, but stricter monitoring is required to ensure that these resources are not being over-exploited. Critical problems are being experienced with one of the stone quarries being right on the northern boundary of the Camdeboo National Park and the threat of a proposed sand mine (large scale) on its eastern boundary, close to the mouth of the Sunday's River. There are serious concerns about the exploration and extraction of shale gas, as well as the mining of uranium within or close to the Municipal area.

T 1.2.8 COMMENT ON BACKGROUND

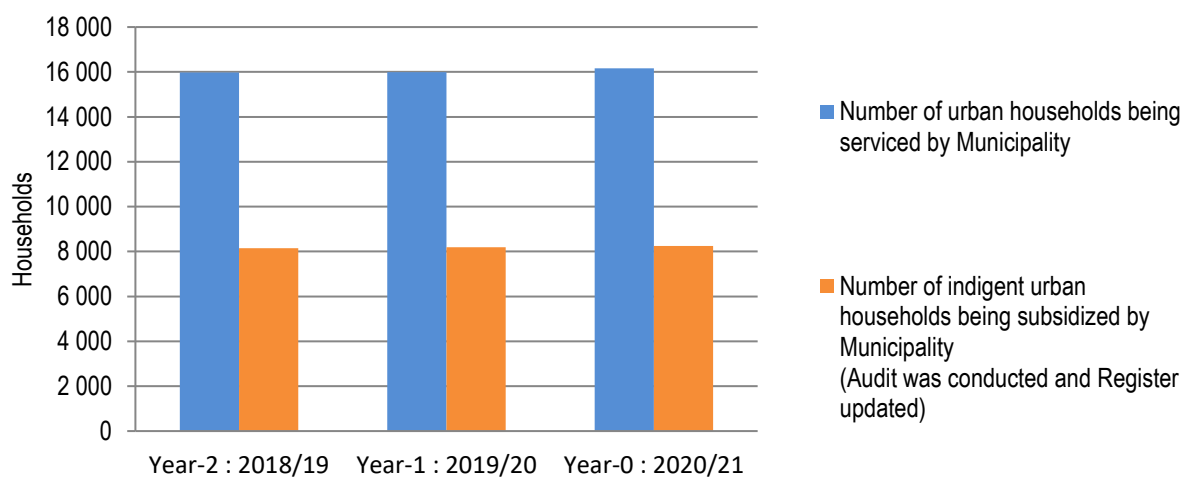
This narrative has been included under T 1.2.7 above.

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

T 1.3.1

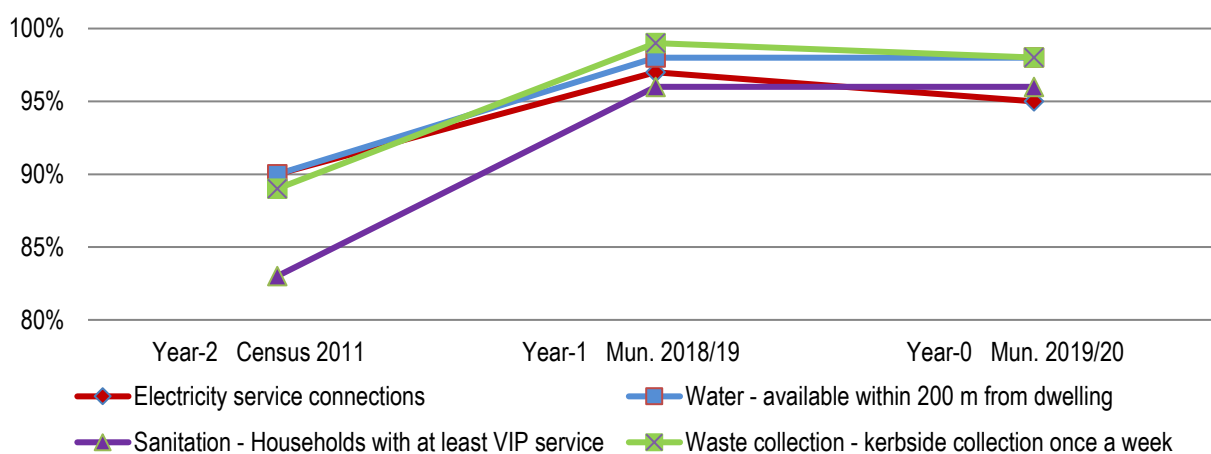
SUPPORT TO INDIGENT HOUSEHOLDS



COMMENT ON SUPPORT TO INDIGENT HOUSEHOLDS

During the year of reporting, the Municipality was servicing about 16,164 Domestic Consumer points in its urban areas, of which 51% was classified as Indigent Households, who qualified for subsidization of services.

T 1.3.2 : HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



COMMENT ON ACCESS TO BASIC SERVICES

Dr Beyers Naudé Municipality maintains a high level of basic service delivery, with the majority of urban households having access to Electricity, potable Water, Sanitation (mostly water-borne flush toilets) and a minimum of once-a-week refuse collection.

Kindly note that further on in the document, where reporting is done on Basic Services, distinction is made between service delivery to points as per the Municipality's Debtors' database, and access to these services by the broader community, of which the number of households are calculated as estimates, based on the growth trends in the Municipal area. In those instances, we indicate how many households are estimated to receive direct and indirect benefit from the applicable service.

T 1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The impact of the Covid-19 pandemic had severe consequences for the country, resulting in an economic, health and humanitarian crisis. This ripple effect resulted in a loss of revenue, thus negatively impacting on cashflows of municipality. The President announced the national lockdown on 23 March 2020 to be effective from 27 March 2020. The subsequent restrictions imposed by the lockdown regulations had a profound impact on the economy of our country with business closing down resulting in a significant increase in unemployment. By the end of June 2021 the substantial reduction in economic activity negatively impacted the ability of consumers and businesses to honour their municipal accounts.

The current economic climate for the country as a whole and more specifically the local municipal region makes it very difficult for the municipality to maintain a healthy financial position. As with many entities in local government, the Dr Beyers Naudé LM is also experiencing financial distress.

Actual operating revenue amounted to R399 million, whilst actual operating expenditure amounted to R507 million, resulting in an operating loss of R108 million. The Adjustments Budget for operating revenue during the 2020/21 financial year amounted to R643 million, whilst Adjustment Budget for operating expenditure amounted to R481 million, with an anticipated budgeted surplus of R 162 million.

The unfavourable revenue variance of R244 million was attributable to the following factors:

- a) Disposal of property as planned and approved by council did not materialize during the 2020/21 financial year. This accounts for R198 million
- b) This knock-on effect of Covid-19 pandemic on the SA economy resulted in a significant loss of revenue.
- c) The continuing drought had left some areas within the municipality without water supply; thus, consumption and billing were negatively affected.

The major contributing factor towards the over-expenditure is related to the Municipal debt impairment provision, directly linked to the low collection of debt by consumers. The current financial position as reflected above can further be illustrated by way of the following operational ratios:

- a) Liquidity ratios: The current ratio is 0.12:1 (2020: 0.12:1) far below the National Treasury norm of 2:1. The result reveals a deterioration from the previous financial year and confirms the current liquidity challenges the municipality is experiencing.
- b) Remuneration as a percentage of total operating expenses is at 35.7% (2019/20: 37.8%) is within the National treasury norm of 25% - 40% however is very high.

A major challenge experienced and remained during the past few years is related to the merger of the former three municipalities. The take-over of creditors' balance from the former municipalities placed significant strain on the financial position.

A contributing factor to the financial position is the low collection levels / poor payment patterns by debtors. The local economic activity places strain on consumers as the high unemployment specifically in our area does not seem to lower.

The drought mitigating factors implemented by the municipality should also be considered as stress on the financial position. The municipality has a direct mandate and responsibility towards each resident in the municipal area and, when faced with natural disasters such as the severe drought experienced over the past few years, causing surface water to dry up completely and also affecting our aquifers, no price can be put on humanity and the preserving the lives of everyone.

T 1.4.1

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	165 908	159 835	159 835
Taxes, Levies and tariffs	303 135	263 930	220 978
Other	32 024	212 948	18 462
Sub Total	501 067	643 713	399 275
Less: Expenditure	436 710	480 920	507 242
Net Total*	64 358	162 793	967)
* Note: surplus/(deficit) excluding actuarial gains			(107

T 1.4.2

Operating Ratios	
Detail	%
Remuneration as a percentage of operating expenditure	36%
Repairs & Maintenance	3%
Finance Charges & Impairment	13%
T 1.4.3	

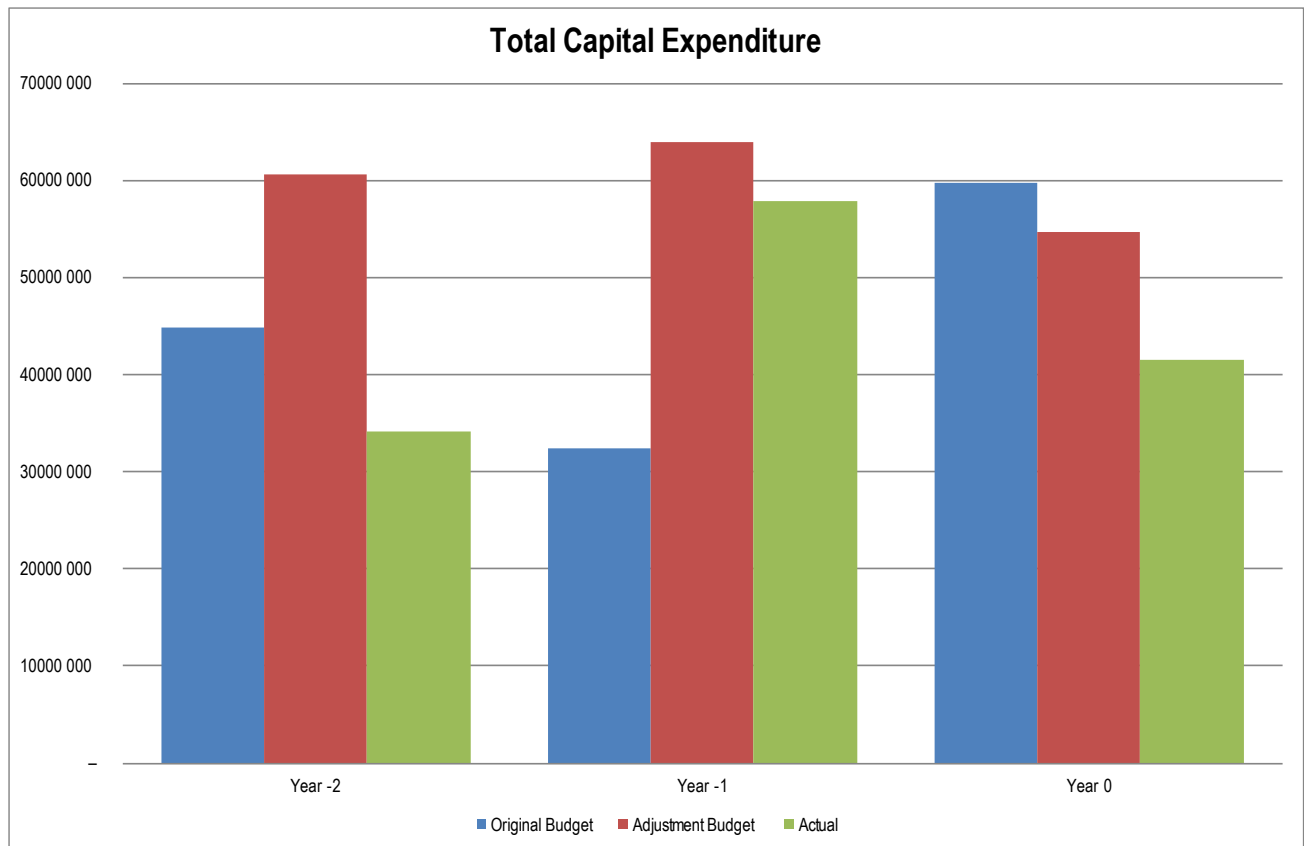
COMMENT ON OPERATING RATIOS

Remuneration as a percentage of total operating expenses is at 36% (2019/20: 38%) is within the National treasury norm of 25% - 40%

Repairs and maintenance are 1% of the carrying value of property, plant, and equipment (norm 8%). Repairs and maintenance were below the norm, because of cash flow challenges experienced by the municipality. The municipality is currently developing Repairs and Maintenance plans

Finance Charges and Impairment are 13% (norm 10%). Finance Charges and Impairment are above the norm, directly attributable to the inability to finance creditors. Eskom being the major contributor..

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	44 881	32 447	47 990
Adjustment Budget	60 681	63 940	57 486
Actual	34 215	59 548	41 558
			T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE

The municipality spent 72% of the adjusted capital budget for 2020/21 financial year. The variance is attributable to the timing difference for RBIG grants with the allocation of R17 million for projects spreading beyond our financial year. No unspent grants were kept at year end.

T 1.4.5.1

1.5 ORGANIZATIONAL DEVELOPMENT OVERVIEW

ORGANIZATIONAL DEVELOPMENT PERFORMANCE

Council adopted its organizational structure for the new entity, Dr Beyers Naudé Local Municipality, in September 2017. This was followed by a critical review during the year of reporting; the amended version was considered and approved by Council on 13/12/2018. Due process was followed in terms of extensive consultation with all stakeholders. The organogram consists of 1,052 positions of which 518 are filled, leaving 534 vacant positions.

The recruitment of staff to fill the vacant positions will be addressed by the Placement Process. The process unfolded in February 2019 – in line with the adopted Placement Policy. It was anticipated that placements would be finalised by April 2019, but unforeseen circumstances caused delays and the actual placing of staff was rescheduled to commence during the latter half of 2019. The vacancy rate on the organogram will then display a different picture, once the process is finalised.

The following should be noted:

- The positions of Director Corporate Services and Director Engineering and Planning became vacant during 2018/19 and the position for Director Community Services became vacant in 2019/2020 financial year.
- The recruitment process for these positions started September 2019.
- No new appointments were made for the year 2019/2020
- The process of Job Description writing and Job Evaluation of the positions on the organogram, will only commence once placement is finalised.
- The Human Resources division has 15 positions on the organogram with 8 permanent employees and 7 vacant positions.
- The employee turnover is mostly as a result of retirements and deaths.
- The Human Resources division had no capital expenditure for 2019/20.
- Ten HR policies were drafted, reviewed and adopted by Council in June 2019, of which the Leave Policy is one. The Leave Policy regulates the process of leave and sick leave, which is managed by all departments.
- There were six (6) suspensions for the year in question.
- Training and development of staff could not be implemented effectively for the year 2019/20, due to the financial constraints faced by the municipality. Training that was attended was funded by LGSETA.
- There were no employees whose salary levels exceeded the grades as determined by their Job Evaluation.

T 1.5.1

1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL REPORT: 2020/21

Audit Outcome

❖ *THE 2020/21 AUDIT REPORT IS ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT.*

T 1.6.1

1.7 STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's IDP & Budget 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 IDP & Budget implementation period. <i>Copy of updated Draft Interim 2022/23 IDP Process Plan included after T 1.7.1.1. Kindly note that the IDP process and other activities will be affected by the late date of the LG Elections, i.e. can only commence after 1 November 2021.</i>	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 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
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
12	Municipalities receive and start to address the Auditor-General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft IDP & Budget finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), as well as in-year reports. The contents will also assist with the annual audits. This report should be used as a decision-making tool by Municipalities.

Every Municipality and municipal entity must prepare an **Annual Performance Report**, which must form part of the Annual Report for each financial year – in accordance with Section 46 of the Municipal Systems Act 2000 (MSA) and the Municipal Finance Management Act 2003 (MFMA) section 121. The purpose of the Annual Report is:

- To provide a record of the activities of the Municipality or entity during the financial year to which the report relates;
- To provide a report on performance in service delivery and budget implementation for the financial year;
- To promote accountability to the local community for the decisions made throughout the year by the Municipality or municipal entity; and
- To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

T 1.7.1.1

❖ *THE 2020/21 ANNUAL PERFORMANCE REPORT IS ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT.*

SECTION 1.7 (1) : INTERIM 2022/23 IDP PROCESS PLAN (Item EXCO-093.2/21 on 03/08/2021)

2021	DATE	TIME	DR BEYERS NAUDÉ LM INTERIM 2022/23 IDP PROCESS PLAN : KEY ACTIVITIES (updated)	
July	TBC	TBC	SBDM Virtual IDP Consultation Meeting.	
July	Plans to be in place by 30 July		Preparation of Interim 2022/23 IDP Process Plan and 2022/23 MTREF Budget Time Schedule. Consult internally (BTO) and externally (SBDM & COGTA) for alignment of key activities. Table for adoption by end of August, at a Special Council Meeting.	
August	3 Thurs.	10:00	EXCO MEETING <ul style="list-style-type: none"> ▪ Consideration of Interim 2022/23 IDP Process Plan (noted and subject to possible postponement of the LG Elections). ▪ Consideration of 2022/23 MTREF Budget Time Schedule (not submitted). 	
August	24 Tues.	11:00	SPECIAL COUNCIL MEETING <ul style="list-style-type: none"> ▪ Tabling & adoption of 2022/23 MTREF Budget Time Schedule. ▪ Tabling of 2020/21 Annual Performance Report and 1st Draft Annual Report (unaudited). ▪ Tabling of Interim 2022/23 IDP Process Plan and District 2022/23 IDP Framework Plan (*subject to postponement of Elections). 	
Aug – Sept	Completed by 30 September		IDP Manager to prepare the 12 Ward Maps (new delimitations), in readiness for the 27 October 2021* Local Government Elections. Directly after the elections, the newly elected Ward Councillors are to be inducted and assisted with getting their Ward Committees in place. Ward-based Planning to commence as soon as is feasible. Situation Analysis of current and most recently reviewed and updated BNLM IDP (2021/22) and Community-Based Planning Report to be used as the basis to inform the new 5-year IDP and SDF.	
October	27 Wed.	Whole Day	LOCAL GOVERNMENT ELECTIONS	(NB : The possible postponement of Elections until Feb. 2022 has been announced. Should this be granted by the Constitutional Court, most processes and their dates will have to be adjusted.)
November	1 st Week	D & T TBC	INAUGURATION OF NEW COUNCIL – 1 st week of November, at venue to be confirmed (suggest Botanics)	
November	2 nd Week	2 – 3 days TBC	INDUCTION OF COUNCILLORS – Workshops, 2 nd week of November, in Auditorium. Presentations on IDP, Budget, IDP & Budget Process Plan, Standing Rules of Order, other statutory Plans, Policies and By-laws. (Roleplayers : MM, Corporate Services, Directors, IDP, PMS, IAE and relevant senior functionaries.)	
November	3 rd Week	D & T TBC	FIRST MEETING OF THE NEW COUNCIL – Special Council Meeting, 3 rd week of November, in Auditorium. Establishment of EXCO and other Committees of Council; Election of Speaker, Mayor and Deputy Mayor. Tabling and Adoption of 2021/22 IDP & MTREF Budget; 2022/23 IDP & Budget Process Plan; SBDM DDM / One Plan Framework; Standing Rules of Order; statutory Plans, Policies and By-laws.	
Nov - Dec	3 Weeks	TBC	ESTABLISHMENT OF WARD COMMITTEES (MM / Corporate Services / Ward Co-ordinator)	▪ 2022/23 Budget Process already underway. BSC meetings, etc.
December	8 Wed.	10:00	IDP REPRESENTATIVE FORUM MEETING Launch of new 5-year IDP development process.	
December	16 - 31 (TBC)	-	COUNCIL IN RECESS	<ul style="list-style-type: none"> ▪ 2nd Draft 2020/21 Annual Report to be prepared for tabling by end of January 2022. ▪ Quarterly SDBIP and other In-Year Reports to be submitted when due, throughout FY.

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2022	DATE	TIME	DR BEYERS NAUDÉ LM INTERIM 2022/23 IDP PROCESS PLAN : KEY ACTIVITIES (updated)	
January	10 - 31	Full day	COMMUNITY-BASED PLANNING WORKSHOPS IN ALL 12 WARDS Use Existing reviewed Ward-Based Plans for informing the process, with possibility of carrying forward Ward Development Priorities still requiring attention. Request assistance of SBDM and COGTA with workshops. 2 – 3 Teams; 1 – 2 day programme per Ward.	
February	9 Wed.	10:00	IDP STEERING COMMITTEE MEETING Present and discuss outcomes of CBP workshops and critical priorities to be considered in Budget planning and SDF review. Discuss Draft IDP Project Register and alignment of Budget with Ward and Institutional Development Priorities. Alignment between BNLM IDP and SBDM's DDM / One Plan Strategies and Priorities (to inform and direct BNLM's new 5-year IDP).	
February	23 Wed.	10:00	IDP REPRESENTATIVE FORUM MEETING Present CBP Report and highlight issues requiring Sector Dept intervention. Sector Dept. submissions / presentations.	
March	TBC	TBC	SBDM IDP Consultation Meeting / IDP RF Meeting	▪ Budget-related activities such as BSC Meetings and Budget workshops to be taking place between January & March 2022.
March	9 Wed.	10:00	IDP STEERING COMMITTEE Report on progress with development of new IDP; Draft Project Register and readiness for tabling to Council.	
March	16 / 17 TBC	TBC	EXCO Meeting To consider Draft 2022 – 2027 IDP & 2022/23 MTREF Budget before they are tabled to Council for adoption the following week.	
March	24 Thurs.	11:00	SPECIAL COUNCIL MEETING (or ORDINARY, *depending on what is scheduled) ▪ Tabling and Adoption of Draft 2022 – 2027 IDP (1 st Edition for 2022/23). ▪ Tabling and Adoption of Draft 2022/23 MTREF Budget. ▪ Adoption of final 2020/21 Annual Report and Oversight Report (after conclusion of Public Engagements).	
April	Starts 2 April Ends 28 April		MAYORAL OUTREACH MEETINGS To introduce Draft IDP & Budget to the Communities of Wards 1 – 12. 21-Day Public Inspection & Comments period running concurrently and ending on 29 April 2022 (deadline for submissions).	
May	4 Wed.	10:00	IDP STEERING COMMITTEE MEETING Discuss results of Mayoral Outreach and comments received. Present final amendments to IDP and report on final alignments.	
May	11 Wed.	10:00	IDP REPRESENTATIVE FORUM MEETING Report on Mayoral Outreach, final amended IDP and Sector alignment input.	
May	TBC	TBC	SBDM IDP Consultation Meeting / IDP RF Meeting	▪ Budget-related activities such as BSC Meetings and Budget workshops to be taking place between April & May 2022.
May	18 / 19 TBC	TBC	EXCO Meeting To consider final 2022 – 2027 IDP & 2022/23 MTREF Budget before they are referred to Council for final approval the following week.	
May	26 Thurs.	11:00	SPECIAL COUNCIL MEETING (or ORDINARY, *depending on what is scheduled) ▪ Approval of final 2022 – 2027 IDP (1 st Edition for 2022/23). ▪ Approval of final 2022/23 MTREF Budget, Rates, Tariffs & Financial Policies.	



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CHAPTER 2

GOVERNANCE



INTRODUCTION TO 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.

Dr Beyers Naudé Local Municipality strives to achieve, within its financial and administrative capacity, the objectives set out in Section 1 of Chapter 7 of the Constitution. It is a Category B Municipality – as defined in the Municipal Structures Act (Act 117/98). The Council functions as a collective executive system, combined with a Ward participatory system. A collective executive system limits the exercise of executive authority to the Municipal Council itself and a Ward participatory system allows for matters of local concern to be dealt with by Ward Committees. Council takes its mandate from Section 152 of the Constitution, which is to achieve the objectives of a developmental Local Government.

Council approved an Administrative Structure through its staff establishment to ensure that all Council resolutions are implemented diligently. The staff establishment consists of an Institutional Structure (Organogram) with all posts included, to deliver on the mandate of Council, that includes the macro and micro structure (Senior Management, middle management and other staff) – in line with the human resources needs of Council to implement the IDP.

Council is also dependent on sound inter-governmental relations with the other spheres of government to ensure integrated planning and resource mobilization for significant impact on the community. All decision-making is reliant on the effective participation of the residents and the responsiveness of the Council and its Administration to ensure public accountability. Dr Beyers Naudé Local Municipality worked with the community during the 2020/21 financial year through Mayoral Outreach meetings, Ward Community meetings, Ward Committee meetings, as well as stakeholder meetings through the IDP process and IDP Representative forum meetings. Co-operation from CDWs is not good and has to improve.

T 2.0.1

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE**INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

As a Developmental Local Government, the Council and the Administration of the Municipality have a close and healthy working relationship, with the interests and needs of the Community central to all decisions and areas of service delivery. All business conducted is with the focus on achieving the ideal state as enshrined in Council's shared Vision statement, and giving effect to the undertakings in its Mission statement – as contained in the 2017- 2022 Integrated Development Plan. Very few service delivery protests are experienced as a result.

T 2.1.0

2.1 POLITICAL GOVERNANCE**INTRODUCTION TO POLITICAL GOVERNANCE**

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

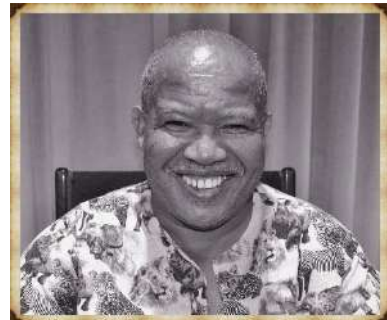
Council has an Executive Committee and four (4) Standing Committees, all of which meet as per the Year Planner. There are several sub-committees, but more training is needed to improve their functioning. Ordinary and Special Council meetings sit as scheduled – in accordance with the year planner. The Rules of Order, Delegations Register and the Code of Conduct are all in place.

An Internal Audit Committee and Oversight Committee are in place and functioning. A Municipal Public Accounts Committee (MPAC) has also been established but has indicated that more training and administrative support is needed. Monthly, quarterly, mid-year and annual reporting is done in accordance with the applicable regulations.

Council has a sound and healthy relationship with its Administration and Organized Labour.

MAYOR
Councillor Deon de Vos

Political Head, Chairperson of EXCO and IDP
Representative Forum



SPEAKER
Councillor Thembisa Nonnies

Chairperson of Council Meetings



ANC CHIEF WHIP
Councillor Dudu Booyesen



DA WHIP
Councillor Eldan Carolus



DR BEYERS NAUDÉ LOCAL MUNICIPALITY TROIKA

The Speaker, Cllr Nonnies

The Mayor, Cllr De Vos

Chief Whip, Cllr Booysen



EXECUTIVE COMMITTEE MEMBERS

- Cllr Deon De Vos : Mayor and Chairperson of EXCO
- Cllr Pieter (Penn) Koeberg : Chairperson of Engineering and Planning Standing Committee
- Cllr Eldridge Ruiters: Chairperson of Corporate Services Standing Committee
- Cllr Ewald Look : Chairperson of Budget and Treasury Standing Committee
- Cllr Notizi Vanda : Chairperson of Community Services Standing Committee

T 2.1.1

COUNCILLORS

Dr Beyers Naudé Local Municipality has a total of 27 Councillors, of which 14 are elected Ward Councillors and 13 PR Councillors, appointed on a proportional basis. Only two Councillors serve in a full-time capacity, namely the Mayor and the Speaker. **Appendices A and B** contain more detailed information about the Councillors and their attendance of meetings.

POLITICAL DECISION-TAKING

Council has four (4) Standing / Portfolio Committees that submit reports with their recommendations to the Executive Committee which, after considering the reports received from the Portfolio Committees, forward these reports to Council for a final decision. Council may delegate certain powers to any of its committees. These powers can also be withdrawn by Council at any time.

Committees therefore give assistance to Council, to ensure effective decision-making. Council's decision-making process is also influenced by inputs and advice received from the community through Ward Committees. There are fourteen (14) Ward Committees, chaired by their Ward Councillors and made up of elected community members, each filling a specific portfolio. CDWs serve on these structures in an *ex officio* capacity. To make them function most effectively, Ward Committees should ideally meet on a monthly basis, but due to various challenges and constraints, are not able to do so. Some matters are lifted from their meetings and referred to the Portfolio and Executive Committees, and ultimately to the Council Agenda, for consideration. The

Municipality's Administration is tasked with the implementation of such Council decisions in the shortest period of time, after resolutions have been taken.

T 2.1.3

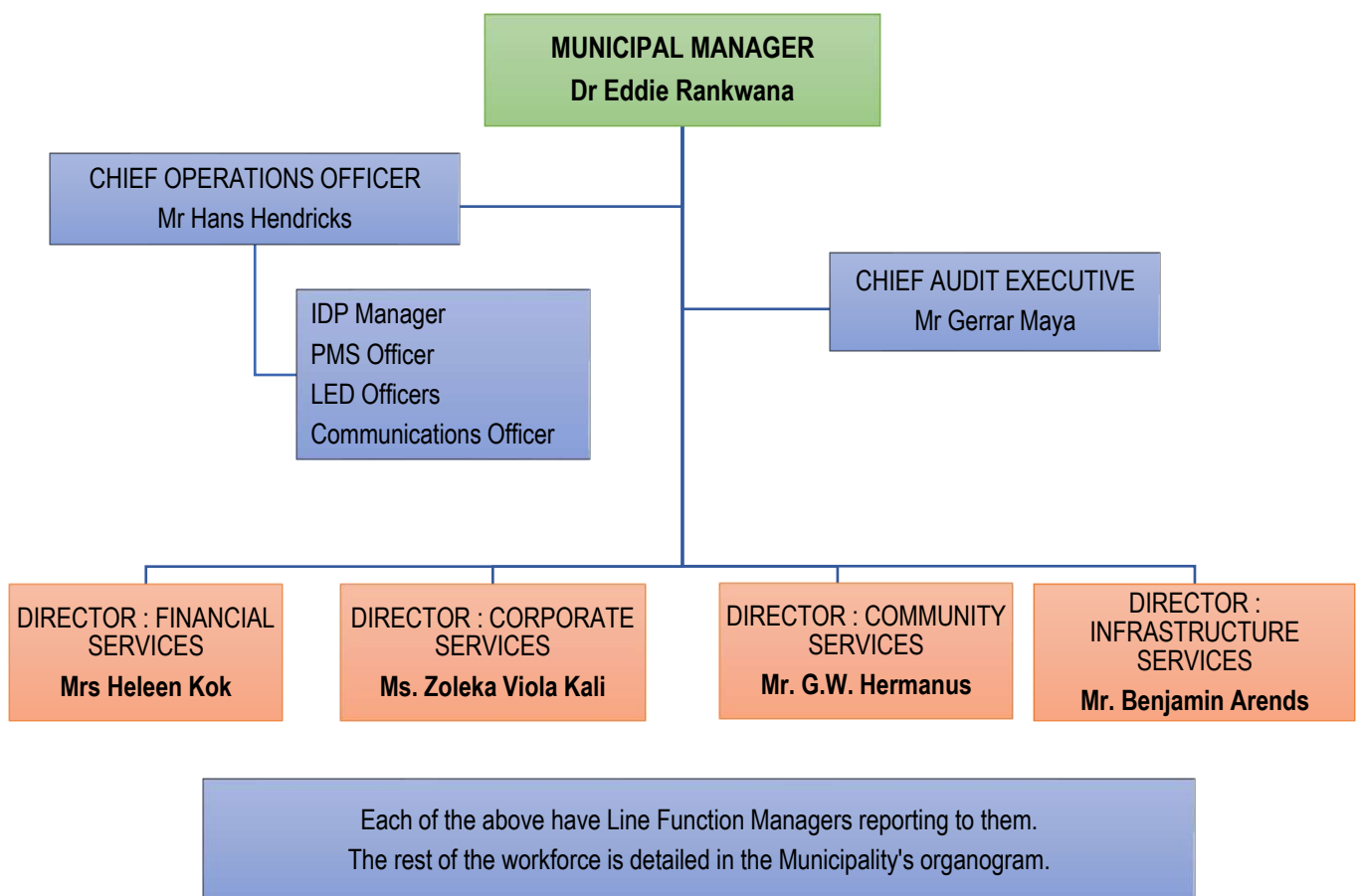
2.2 ADMINISTRATIVE GOVERNANCE

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.

Dr Beyers Naudé Municipality has a top structure consisting of a Municipal Manager (fixed term Section 57 appointee) and four (4) Directors (fixed term Section 56 appointees). Each Directorate has specific line functions attached to it, with Line Function (Departmental) Managers reporting to them. Area and Satellite Offices report to the Director of Corporate Services, but also liaise closely with the respective Directorates and their Departments.

T 2.2.1



Appendix C contains more details about the top Administrative structure.

COMPONENT B : INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations are of utmost importance to Dr Beyers Naudé Local Municipality. The Council operates within the confines of the Intergovernmental Framework Act and Chapter 3 of the Constitution of the Republic of South Africa to ensure good relations with all spheres of government in the interests of the community. There is a local IGR Forum in place, with the aim of bringing all sectors and departments of Provincial and National Government together to plan for development in the Dr Beyers Naudé Local Municipality's area of jurisdiction. The representatives of the IGR Forum provide information on programs and projects earmarked for the municipal area.

Dr Beyers Naudé Local Municipality is also represented on the Sarah Baartman District Municipal IGR Forum to meet with National and Provincial Governments Departments, where Senior Officials attend with the objective of the alignment of the National Development Plan, the Provincial Growth and Development Strategy and the District IDP and the Municipal IDPs.

The IGR Forums provide relevant information from the two other spheres of government to the Municipality to include the Municipal IDP and ensure a seamless integrated development process with significant impact for the local community.

The MEC for Co-operative Governance and Traditional Affairs in the Province of the Eastern Cape also convenes a MuniMec Meeting for Mayors and Municipal Managers to interact on the Key Performance Areas of government, as well as using this platform to address issues related to IGR.

The Municipal IGR Forum did not meet regularly in **2020/21** and this will receive attention, going forward.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Dr Beyers Naudé Local Municipality has a representative attending the IGR meetings conducted by SALGA.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Dr Beyers Naudé Local Municipality sometimes has quarterly IGR meetings with the different Sector Departments.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

A District Development Agency, namely Cacadu Development Agency, was established by Sarah Baartman District Municipality, to assist the Local Municipalities within the district with local economic development. Dr Beyers Naudé Local Municipality has no municipal entities.

T 2.3.3

DISTRICT INTERGOVERNMENTAL RELATIONS

District Intergovernmental Relations meetings are convened by the Sarah Baartman District Municipality. The local Intergovernmental Relations Forum has not been very effective and active during the financial year under review. There were no quarterly meetings held between the Municipality and Sector Departments.

The relationship between the Sector Departments and the Municipality is stable but needs to improve. The Municipality works with Provincial and district Departments, especially the Office of the Premier and Departments such as DSRAC, Rural Development, Social Development and Human Settlements.

T 2.3.4

COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

1. INTRODUCTION

The Speaker is responsible for managing and co-ordinating Ward Committees and public participation within Dr Beyers Naudé Local Municipality. The aim is to strengthen good governance, public participation and involve communities through public participation programmes.

2. CURRENT PUBLIC PARTICIPATION STRUCTURES

- Council Meetings
- Mayoral Road Shows
- Ward Committees
- SPU Forums
- IDP Representative Forum
- Specific Project Steering Committees

3. PUBLIC PARTICIPATION UNITS

- IDP Unit
- Ward Co-ordinator Unit
- Special Programmes Unit
- Communications Unit
- Customer Care Unit
- Free Basic Services Unit

4. STATUS AND FUNCTIONALITY OF WARD COMMITTEES AS WELL AS PROCESSING OF WARD COMMITTEE REPORTS

Dr Beyer's Naudé Local Municipality consists of 14 wards. Ward Committees have been established throughout Dr Beyers Naudé Local Municipality. All Ward Committees are functional as they send Ward Committee reports through their Ward Councillor to the Office of the Speaker. All issues raised by Ward Committees were included on a template which was then circulated to all Directorates to comment or give inputs on matters concerning their Directorate and Departments. All issues which relate to sector departments are raised in the IGR but sadly few states departments do attend these meetings. A memorandum on issues which relate to sector departments is directly sent to them.

Mr Mandla Mpempe from MML Consulting cc has submitted a proposal for Ward Committee training to LGSETA on behalf of the Municipality. The outcome of that request is awaited.

5. WARD COMMITTEE VACANCIES

The following wards have vacant positions on their Ward Committees:

WARD NUMBER	VACANCIES
2	1
3	2
5	3
6	6
8	1
12	3

6. REPORTING MANAGEMENT OF COMMUNITY DEVELOPMENT WORKERS (CDW's) IN MUNICIPALITIES

CDWs are not reporting directly to the Ward Co –Ordinator who is part of the meetings when they report to COGTA officials or during quarterly assessments. CDWs are governed by the Public Service Act 1994. The Municipality assists from time to time by providing access to venues for their meetings as well as making other resources available to enable them to do their work. There are currently 9 CDWs deployed in the Municipality. They are not deployed according to the new Municipal Boundaries. CDWs assist in compiling ward profiles and also help in the verification of IGG applications. However, where there is no CDW, this becomes a challenge for the Municipality. CDW vacancies were advertised back in 2016 but were never filled.

CDWs are based as follows:

- 1 in Aberdeen
- in Graaff-Reinet
- in Klipplaat
- in Jansenville
- 1 in Willowmore

The table below illustrates current CDW's per ward

WARD NUMBER	TOWN	LOCATION	CDW – Y/N	NAME OF CDW
1	Aberdeen	Thembalesizwe & Lotusville	Y	Nontuthuzelo Poswa
2	Graaff-Reinet & Nieu- Bethesda	Horseshoe & Nieu Bethesda	N	
3	Graaff-Reinet	Asherville	Y	Amelia Booyesn
4	Graaff-Reinet	Part of Umasizakhe & Cypress Groove	N	
5	Graaff-Reinet	Kroonvale	Y	Sharon Jooste
6	Graaff-Reinet	Part of Umasizakhe	N	
7	Aberdeen & Adendorp	Aberdeen & Adendorp	N	
8	Willowmore	Willowmore, Rietbron & Baviaans Kloof	N	
9	Willowmore	Hillview	N	
10	Klipplaat	Klipplaat	Y (2)	Lindiswa Stokwe & Lusinda Yawa
11	Jansenville	Jansenville	Y (2), One has taken early retirement	Nolubabalo Ngqeza
12	Steytlerville	Steytlerville central, Wolwefontein & surrounding farms	N	
13	Willowmore & part of Steytlerville	Morningside, Humsville, Miller, Ramaphosa, Hillside, Spogerville, Cuba & 3 farms	Y	Abel Devos
14	Graaff-Reinet	Part of Kroonvale & Asherville	Y	Fred Finnis

7. STATE OF PUBLIC PARTICIPATION & PETITION MANAGEMENT PROCESS IN THE MUNICIPALITY

Petitions Policy has been adopted and approved by Council on the 4th August 2021.

Public Participation Policies has been adopted and by Council on the 31st of March 2021 before the end of the reporting period.

8. WARD OPERATIONAL PLANS

A Ward Operational Plan has been adopted and approved on 31st March 2021.

9. WAR ROOMS

War Rooms are dysfunctional in all Wards.

10. CHALLENGES

- No fully functional Public Participation Unit,

- Outstanding MOU between COGTA & Dr Beyer's Naudé LM in regard to CDWs.

11. WORKABLE SOLUTIONS

- The Speaker to take up the matter of the CDW vacancies and the MOU in relation to the CDWs with COGTA as a matter of urgency,

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The objective of communication is to use it as a tool to facilitate developmental roles by encouraging a culture of stakeholder participation for democratic governance, thus keeping stakeholders, both internal and external, abreast of any and all developments surrounding the Municipality. The ultimate aim is to build and strengthen the Municipality's reputation and stakeholder relationships.

The intent of the Communications Office is to reach internal stakeholders, i.e. employee's, Councillors, and labour unions, as well as external stakeholders that include communities within the municipal jurisdiction, organized stakeholder groups operating in the Municipality's area of jurisdiction and South African government departments.

The carriers of communication include the Mayor, Municipal Manager, Councillors, Communication staff and heads of departments.

The tools that are most appropriate for communicating with the target audience include electronic and digital channels (i.e. the municipal website); commercial media (i.e. national, provincial and local newspapers and television); social media (i.e. Facebook, Twitter and Instagram); advertising and advertorials; municipal publications (i.e. annual report, newsletter and notices); and events and platforms (i.e. council meetings, staff meetings, stakeholder meetings).

T 2.4.1

WARD COMMITTEES

The objective of a Ward Committee is to enhance participatory democracy in Local Government, as public participation is considered one of the key tenets of democratic governance in South Africa. A Ward Committee has the power to make recommendations on any matters affecting its Ward through the Ward Councillors to the Municipal Council.

In response to the constitutional directive to involve communities in decision-making and ensuring services are brought to the people, Ward Committees have been in the forefront in mobilizing communities for free basic services and in Community-Based Planning. Ward Committees, as the mouthpiece of the community, have been reporting service delivery issues, be it Local, Provincial or National Government matters.

14 Ward Committees were established by the Municipality, to serve as participatory structures and to be the formal, unbiased communication channels of the community, as well as to create co-operative partnerships between the community and the Council.

Ward Committees make recommendations through the Ward Councillor to Council to assist the Council in its work; express dissatisfaction of non-performance; advise and make recommendations on policy affecting residents and Wards; spread information concerning Municipal affairs such as the Budget, IDP, Service Delivery options and Municipal properties; receive queries and complaints; ensure participation of the community in

service payment campaigns; inform communities about the IDP and Budget processes, decisions on Municipal service provision and by-laws, etc. The Ward Committees must act in the best interests of the community.

Appendix E of this Annual Report provides more information on Ward Committee Governance, while **Appendix F** provides more information on performance in terms of addressing the four most important Development Priorities per Ward.

T 2.4.2

WARD COMMITTEE & COMMUNITY PUBLIC PARTICIPATION MEETINGS						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
4TH REVIEW OF 2017 - 2022 IDP FOR DR BEYERS NAUDÉ LOCAL MUNICIPALITY : ANALYSIS PHASE ❖ WARD-BASED PUBLIC PARTICIPATION MEETINGS FOR REVIEW OF WARD DEVELOPMENT PRIORITIES						
WARD 1 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	19/08/2020	Ward Cllr, Committee members & CDW	IDP Manager	11	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 2 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	24/08/2020 & 10/09/2020	Ward Cllr & Committee members	IDP Manager	5 & 4	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 3 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	31/08/2020	Ward Cllr & Committee members	IDP Manager	7	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 4 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	21/08/2020	Ward Cllr & Committee members	IDP Manager	7	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 5 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	26/08/2020	Ward Cllr & Committee members	IDP Manager	7	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.

					Sector Dept. Officials).	discussion with their Committees & feedback to Community.
WARD 6 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	27/08/2020	Ward Cllr & Committee members	IDP Manager	4	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 7 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	18/08/2020	Ward Cllr & Committee members	IDP Manager	9	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 8 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	14/09/2020	Ward Cllr & Committee members	IDP Manager & HD/PM Officer (Willowmore)	12	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 9 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	15/08/2020	Ward Cllr & Committee members	IDP Manager & HD/PM Officer (Willowmore)	9	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 10 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	03/09/2020	Ward Cllr, Committee members & CDW	IDP Manager	8	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 11 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	03/09/2020	Ward Cllr & Committee members	IDP Manager	7	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 12 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	15/09/2020	Ward Cllr & Committee members	IDP Manager & HD/PM Officer (Willowmore)	6 + 2	Yes, interactive discussions & input received (from Committee members as well as Municipal &	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for

					Sector Dept. Officials).	discussion with their Committees & feedback to Community.
WARD 13 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	16/09/2020	Ward Cllr & Committee members	IDP Manager	10	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
WARD 14 CBP Meeting with Ward Committee (Review of Ward Dev. Priorities)	27/08/2020	Ward Cllr & Committee members	IDP Manager	8	Yes, interactive discussions & input received (from Committee members as well as Municipal & Sector Dept. Officials).	Report was discussed at IDP SC meetings on 30/09/2020 & 03/12/2020. Also referred to IDP RF on 18/11/2020. Final updated Report was sent to all Ward Cllrs on 12/11/2020 for discussion with their Committees & feedback to Community.
MAYORAL OUTREACH TO ALL 14 WARDS TO INTRODUCE DRAFT 2021/22 IDP, KPIs AND TARGETS, DRAFT 2021/22 BUDGET, RATES & TARIFFS – CONTINUATION OF PUBLIC PARTICIPATION PROGRAMME						
WARD 1 Mayoral Outreach	15/04/2021	Mayor, Speaker, Ward & PR Cllrs	IDP Manager, Directors, Area Office Co-ordinator & other Snr Officials	70 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 2 Mayoral Outreach	13/04/2021 22/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors, Area Office Co-ordinator & other Snr Officials	60 20 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 3 Mayoral Outreach	10/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors and other Snr Officials	75	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 4 Mayoral Outreach	28/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors and other Snr Officials	30	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 5 Mayoral Outreach	21/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors and other Snr Officials	50 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 6 Mayoral Outreach	29/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors and other Snr Officials	15	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 7 Mayoral Outreach	15/04/2021 22/04/2021	Mayor, Speaker, Ward & PR Cllrs	IDP Manager, Directors, Area Office Co-ordinator & other Snr Officials	70 20 (both were combined meetings)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 8 Mayoral Outreach	06/04/2021 07/04/2021 23/04/2021	Mayor, Ward & PR Cllrs	Area Office Co-ordinator, Acting CFO and HD / PM Officer	11 (WM) 25 (RB) 14 (Kloof)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.

WARD 9 Mayoral Outreach	07/04/2021	Mayor, Ward & PR Cllrs	Area Office Co- ordinator and HD / PM Officer	18 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 10 Mayoral Outreach	14/04/2021	Mayor, Ward & PR Cllrs	Director of Infra. and HD / PM Officer	22	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 11 Mayoral Outreach	14/04/2021	Mayor, Ward & PR Cllrs	Acting CFO and HD / PM Officer	80	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 12 Mayoral Outreach	12/04/2021 (Wolwefon.) 12/04/2021 (Vuyolw.)	Mayor, Ward & PR Cllrs	Area Office Co- ordinator and HD / PM Officer	20 20	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 13 Mayoral Outreach	07/04/2021	Mayor, Ward & PR Cllrs	Area Office Co- ordinator and HD / PM Officer	18 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 14 Mayoral Outreach	20/04/2021 21/04/2021	Mayor, Ward & PR Cllrs	IDP Manager, Directors and other Snr Officials	55 50 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.

FREE BASIC SERVICES COMMUNITY OUTREACHES

**FBS OFFICER TO UPDATE INFORMATION BELOW WITH THAT APPLICABLE TO MEETINGS
HELD DURING PERIOD OF REPORTING (BETWEEN JULY 2020 AND JUNE 2021) – IF ANY**

WARD 1 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of indigent households
WARD 2 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 3 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 4 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 5 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 6 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 7 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Pamphlets Reregistration of Indigent households

WARD 8 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 9 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 10 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 11 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 12 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 13 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households
WARD 14 FBS Awareness		Ward Cllr	FBS Officer		No FBS Awareness for the period	Reregistration of Indigent households

Ward-based FBS Roadshows are held annually to inform communities about Free Basic Services, qualifying criteria and how to apply for subsidy on their monthly Municipal accounts. No FBS Roadshows was held for the period July 2020 – June 2021 due to Covid-19. Indigent applications at the offices continued.

T 2.4.3

DATES FOR MAYORAL OUTREACH: DRAFT 2021/2022 IDP & BUDGET SESSIONS

Ward	Date	Area (if ward is geographically divided)	Venue	Time
8	06 April 2021	Willowmore	Town Hall	14h00
9 & 13	06 April 2021	Willowmore	Kerrieblok Hall	17h00
8	07 April 2021	Rietbron	Community Hall	10h00
8	08 April 2021	Baviaanskloof	Several venues	To be announced
12	12 April 2021	Wolwefontein	Community Hall	10h00
12	12 April 2021	Steytlerville	Vuyolwetu Hall	13h00
12	12 April 2021	Steytlerville	Town hall	17h00
2	13 April 2021	Nieu Bethesda	Pienaarsig	15h00
10	14 April 2021	Klipplaat	Town Hall	14h00
11	14 April 2021	Jansenville	Popoyi Mejane	17h00
7	15 April 2021	Aberdeen	Library Hall	14h00
1	15 April 2021	Aberdeen	Kamdebo Primary Shool	17h00
3	19 April 2021	Koebergville and Asherville	Assembly of God Church	17h00
14	20 April 2021	Asherville and Santaville	Ryneveld Primary School	17h00
5 & 14	21 April 2021	Kroonvale	Alex Laing Hall	17h00
2 & 7	22 April 2021	Horseshoe and Adendorp	Auditorium	17h00
4	28 April 2021	Umasizakhe	Umasizakhe Community Hall	17h00
6	29 April 2021	Umasizakhe	Umasizakhe Community Hall	17h00

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Extensive consultations are held during the development and annual review of the Municipality's IDP. Public Participation meetings usually involve presentations on the process followed, legislative framework, explanations of how Ward Plans are developed, and to what extent there was community involvement in the identification, prioritization and review of Ward Development Priorities.

There are usually two rounds of IDP Public Participation engagements each year and all 14 Wards are visited and consulted. Ward Committees form part of the IDP consultations; they play an integral role in bringing forward the development aspirations of the Communities. These meetings assist in providing the Municipality and the respective Ward Councillors with a better understanding of the needs of the people they serve, and what the critical issues are that must be addressed; either by way of making provision in the planning of Capital Projects, or absorbing operational issues into the Municipality's annual maintenance programmes.

Whereas the country was in hard lockdown early last year, that prevented the annual Mayoral Outreach from taking place, the Municipality was in a position to embark on its programme of public meetings for the month of April 2021. COVID-19 protocols and associated regulations were strictly adhered to. All 14 Wards were visited and a total of 19 meetings were scheduled at various venues throughout the Municipal area. The draft 2021/22 IDP and Budget were presented and explained to the communities. The documents were available at various points for public inspection, including at Municipal Offices and on the Municipal website – for the full 21 days. Infographics were placed on notice boards and links to the documents were advertised widely in printed and digital media. Flyers were also handed out at the public participation meetings.

Communities are kept informed about Municipal issues (through various communication platforms) and take part in decision-making on developmental matters, as the critical needs and priorities that they are identifying,

are captured in the IDP and the Community-based Planning Report, both of which are reviewed and updated annually.

No political unrest occurred and the communities have a strong interest in the Municipal affairs.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

2.1 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES / NO
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of the Municipal Systems Act 32/2000	T 2.5.1

COMPONENT D : CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is a set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among many stakeholders involved and the goals for which the institution is governed. It also includes ethical leadership and citizenship, compliance with laws, rules and regulations, codes and standards, governance of risk, governance of IT, integrated reporting and disclosures, audit committee, MPAC, internal audit, governance of IGR and anti-corruption strategy and plan.

Dr Beyers Naudé Local Municipality does have some of these corporate governance structures in place and has strived to instil ethical behaviour and moral conduct, being monitored through the Audit Committee.

T 2.6.

2.2 RISK MANAGEMENT

RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk management is a vital component in any institution and no different in the Dr Beyers Naudé LM. Although not operating at the effectiveness desired, there has been some strides towards the operating effectiveness. The municipality appointed a Risk Management Officer in April 2019 who hit the ground running. The strategic risk assessment was completed, with the assistance of the Provincial Treasury. Updates are expected on a real time basis and the monitoring of implementation plans are done by the risk management officer.

T 2.6.1

2.3 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T 2.7.1

2.4 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Supply Chain Management (SCM) seeks to ensure proper flow of goods and services between the supplier/service provider and the municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money, expeditious and appropriate service delivery.

As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any administrative and fraudulent practices on the procurement front.

LEGISLATIVE REQUIREMENTS

Dr Beyers Naudé Local Municipality is committed to apply and create prescribed legislative environment pertaining Supply Chain Management by way of:

- The Constitution
- The Municipal Finance Management Act
- Regulations in terms of section 168 of the Municipal Finance Management Act
- Local Government Municipal Systems Act
- The Preferential Procurement Policy Framework Act
- The Prevention and Combating of Corrupt Activities Act
- The Construction Industry Development Board Act
- Other applicable by-laws, and legislation

POLICY CHANGES AND AMENDMENTS DURING 2020/21 FINANCIAL YEAR

The Dr Beyers Naudé Municipality's Supply Chain Management Policy was reviewed and approved in July 2021.

The following changes were made:

- Standard for Infrastructure Procurement Delivery Management was adopted (SIPDM).
- The requirements for Bid Committee structures were amended to ensure alignment with SCM regulations. The committee must now consist of at least 4 senior managers.
- A seven (7) day grace period is given to suppliers and service providers, whose tax matters are not in order, to rectify with SARS.
- The requirements for variation orders were amended. Variation orders are first to be evaluated by the Adjudication Committee before the Accounting Officer may approve.
- Emergency deviations, where the formal competitive process cannot be followed, will need at least three quotes where possible.
- Variation orders below R 200 000 may be approved by the Accounting Officer and does not need to be referred to a committee for consideration

FUTURE DEVELOPMENTS

The organisational structure of the SCM Unit will be properly aligned to ensure better service delivery and distribution of functions, when placement gets finalised. The new organisational structure will ensure that all staff is centralised in Graaff-Reinet.

MFMA COMPETENCY LEVELS

The Manager SCM, SCM Practitioners and SCM Officers have all met the minimum competency levels, as prescribed by the National Treasury Regulations for Supply Chain Management officials.

SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2020/21

The Procurement Plan is derived from the Municipal Service Delivery and Budget Implementation Plan (SDBIP), which in turn directly relates to the Municipality's Integrated Development Plan (IDP) and MTREF Budget.

The plan indicates quarterly targets that must be met by each Department, with regards to the procurement of goods and services. The report must be analysed in conjunction with the SDBIP.

CHALLENGES FACED DURING THE 2020/21 YEAR

CHALLENGE		CORRECTIVE ACTION
1	The Standard for Infrastructure Procurement Delivery Management, has been replaced with the Framework for Infrastructure Delivery and Procurement. National issue amongst various municipalities.	Treasury to give more direct guidelines on how to implement the FIPDM, as current guidelines are too vague. This challenge is being experienced by numerous municipalities as guidelines are still not clear
2	Staff shortage	New proposed organogram to be adopted
3	Key positions not filled.	New proposed organogram to be adopted and positions of Contract Management Practitioner and two SCM officers to be filled
4	No clear job descriptions.	Ensure job evaluation gets done.
5	Theft at the stores	Upgrade stores premises and enhance security
6	Decentralized staff	Centralized staff

MAIN AUDIT FINDINGS DURING 2020/21

- Contract Management – projects not being adequately monitored.
- Contract extension not in accordance with SCM regulations.

MUNICIPALITY LONG-TERM CONTRACTS

The Municipality did not award any long-term contracts during 2020/21.

T 2.8.1

2.5 BY-LAWS

BY-LAWS IN PLACE / NEW ONES INTRODUCED DURING 2020/21				
Description	Public Participation conducted prior to adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
EXISTING BY-LAWS				
Street trading Water and Sanitation			Yes	2006
Liquor			Yes	2006
Commonage			Yes	2006
Impoundment of animals			Yes	2006
Prevention of Public Nuisance and keeping of animals			Yes	2006
Solid Waste Disposal			Yes	2006
Water Supply and Sanitation			Yes	2006
Roads Traffic			Yes	2006
Electricity by- laws			Yes	2006
Funeral parlours, cemeteries and crematoria			Yes	2006
Fences and Fencing			Yes	2006
Outdoor advertising and Signage			Yes	2006
Aerodrome			Yes	2006
Customer care and Revenue management			Yes	2006
Community fire services			Yes	2006
Facilities by-law			Yes	2006
Public Amenities			Yes	2006
Storm water Management by -law			Yes	2006
Property Rates			Yes	2006
SPLUMA	Yes		Yes	2018
NEW BY-LAWS				
SPAZA shop by law	Yes		Yes	23 March 2020
*Note: See MSA section 13.				T 2.9.1

COMMENT ON BY-LAWS

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

In accordance with the Section 12 Notice issued for the amalgamation arrangements of former Camdeboo, Baviaans and Ikwezi LMs, the by-laws that were in place at afore-mentioned Municipalities are still being applied and enforced by Dr Beyers Naudé Local Municipality – until such time that a new, consolidated set has been developed and promulgated.

2.6 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL					
Documents published on the Municipality's / Entity's Website				Yes / No	Date Published
Year -2 = 2017/18	Year -1 = 2018/19	Year 0 = 2019/20	Year 1 = 2020/21		
Integrated Development Plan (IDP) and related documents (Year 1)				Yes	Annually when revised
Integrated Development Plan (IDP) and related documents (Year 0, Year -1, Year -2)				Yes	Annually in June
Annual and adjustments budgets and all budget-related documents (Year 1)				Yes	Annually in June
Annual and adjustments budgets and all budget-related documents (Year 0)				Yes	Annually in June
All current budget-related policies				Yes	Annually when revised
Service Delivery and Budget Implementation Plan (SDBIP – Year 1)				Yes	
The previous annual report (Year -0)				-	(Draft) Feb. 2020
The annual report (Year 0) published / to be published (Draft)				Yes	Feb. 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards (Year 0)				Yes	
All service delivery agreements (Year 0)				-	-
All long-term borrowing contracts (Year 0)				-	-
All supply chain management contracts above a prescribed value (R10 million or 5 years)				Yes	Annually
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 Year -1.				-	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section				Yes	Annually
Public-private partnership agreements referred to in section 120 made in Year 0					
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0				Yes	Quarterly
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>					

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

T 2.10.1.1.

2.7 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

T 2.11.1

SATISFACTION SURVEYS UNDERTAKEN DURING: 2019/20 & 2020/21				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

COMMENT ON PUBLIC SATISFACTION LEVELS

Not applicable at this stage, as no public satisfaction surveys has been conducted.

T 2.11



CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT : PART 1)



INTRODUCTION

The key services provided by Dr Beyers Naudé Municipality are Water, Sanitation, Electricity, Solid Waste, Roads and Streets, Storm Water, Town Planning, Building Control and Traffic Services. The Municipality also owns and manages a surfaced airfield in Graaff-Reinet.

Fire services, Disaster Management and Environmental Health Services function are included in services provided locally and on an agency basis in some areas on behalf of the Sarah Baartman District Municipality.

Virtually all household structures have access to basic services (urban areas) and free basic services are provided to indigent households. Backlogs exist, are in the process of being addressed.

T 3.0.1

SERVICES	HOUSEHOLDS WITH ACCESS
Water	98%
Sanitation	84%
Electricity	98%
Solid Waste	100%
Roads & Stormwater	100%

COMPONENT A : BASIC SERVICES

This component includes Water, Waste Water (Sanitation), Electricity, Waste Management and Housing (Human Settlement) Services; as well as a summary of Free Basic Services.

INTRODUCTION TO BASIC SERVICES

The universal access targets set by the Government as well as Outcome 9 emphasized the fact that Municipalities must meet the set targets. The Dr Beyers Naudé Municipality is happy to report that it has achieved these targets in respect of all the basic services.

T 3.1.0

3.1 WATER PROVISION

INTRODUCTION

The Municipality's strategy is to provide water services in an efficient, affordable, equitable, economical and sustainable manner – to all customers in the urban areas.

Dr Beyers Naudé Municipality is a Water Services Provider (WSP) and Water Services Authority (WSA). 98% of households in the Dr Beyers Naudé Municipal area have access to piped water on their premises or within 200m from the dwellings. The Municipality was faced with drought challenges that affected the supply of water to areas. Department of Water and Sanitation, COGTA and Sarah Baartman District Municipality assisted with the provision of water tanks in areas affected by the water interruptions.

WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	16 ML/d	4,737 ML/d
Aberdeen	3,4 ML/d	2,208 ML/d
Nieu-Bethesda	0,83 ML/d	0,199 ML/d

The table above shows that all three towns have spare capacity, except Aberdeen where demand is almost at the design capacity. Provision was made in the 2016/17 MIG programme to increase the design capacity of Aberdeen. Phase 1 was completed during 2018/19, with Phase 2 completed at the end of 2019/20 financial year. More projects was completed during 2020/2021 to assist with additional water supply. Water tanks were installed in Graaff Reinet and Aberdeen to assist during supply interruptions. Carting of water is in place to assist with supply during temporary shortages as well. Nqweba Dam is on 7.91 % with minimum abstraction during this year.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,5 ML/d	0,807 ML/d
Steytlerville	2,0 ML/d	0,940 ML/d
Rietbron	0,27 ML/d	0,273 ML/d

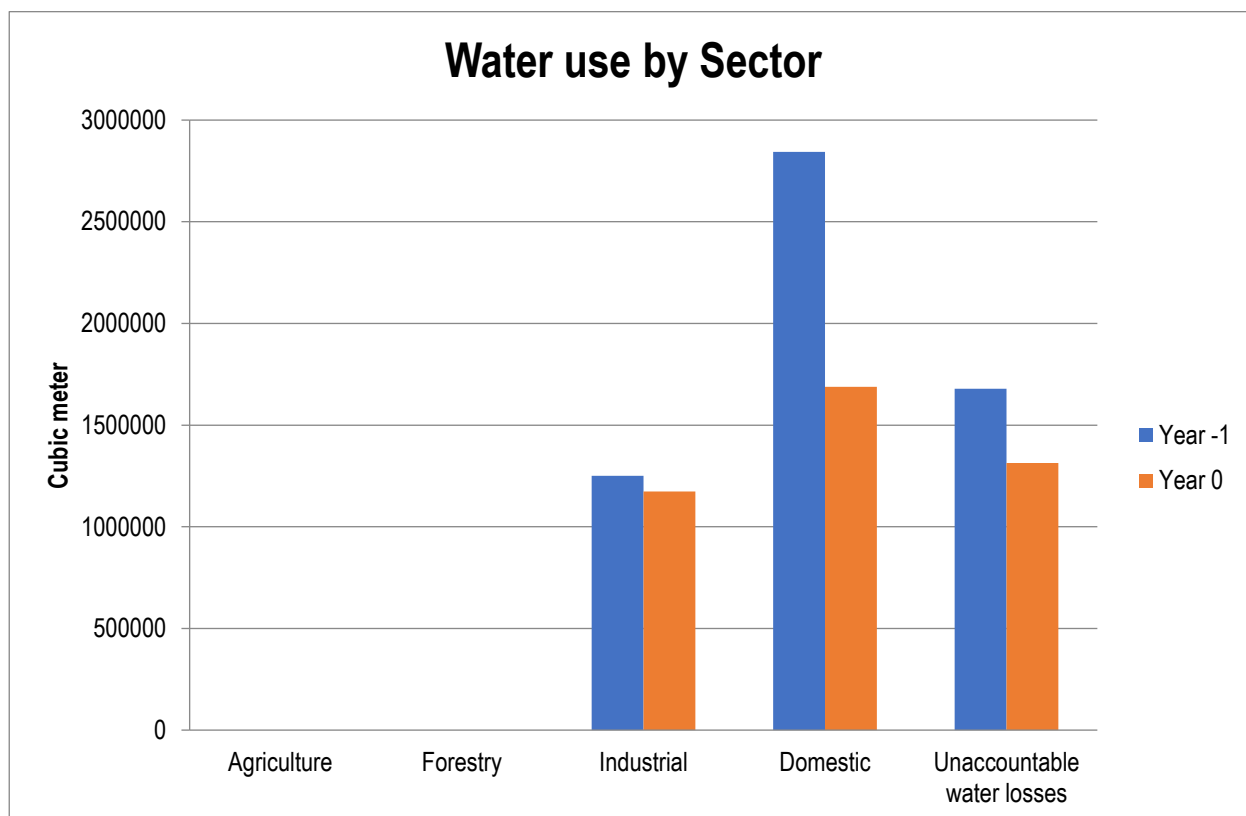
Willowmore's demand is almost at design capacity. Extra boreholes were drilled at Wanhoop to augment the water supply to Willowmore. The Department of Water and Sanitation has agreed to the purchase / expropriation of the farm. The main pumping line from Wanhoop is also in the process of being upgraded. Water tanks were installed in Willowmore and Steytville to assist during supply interruptions. Carting of water is in place to assist with supply during temporary shortages as well.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	2,5 ML/d	1,725 ML/d
Klipplaat	1,5 ML/d	0,475 ML/d

The devastating and prolonged drought has necessitated the implementation of strict water restrictions, as extraction does not adequately meet the demand. Water carting is being done in above areas, where water supply and quality have become problematic. Water tanks were installed in Jansenville and Klipplaat to assist during supply interruptions. Klipfontein Dam is on 0 % with minimum abstraction during this year.

TOTAL USE OF WATER BY SECTOR (CUBIC METERS)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2019/20	0	0	1 173 272	1 688 366	1 312 904
2020/21	0	0			
T 3.1.2					

- The Municipality does provide water to some agricultural smallholdings in its area, but this is unfortunately not listed as such on its database, hence those figures are not available as yet. Industrial figures are inclusive of usage by commercial and government consumers.

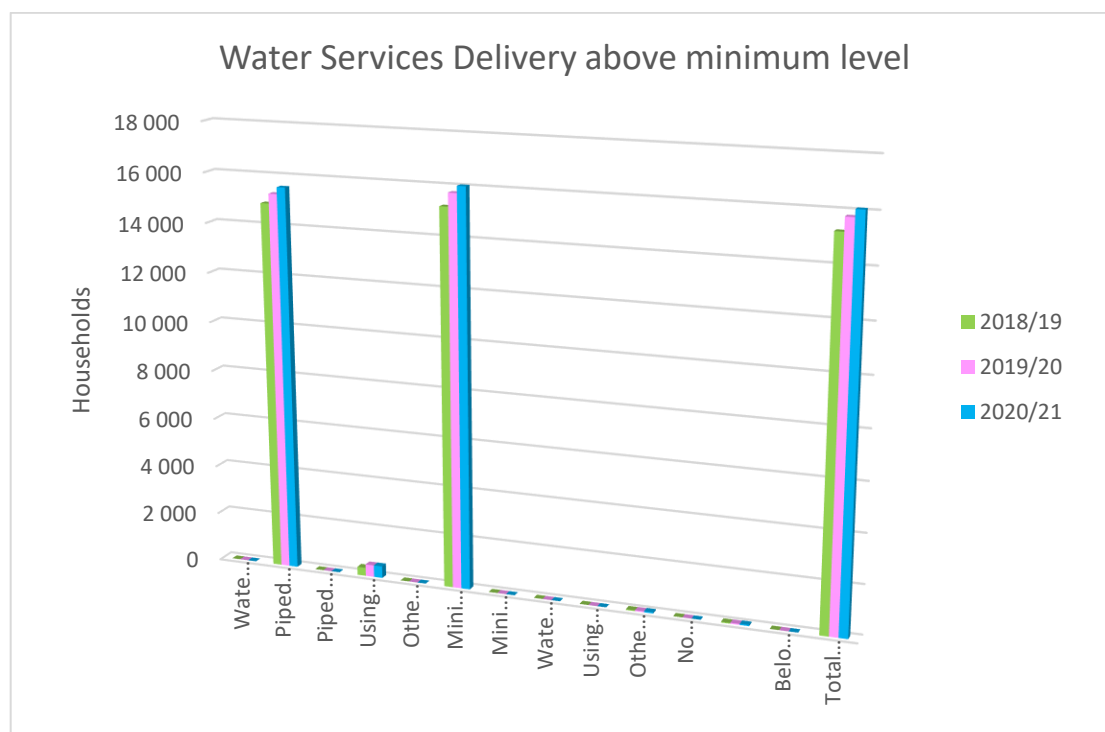


COMMENT ON WATER USE BY SECTOR

Domestic water users account for the most usage by this sector followed by very high water losses. The unaccounted water losses can be ascribed to water carting because of drought, and estimations of water meter readings during Covid-19 disaster conditions.

HOUSEHOLD WATER SERVICE DELIVERY LEVELS			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Water: (above min level)			
Piped water inside dwelling	15 550	15 167	15 160
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	487	487	494
Other water supply (within 200m)			
<i>Minimum Service Level and Above sub-total</i>	16 037	15 654	15 654
<i>Minimum Service Level and Above Percentage</i>	99.7%	98%	97 %
Water: (below min level)			
Using public tap (more than 200m from dwelling)	0	0	306
Other water supply (more than 200m from dwelling)	49	134	164
No water supply			
<i>Below Minimum Service Level sub-total</i>	49	60	40
<i>Below Minimum Service Level Percentage</i>	0.3 %	2 %	3 %
Total number of households *	16 086	15 848	16 164
* To include informal settlements			T 3.1.3

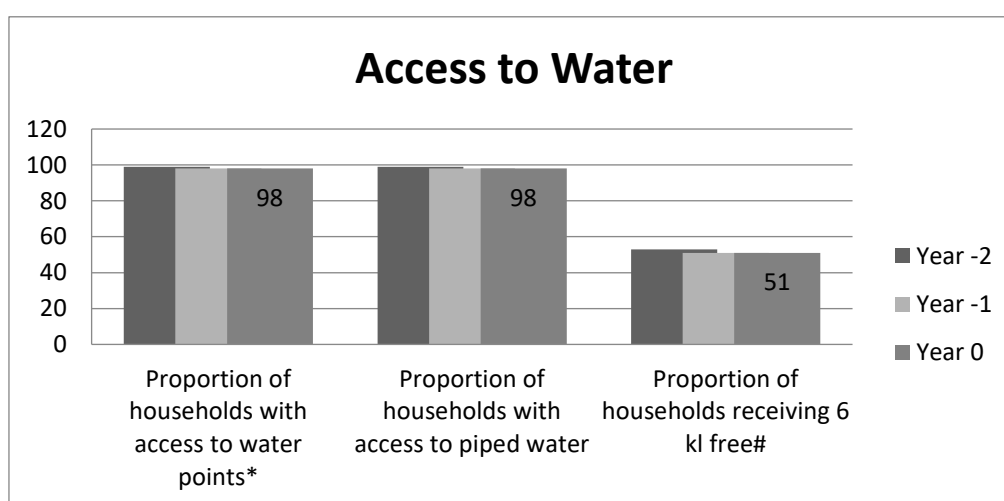
Data for household service targets is sourced from table A10



HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total Households	15 550	15 848	16 164
Households below minimum service level	-	-	510
% Proportion of households below minimum service level	0%	0%	3 %
INFORMAL SETTLEMENTS			
Total Households	536	621	964
Households below minimum service level	49	60	40
% Proportion of households below minimum service level	9%	10%	4 %
T 3.1.4			

ACCESS TO WATER			
Year	Proportion of households with access to water points *	Proportion of households with access to piped water	Proportion of households receiving 6 kl free #
2018/19	98 %	98 %	51 %
2019/20	98 %	98 %	51 %
2020/21	97 %	97 %	51 %
* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute.			
# 6,000 liters of potable water supplied per formal connection per month.			
T 3.1.5			

- Dr Beyers Naudé Municipal area does not have high density, sprawling informal settlements. The largest ones are situated in Graaff-Reinet, and households have access to communal water standpipes that have been installed in close proximity to the informal dwellings.



WATER SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/119		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Households Without Minimum water supply	Additional households provided with minimum water supply during the year	0	0	0	0	0	0	0	0
Service Objective No. 2									
Improve reliability of water supply	Reduce the number of interruptions in supply of one hour or more than one hour during the year	10%	10%	10%	10%	10%	10%	10%	10%
Service Objective No. 3									
Improve Water Conservation	Reduce unaccountable water levels compared to the baseline of Year -1 unaccounted for during year	25%	40%	40 %	40%	38%	40%	40%	40%
Service Objective No. 4									
Integrated Regulatory System (Previous Blue Drop)	Compliance Monitoring and Drinking Water Quality as per SANS 241	80%	99.9%	80%	80%	99.9%	80%	80%	80%
T 3.1.6									

EMPLOYEES: WATER SERVICES					
Job Level (TG)	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	36	48	36	36	75%
4 – 6	0	3	0	0	0%
7 – 9	1	4	1	1	25%
10 – 12	18	21	18	18	86%
13 – 15	0	1	0	0	0%
16 – 18	2	4	2	2	50%
19 – 20	3	3	3	3	100%
Total	60	84	60	60	71%

T 3.1.7

Financial Performance Year 0: Water Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	112 200	106 466	96 466	75 630	-22%
Expenditure:					
Employees	12 685	13 878	13 878	13 205	-5%
Repairs and Maintenance	964	864	1 564	361	-77%
Other	60 651	38 239	46 960	53 294	13%
Total Operational Expenditure	74 299	52 981	62 402	66 859	7%
Net Operational Expenditure	(37 901)	(53 485)	(34 063)	(8 771)	-74%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.1.8

Capital Expenditure Year 0: Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	39350	30350	19275	-36%	
Projects					
Graaff Reinet Bulk Water Supply Scheme: Phase 2	7000	7000	6087	-13%	
Graaf-Reinet Emergency Water Supply Scheme (WSS)	17000	7000	4979	-29%	
IKWEZI BULK WATER SUPPLY 18/19	10000	10000	2688	-73%	
UPG OF BULK WATER SUPPLY AB	1300	1300	1130	-13%	
Willowmore Bulk Water Supply, Upgrading, extension and addit	0	5050	4307	-15%	
WM: BULK WATER SUPPLY UPG 18/19	0	0	84	#DIV/0!	
NEW BULK WATER RETIC STEEL PIPELINE WM 2020/21	4050	0	0	#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.1.9					

COMMENTS ON WATER SERVICES PERFORMANCE OVERALL

There has been a commendable improvement in the quality and quantity of potable water produced. This can mainly be attributed to completed water projects, better supervision and training offered. Challenges still remaining are :

The consolidation of the Water Services Development Plan and associated Risk Management Plan for the Water Treatment Plants and systems, load shedding and vandalism. Other major challenges are:

The expropriation of the farm Wanhoop from which Willowmore receives its potable water.

Dr Beyers Naudé Municipality was finally appointed as the Implementing Agent by the Department of Water and Sanitation.

There are also no domestic water meters in Klipplaat.

All towns are facing drought challenges due to climate change, which contributed towards water shortages and resultant rationing, supply interruptions, low borehole yields and empty dam levels.

Declaration of Drought Classification by National Disaster Management to assist with emergency procurement processes and additional funding.

The municipality still ensure the supply of clean and safe drinking water to consumers. As per IRIS total compliance on drinking water quality for Micro Health of 99.9 % was achieved during this financial year.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION

The major strategy for sanitation is to ensure that all urban households have access to water borne sanitation by systematically upgrading existing infrastructure.

WASTE WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	4,5 ML/d	3,42 ML/d
Aberdeen	1,0 ML/d	0,61 ML/d
Nieu-Bethesda	0,05 ML/d	0,02 ML/d

All above plants are operating well within their design capacities.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,0 ML/d	0,7 ML/d
Steytlerville	1,0 ML/d	0,6 ML/d
Rietbron	0,2 ML/d	0,16 ML/d

Rietbron is nearing its design capacity and will have to be upgraded in the near future. Grant funding is to be secured for the upgrading.

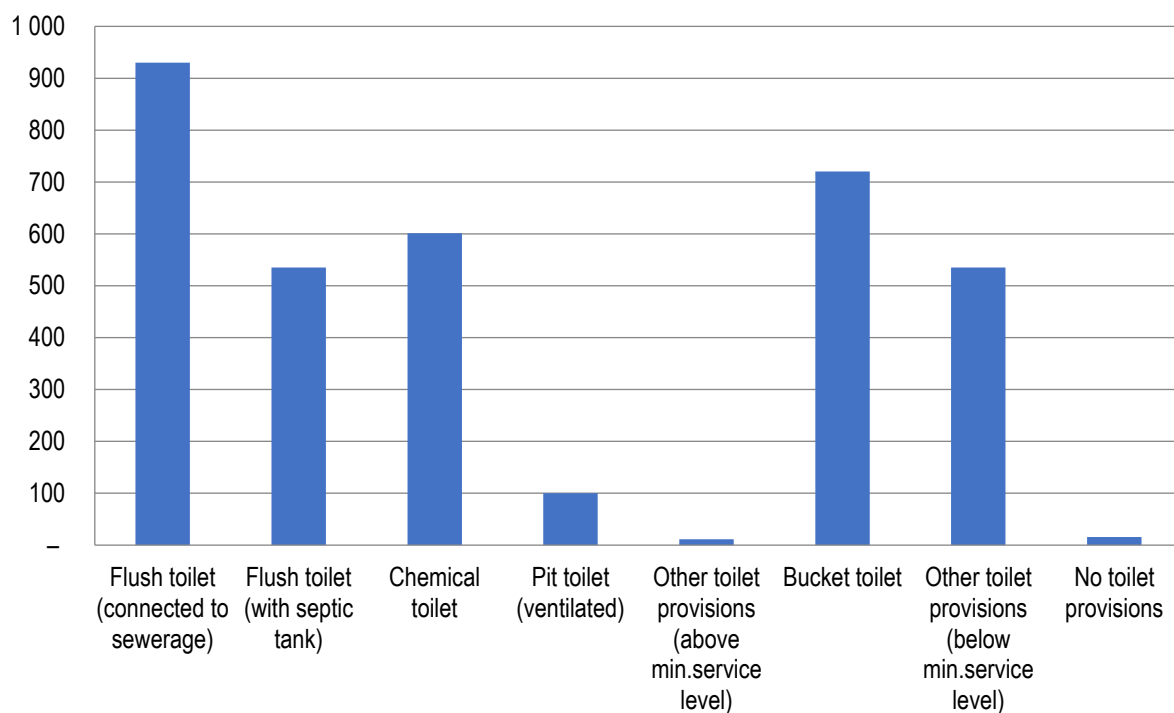
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0 ML/d	0,44 ML/d
Klipplaat	0,6 ML/d	0,13 ML/d

Although all plants are operating within their design capacities, funding for repair work will have to be secured in order to repair a breached wall of the irrigation pond at Jansenville Waste Water Treatment Works.

SANITATION SERVICE DELIVERY LEVELS			
Households			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)			
Flush toilet (connected to sewerage)	13 500	10 755	10 745
Flush toilet (with septic tank)	2 000	2 247	2 247
Chemical toilet	0	0	0
Pit toilet (ventilated)	50	50	50
Other (Communal) toilet provisions (above minimum service level)	487	487	497
<i>Minimum Service Level and Above sub-total</i>	15 443	15 539	13 539
<i>Minimum Service Level and Above Percentage</i>	99.7 %	86 %	84 %
Sanitation/sewerage: (below minimum level)			
Bucket toilet	10	6	4
Other toilet provisions (below minimum service level)	40	2 263	2581
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	50	40	40
<i>Below Minimum Service Level Percentage</i>	0.3 %	14 %	16
TOTAL HOUSEHOLDS	16 087	16 415	16 164
<i>T 3.2.3</i>			

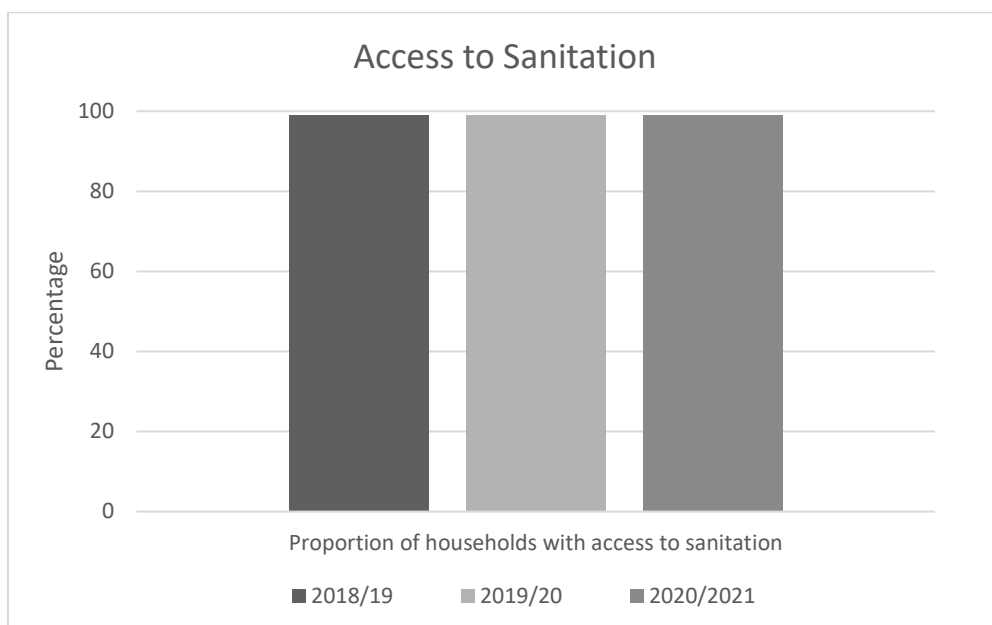
- The Municipality has in recent years systematically been replacing pit latrines and other non-waterborne systems with waterborne systems. The majority of households in the urban areas are connected to the Municipal sewer system, however, the increased number of flush toilets are placing a huge strain on the area's scarce water resources.
- This furthermore contributing towards emergency repairs and maintenance including Implementation of new projects.

Sanitation/Sewerage (above minimum level) : 2020/21 -



HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2018/19	2019/20	2020/2021
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total households	13 500	13 539	13 539
Households below minimum service level	-	-	-
% Proportion of households below minimum service level	0 %	0 %	84 %
INFORMAL SETTLEMENTS			
Total households	537	2 806	3 132
Households is below minimum service level	50	40	40
% Proportion of households below minimum service level	9 %	1.4 %	1.27 %
T 3.2.4			



WASTE WATER (SANITATION) SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2019/20		2020/21			2021/22	2022/23	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Upgrade 9 Sewage Pump Stations	To equip and refurbish 9 sewage pump stations which will decrease pollution and spillages	0	0	0	New motors / controls Standby Generators Safety and Security 29 500 000	Completed	0	0	0
Service Objective No. 2									
Service Objective No. 3									
Service Objective No. 4									
T 3.2.6									

EMPLOYEES : SANITATION SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	36	48	36	36	75%
4 – 6	0	3	0	0	0%
7 – 9	1	4	1	1	25%
10 – 12	18	21	18	18	86%
13 – 15	0	1	0	0	0%
16 – 18	2	4	2	2	50%
19 – 20	3	3	3	3	100%
Total	60	84	60	60	71%

T 3.2.7

Financial Performance Year 0: Sanitation Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4209	52 213	52 213	42 069	-19%
Expenditure:					
Employees	8362	8 328	8 833	8 182	-7%
Repairs and Maintenance	32	2 226	2 226	1 181	-47%
Other	74 224	20 042	30 080	69 234	130%
Total Operational Expenditure	74 264	30 596	41 139	78 597	91%
Net Operational Expenditure	74 260	(21 617)	(11 075)	36 528	-430%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9797	16318	14643	-10%	
Projects					
Pump Station	8140	14661	12748	-13%	
Transport Assets	1657	1657	1895	14%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.2.9

COMMENTS ON SANITATION SERVICES PERFORMANCE OVERALL

Overall the sanitation systems are operating well, although the municipality did experience sewage pump break downs and faults causing spillages. Vandalism, theft and breakages remaining a major concern. Graaff-Reinet Waste Water Treatment Plant security fence still needs to be replaced. Application for funding of this project was submitted. Funding will have to be sourced for the development of Waste Water Risk Abatement Plans for all plants. The municipality and the Department of Water and Sanitation is attending to secure Water Use licenses for all plants. Refurbishment of three Sewage pump stations Project in Graaff Reinet is successfully completed.

Dr Beyers Naudé Municipality is busy attending to the approved Master Plan in order to plan and supply areas that require upgrading. Department of Water & Sanitation assisted in this regard.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The objective is to adequately upgrade the electrical supply and install the necessary electrical infrastructure as well as maintain them to ensure a sufficient supply to all consumers in the Dr Beyers Naudé supply area. The following are the major strategies:

- Review the Electricity Master Plan for each supply area.
- Conduct a meter audit in the Dr Beyers Naudé Supply area (in process).
- Identify and implement suitable electrification projects.
- Upgrade old Infrastructure.
- Replace inefficient public street lighting with energy efficient streetlight technology. Graaff -Reinet, Aberdeen, Jansenville, Klipplaat and Rietbron (In process)
- Electrification needs are identified in the IDP, based on the Ward and Master Plans. The Municipality is supporting three renewable energy projects in the area namely:
 - Solar PV Farm (Carbon Metrics)
 - Giant Flag Solar PV Project, and
 - Aberdeen Wind Farm (Eskom)

The identification and implementation of electrification projects are carried continuously and are identified in the IDP. For the 2019/2020 financial year, no electrical capital projects were allocated in the municipal budget.

Dr Beyers Naudé Supply Area

Graaff-Reinet, Jansenville, Willowmore, Steytlerville, Aberdeen and Rural Consumers.

uMasizakhe (Graaff-Reinet), Lotusville (Aberdeen) Nieu-Bethesda, Klipplaat, Rietbron and Baviaanskloof are being supplied by Eskom. This function includes the Bulk Purchase of electricity in which the main role players are Eskom and the Municipality.

Basic Standards in Electricity Services

The Electricity Supply is according to the National Regulatory guidelines, policies and Act for both Low- and High- level Electricity Services to all the consumers in the Municipal Supply Area.

Service Delivery Priorities

- To maintain the infrastructure and to upgrade and replace old/or ageing infrastructure to ensure sufficient electricity supply in the Dr Beyers Naudé Area.
- To maintain normal streetlights and High mast Lights.
- Maintain pump stations

HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)			
Electricity (at least minimum service level)	1,243	2,528	2,528
Electricity - prepaid (minimum service level)	9,864	10,639	11,671
<i>Minimum Service Level and Above sub-total</i>	11,107	13,167	14,199
<i>Minimum Service Level and Above Percentage</i>	98.1%	98.9%	97.4%
Energy: (below minimum level)			
Electricity (< minimum service level)	-	-	-
Electricity - prepaid (< minimum service level)	218	218	218
Other energy sources			
<i>Below Minimum Service Level sub-total</i>	0	218	218
<i>Below Minimum Service Level Percentage</i>	1.9%	1.6%	1.5%
Total number of households	11,325	13,317	14,574

- It should be noted that electricity services are rendered by both the Municipality and Eskom within the Dr Beyers Naudé Municipal area. Service indicators and statistics provided for the purpose of the Annual Report relate to consumers being serviced by the Municipality, plus the estimated number serviced by Eskom.

HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2018/19	2019/20	2020/2021
	Actual No.	Actual No.	Actual No.
Formal Settlements			
Total households	11107	13167	14574
Households below minimum service level	0	0	0
% Proportion of households below minimum service level	0%	0%	0%
Informal Settlements			
Total households	150	230	375
Households below minimum service level	150	230	375
% Proportion of households below minimum service level	100%	100%	100%
T 3.3.4			

All registered Indigent Households receive 50kWh free electricity on a monthly basis.

(Table 3.3.5 appears lower down.)

EMPLOYEES : ELECTRICITY SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	15	15	15	3	20%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	10	10	10	1	10%
13 – 15	2	2	2	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	27	27	27	4	15%

T 3.3.6

Financial Performance Year 0: Electricity Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	122480	158 223	151 223	549 132	-12%
Expenditure:					
Employees	12240	13 046	13 046	125 13	1%
Repairs and Maintenance	87	818	818	310	-62%
Other	103286	120 551	121 068	888 105	-13%
Total Operational Expenditure	115613	134 415	134 933	322 119	-12%
Net Operational Expenditure	-6867	(23 807)	(16 290)	227 (13	-19%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.3.7

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1529	1529	1480		
MV Substations	600	600	469	-22%	
Transport Assets	929	929	1011	9%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.3.8

COMMENTS ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Existing infrastructure, especially that serviced by the Municipality in rural areas, is either old or near its full load capacity.

The Municipality has an agreement with Eskom for the provision of free basic electricity (FBE) to registered indigent households in the Eskom supply areas.

Credit control in the Eskom supply areas is problematic since Council's Credit Control Policies cannot be enforced.

The Municipality is challenged with constant vandalism and theft of electrical infrastructure, which has a huge financial implication. This is receiving the necessary attention.

3.4 WASTE MANAGEMENT (including Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

INTRODUCTION

Waste Management is an important part of the key performance areas of this directorate and, although effort has been made to improve service delivery during this reporting period, numerous challenges and non-compliance issues still hamper effective service delivery.

The Municipality has been battling with the issue of Waste Management and littering as it is one of the municipality's greatest challenges. The municipality is trying to service all areas, and some programmes such as the EPWP have been implemented to reduce the amount of litter in the environment. However, the problems still persist. The challenges experienced in terms of Waste Management has led to an increase in the number of illegal dumping sites within our various wards.

With the assistance of Good Green Deeds from the Department of Environmental Affairs various initiatives amongst others the upgrading of the Jansenville landfill site are paying off without any cost implication for the municipality. Also, the appointment of 50 brigadiers appointed to assist with illegal dumping with no cost for the municipality.

CHALLENGES

The Waste Management Operational Plan and Turnaround Strategy still could not be adhered to because the lack of and poor condition of vehicles and plant, monetary constraints and insufficient staff. Waste removal, clearing of transfer station and illegal dumping sites were interrupted due to aforesaid reasons.

The following challenges hamper service delivery in terms of Waste Management (but is not limited to):

- Waste removal, clearing of landfill sites, the transfer station and illegal dumping were interrupted due to absenteeism of casuals, insufficient vehicles and plant and insufficient budget provision.
- Non-compliance of landfill sites in terms of Environmental legislation remains a serious risk for the municipality.
- The transfer station and landfill sites are health and safety risks for the public.
- The breakdown of vehicles and the turnaround time to get the vehicles back in operation without breaking again shortly afterwards, are still major challenges hampering service delivery.
- Budget constraints remain critical and service delivery cannot proceed without sufficient funding, staff and vehicles. An amount of R780 000.00 has been provided for on the budget for the procurement of a refuse truck but the amount was insufficient. Instead, 2 specialised Hyundai H100 tipper trucks were procured for waste management at a slightly higher amount to address the challenges faced regarding waste management.
- Various complaints are still being lodged regarding refuse removal and burning of plastics on the landfill site in Graaff-Reinet.
- Inadequate monitoring of landfill sites including the control of scavengers at the sites;
- Poor access control at the landfill sites;
- Ageing fleet experiencing constant breakdown
- Poor Law Enforcement due to staff shortages

INDICATORS FOR SOLID WASTE SERVICE DELIVERY

HOUSEHOLD SOLID WASTE (REFUSE REMOVAL) SERVICE DELIVERY LEVELS			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)			
Removed at least once a week	15 872	15 872	15 872
<i>Minimum Service Level and Above sub-total</i>	15 872	15 872	15 872
<i>Minimum Service Level and Above percentage</i>			
Solid Waste Removal: (Below minimum level)			
Removed less frequently than once a week	128	128	128
Using communal refuse dump	18 319	18 319	18 319
Using own refuse dump	1 484	1 484	1 484
Other rubbish disposal	529	529	529
No rubbish disposal	127	127	127
<i>Below Minimum Service Level sub-total</i>			
<i>Below Minimum Service Level percentage</i>			
Total number of households	15 872	15 872	15 872
T 3.4.2			

HOUSEHOLD SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Formal Settlements			
Total households	15 332	15 332	15 332
Households below minimum service level			
% Proportion of households below minimum service level	100%	100%	100%
Informal Settlements			
Total households	540	540	540
Households below minimum service level			
% Proportion of households below minimum service level	100%	100%	100%
T 3.4.3			

WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Solid waste Disposal sites (Landfills), that are compliant, have adequate capacity and are properly managed and maintained.	Systematically upgrade existing infrastructure, replace and rehabilitate where applicable.	-	Approval letter from DEDEAT to continue with upgrading of Landfill site in Steytleville	Tender process and Construction of 1 Cell		Application for licencing of Jansenville landfill site			
Service Objective No. 2									
Waste Transfer Station that has been redesigned and extended to properly fulfil its main function.	Develop a new Integrated Waste Management Plan for Dr Beyers Naudé Municipality and review it regularly.	-			Not on target		Not on target		
Service Objective No. 3									
Effective recycling programmes that will reduce waste volume at the landfill sites and create economic opportunities for the Community.	Step up educational campaigns to encourage citizen to take pride of their areas and keep them clean, to recycle at source.			3	Waste management campaign per quarter		Clean-up campaigns were conducted		
Service Objective No. 4									
The eradication of illegal dumping and lettering and creation of clean and healthy urban areas and surrounding environment	Provide adequate waste disposal facilities and containers, as well as regular waste removal service.	-		5	Refurbishment of 2 skips to deal with the clearing of illegal dumping sites.		Not on target		
T 3.4.4									

EMPLOYEES : SOLID WASTE MANAGEMENT, WASTE DISPOSAL & CLEANING SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	60	158	60	98	62
4 – 6	14	17	14	3	17.65
7 – 9	15	10	15	-5	0
10 – 12	0	6	0	6	100
13 – 15	0	1	1	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	89	192	90	96	50%
T 3.4.5 & T 3.4.6					

Financial Performance Year 0: Solid Waste Management Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42 106	49 224	49 224	44 382	-10%
Expenditure:					
Employees	13 843	13 493	13 493	14 264	6%
Repairs and Maintenance	1 321	1 000	2 000	2 000	-100%
Other	6 655	3 822	4 720	14 262	202%
Total Operational Expenditure	21 819	18 315	20 213	28 528	41%
Net Operational Expenditure	(20 286)	(30 909)	(29 011)	(15 854)	-45%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.4.7					

FINANCIAL PERFORMANCE 2020/21 : SOLID WASTE MANAGEMENT SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-5%
Expenditure:					
Employees	125	244	250	248	-1%
Repairs and Maintenance	25	244	250	248	-1%
Other	45	244	250	248	-1%
Total Operational Expenditure	195	732	750	744	-1%
Net Operational Expenditure	75	607	650	649	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.7 & T 3.4.8</i>

COMMENTS ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Waste management is one of the municipal functions that is the cause of the most dissatisfaction from communities. Fortunately, this is also one of the functions that poses the opportunity to gain quick wins. Great strides have already been made in turning around this function since 1 August 2020 by clearing-up illegal dumping sites and littering around skips to improve living conditions for communities. Unfortunately this is also a function that has no sustainability for as long as the communities continue to dump illegally, this problem will exist. Unsightly and unhealthy dumps are cleaned today and tomorrow illegal dumping continues. Communities will have to take ownership and cooperate with the municipality to stop illegal dumping and littering for their own well-being as money continually spent on cleaning of illegal dumping sites can be much better used on other infrastructure for community development and well being

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1060	991	184	-81%	
Landfill Sites	280	211	184	-13%	
Transport Assets	780	780	0	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.4.9</i>

The Department of Environment funded Good Green Deeds Ambassador project contributes much to the success of cleaning and rehabilitation of illegal dumping sites and cleaning of skips. They also assist when challenges are being experienced with refuse removal (strike of workers).

Community awareness regarding illegal dumping, littering and vandalism is being addressed through cooperation with SANParks, community organizations, churches and other sector departments.

The amount of R280 000 has been provided on the 2020/21 approved budget to commence with the section 78 process in this financial year for a landfill site in Steytlerville. More funding will have to be sourced in this regard which has been referred to MIG.

R780 000 has been provided for the procurement of 2 specialized 3-ton tipper trucks for waste management. The amount approved is totally inadequate and a compactor is urgently required. In the meantime 2 smaller trucks have been procured with the budgeted amount. In addition to this, it is envisaged to commence with the phasing-in of wheelie bins. The CFO has been requested to provide

for this on the budget. It is proposed that the costs of wheelie bins be levied on the monthly account of the user to be paid in full by the end of the financial year.

There are however numerous challenges and non-compliance issues regarding waste management. Only 3 out of 8 landfill sites are registered and the transfer station is currently closed to the public but it is used operationally. The inadequacies in Waste Management that have been identified at the onset of the year under review and are being addressed with the turn-around strategy, include the following with remarks of progress during the year:

1. Poor management of the function and insufficient leadership: a Manager: Waste Management has been appointed w e f April 2021 and the organogram is currently being reviewed to provide sufficient supervisory capacity and leadership.
2. Uncontrolled dumping and littering pose health and safety risks for communities and reputational risk for municipality: community awareness is being created through social media, ward Councillors/ward committees, Mayoral weekly newsletter, etc. Once the 20 trainee law enforcement officers become operational, perpetrators dumping illegally will be more effective.
3. Non-compliance regarding operation and registration of landfill sites: this remains a challenge due to insufficient resources (yellow plant, vehicles, finances and staff). Through innovative approaches assistance has been obtained from SANRAL and Department of Transport appointed service providers to clean landfill sites and surrounding areas.
4. Insufficient control over landfill sites due to problematic access control, vandalism of fences etc. During the year under review arrangements have been made for the fencing of the Steytlerville and Jansenville landfill sites via service providers appointed by SANRAL (innovative approach by the Director: Community Services at no cost to the municipality)
5. Transfer station being closed currently to the public due to an incident: The transfer station is currently being used for operational functions and to reduce refuse that gets dumped on the landfill site. The upgrade of this facility will form part of the Integrated Waste Management Plan to be approved before end June 2022.
6. No recycling to reduce waste on landfill sites and protect the environment: recycling will also form part of the Integrated Waste Management Plan in 5 above.
7. Policies and by-laws are outdated: to be reviewed in 2021/22.
8. Policies and by-laws are not enforced and therefore refuse issues are escalating out of control: increased law enforcement will become effective once the law enforcement section is sufficiently capacitated (October 2021).
9. Periodic clearing of litter is not a sustainable solution to the illegal dumping and littering problem: a stakeholder meeting was held with major role players to address this matter – to be followed-up and put into action.
10. Insufficient vehicles and equipment for refuse removal – a bulldozer is one of the implements that is urgently required and which have been provided for on the budget.
11. Refuse management not effective, efficient, and cost effective: the organogram is being reviewed to make provision for general workers (as opposed to casuals with no loyalty) and supervisory capacity. The Manager: Waste Management will be held accountable for improved and cost-effective refuse management.
12. Refuse are not removed as scheduled: revised refuse removal schedules have been compiled and distributed. Deviations from schedules only occur due to break-downs, strikes of workers or ill-discipline.

13. No responsibility or accountability for poor performance or not removing refuse: disciplinary actions are taken against ill-discipline and poor performance.

14. No pride in work and communities not taking pride or responsibility for their own environments and hygiene.

15. Ill-discipline of workforce: strict discipline is being enforced.

3.5 HOUSING / HUMAN SETTLEMENTS

INTRODUCTION

Housing is a Provincial function and the Municipality does not have accreditation. All funding for housing is sourced from the Department of Human Settlements. The Municipality is responsible for beneficiary administration and the identification of suitable land parcels as per Spatial Development Framework.

Officials of the Municipality are constantly being trained on the National Housing Needs Register and are working together with the Department of Human Settlement.

Housing projects in the current financial year were progressing at a slow rate while some houses were vandalised due to contractual matters.

HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year 0	Total households (including in formal and informal settlements)	Households informal settlements	% of Households in formal settlements
2020/21	17861	197	98.9%
T 3.5.2			

HOUSING / HUMAN SETTLEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
New RDP houses in Nieu Bethesda					100	0	60	0	60
Service Objective No. 2									
Upgrading uMasizakhe				0	0	0	11	22	47
T 3.5.3									

EMPLOYEES : HOUSING / HUMAN SETTLEMENT SERVICES					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%

T 3.5.4

Financial Performance Year 0: Housing Services						R'000
Details	Year - 1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3	13	13	3	-77%	
Expenditure:						
Employees						
Repairs and Maintenance						
Other		9	9	0		
Total Operational Expenditure	0	9	9	0		
Net Operational Expenditure	-3	-4	-4	-3	-25%	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.5.5

CAPITAL EXPENDITURE 2020/21 : HOUSING / HUMAN SETTLEMENT SERVICES					
R'000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					

Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).

T 3.5.6

- There were no Capital Projects or resultant Capital Expenditure for Housing / Human Settlement Services.

COMMENTS ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

There is an overwhelming growth of informal settlements within the municipal boundaries due to the delay of the housing delivery. An overwhelming majority of the residents within the informal settlements are people who have given up on waiting for a house and generally resorted to living in informal settlements.

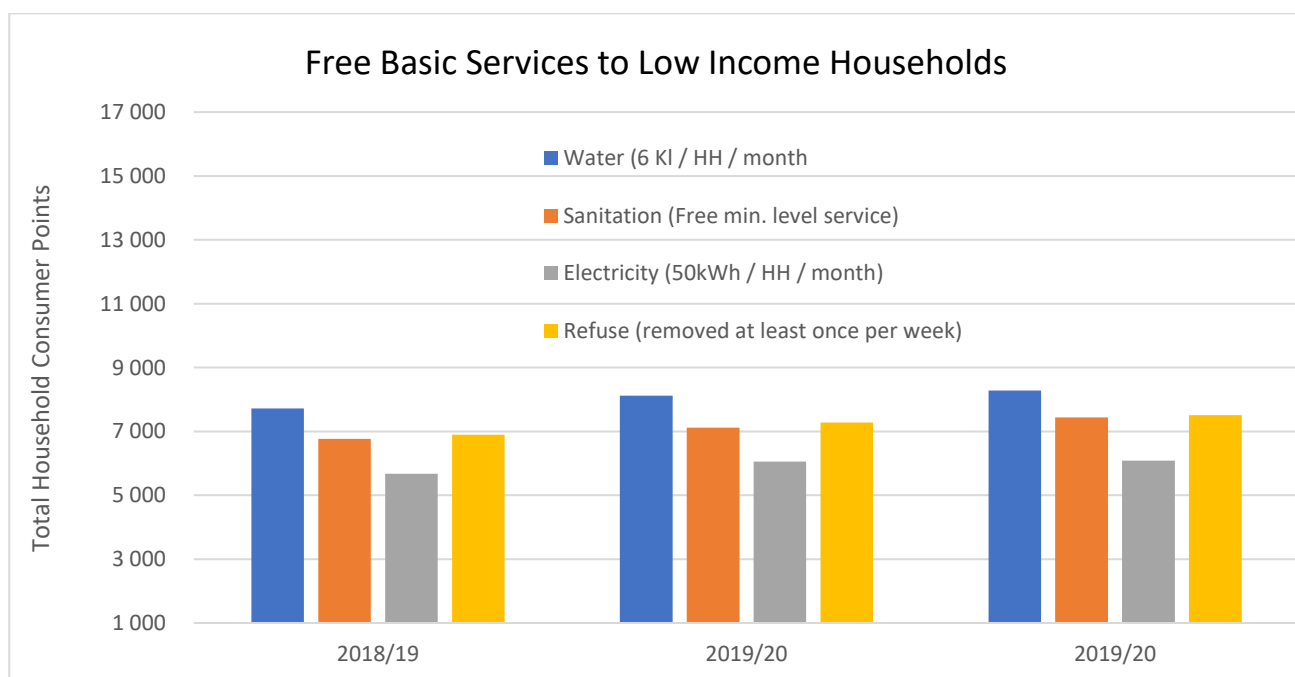
The municipality holds regular meetings (quarterly) with the Provincial Department of Human Settlements and has raised this aspect very sharply. The department has responded by encouraging the municipality to participate in and apply for funding from the NUSP program that is administered by the National Department of Human Settlements. The Municipality, through the Town Planning Office has submitted an application for funding the upgrading informal settlements.

3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

INTRODUCTION

The Municipality strives to fulfil its constitutional objective which stipulates that poor households must have access to basic services. An indigent subsidy, in line with national government regulations and guidelines, is available to assist the poorest households in the community to receive a basket of basic municipal services for free, including up to 6 kl water, basic sanitation, refuse removal and 50 kWh electricity. To provide further relief, the Rates Policy makes provision for taxes payable by indigent property owners.

Indigent subsidies are available to domestic households where the total household income of all the residing occupants of legal age is less than two state pensions, among other criteria. A Free Basic Services awareness campaign was held from 27 May to 7 June 2019 in each of the wards to inform the community of the availability of the subsidy, the services subsidised, the eligibility criteria and the process to apply for subsidy. Residents had the opportunity to have any questions and uncertainties addressed. The same process was to be followed in May 2020, however due to the COVID-19 regulations preventing gathering of individuals, the awareness campaign could not commence. Due to COVID-19 regulations preventing/ restricting gathering of individuals, the annual FBS awareness campaign could not commence.



- About half of the Municipality's Domestic Consumers are being subsidised on a monthly basis.

FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS									
Year	Number of households								
	Total HH / Consumer points	Households earning less than equivalent of 2 State Pensions per month*							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Subsidised	%	Subsidised	%	Subsidised	%	Subsidised	%
2018/19	15,977	8,120	51%	7,121	45%	6,054	38%	7,273	46%
2019/20	15918	8277	52%	7435	47%	6084	38%	7507	47%
2021/21									

*As determined by BNLM Council Policy. T 3.6.3

- Figures for subsidised electricity provision are lower due to Eskom providing the balance of the service.

FINANCIAL PERFORMANCE 2020/21: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
Services Delivered to Indigent Households	2019/20	2020/21			
	Actual	Budget	Adjustment Budget	Actual	% Variance to Budget
Water (6Kl per HH per month)	5 699 417	0	6 091 050	7 955 851	-31%
Sanitation (free monthly service)	6 169 478	0	8 121 400	9 308 988	-15%
Electricity (50kWh per HH per month)	4 301 816	0	2 610 450	2 041 935	22%
Refuse Removal (free weekly service)	6 500 448	0	9 823 136	10 831 058	-10%
Rates (annual property tax)	1 055 768	0	2 320 400	1 843 281	21%
Total	23 726 929	0	29 005 000	31 981 113	-10%

T 3.6.4

FREE BASIC SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Providing Free Basic Services and Indigent Support	None	None	None	None	None	None	None	None	None
Service Objective No. 2									
T 3.6.5									

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The support provided to low earning households who qualify for the subsidy in terms of the approved council policy, is detailed above. The funding source forms part of the equitable share government grant (IGG). A FBS roadshow is undertaken annually, to inform communities about the benefits and qualifying criteria, however during the 2020/2021 financial year, no roadshow could commence due to COVID-19 regulations.

T 3.6.6

COMPONENT B : ROAD TRANSPORT

This component includes roads, transport and stormwater drainage.

INTRODUCTION TO MUNICIPAL ROADS INFRASTRUCTURE

Road infrastructure affects development in all economic sectors within the municipal area. Tourism is one of Dr Beyers Naudé LM's main economic drivers and it is therefore crucial that roads be of a good standard and are properly maintained. The road network within previously advantaged areas has deteriorated drastically over the past few years, which is why a concerted effort was put in place to address such.

The municipality upgraded a number of streets in Jansenville, Klipplaat, Willowmore and Steytlerville from gravel to surfaced (using block paving). By applying labour-intensive methods in the implementation of these projects, valuable jobs were created within these communities. All households have access to a minimum level of service.

Because of its vast geographic spread, and huge distances between some of the towns and smaller settlements, it is important that the roads networks in the Dr Beyers Naudé Municipal area be maintained regularly and the work be of a high standard. The region is heavily dependent on agriculture and tourism to sustain its economy, and therefore requires primary and secondary routes to always be in a good condition.

THE MAJOR STRATEGIES ARE:

- The Roads and Stormwater department undertakes routine inspection of the roads and stormwater network; repairs to potholes, sinkholes and road subsidence; repair / reinstatement of excavations, trenches and localized failures on roads and sidewalks; repair / replacement of traffic lines and signs; blading, re-gravelling and associated maintenance works on gravel roads; stream cleaning and maintenance; crack sealing and slurry sealing of roads; removal of rubble and sand from the road and road reserve areas and upgrading of low volume gravel roads.
- Conduct an audit of all areas to determine the extent and nature of the need. Utilize RRAMS for this purpose.
- Develop a roads management system (Master Plan) of all roads and register projects identified in it. Funding is required.
- Make adequate provision for street maintenance in the operational budget. Currently this is done annually based on ward-based planning undertaken during the IDP process.
- The systematic upgrading of gravel roads by means of labour-intensive methodologies as implemented under the EPWP has created much needed job opportunities e.g. concrete paving bricks were utilized instead of conventional methods of pavement surfacing.

CHALLENGES

- Surfaced roads require urgent resealing. Many are of the old Macadam surfacing technique and are badly cracked as the binder has dried; resulting in potholes forming every time it rains.
- Many roads have reached the end of their useful life and extensive reconstruction thereof is required.
- The identification and implementation of a dedicated truck route through Graaff-Reinet is required as well as a weighbridge.
- Maintenance on district gravel roads needs to be undertaken on a continual basis.
- Funding for the development of a Roads Management System as well as an Integrated Transport Plan is required.

INTRODUCTION TO MUNICIPAL STORMWATER DRAINAGE INFRASTRUCTURE

Stormwater drainage, minor and major systems, is a critical problem in the Dr Beyers Naudé area and was highlighted as concern of residents at Ward Committee meetings.

THE MAJOR STRATEGIES ARE:

- The routine maintenance and unblocking of stormwater drainage systems; replacement of missing covers and access lids.
- Budgeting for new stormwater systems, using external funds.
- Develop a Stormwater Master Plan for the whole Dr Beyers Naudé Municipal area. Funding is required.

CHALLENGES

- Policies and bylaws need to be formulated e.g Roads and stormwater Master Plan, Stormwater by-law
- Old and under capacity stormwater infrastructure needs to be upgraded or replaced.
- Regular flash floods cause damage to properties and road infrastructure.
- All areas in Dr Beyers Naudé Local Municipality experience flooding where roads are unsurfaced, with no formal drainage structures

3.7 ROADS & STORMWATER DRAINAGE

This section is inclusive of reporting on Section 3.9 : Stormwater Drainage.

ROAD INFRASTRUCTURE IN KILOMETRES				
2020/21	Total unsurfaced roads	New unsurfaced roads constructed	Unsurfaced roads upgraded to surfaced	Unsurfaced roads graded/maintained
	198	0	0	176
T 3.7.2				

SURFACED ROAD INFRASTRUCTURE IN KILOMETRES				
2020/21	Total surfaced roads	New surfaced roads	Existing surfaced roads re-surfaced	Surfaced roads maintained
	131	1.9	0	131
T 3.7.3				

STORMWATER INFRASTRUCTURE IN KILOMETRES												
2020/21	Total Stormwater measures		New stormwater measures		Stormwater measures upgraded		Stormwater measures maintained					
	(not available)		4.6		4.6							
							T 3.9.2					
COST OF ROAD & STORMWATER CONSTRUCTION / MAINTENANCE												
R'000												
Year	Unsurfaced (incl. S/W measures)				Surfaced (incl. S/W measures)							
	New		Unsurfaced to Surfaced		Maintained		New		Re-worked		Maintained	
2018/19			9,151,187									
2019/20												
2020/21												
									T 3.7.4 & T 3.9.3			

ROADS & STORMWATER SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2019/20		2020/21		2021/22	2022/23		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	Surface roads Jansenville and Klipplaat	2000	3106						
Service Objective No. 2									
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	Graaff-Reinet Upgrading of streets	3000	2419		2500				
T 3.7.6 & T 3.9.5									

EMPLOYEES : ROADS & STORMWATER SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	18	48	18	30	63%
4 – 6	0	0	0	0	0%
7 – 9	9	12	9	3	25%
10 – 12	2	9	2	7	78%
13 – 15	5	5	0	5	100%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	29	74	29	45	61%
T 3.7.7					

Financial Performance Year 0: Road Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11713	20 495	25 243	25 248	0%
Expenditure:					
Employees	18387	10 960	11 325	10 018	-12%
Repairs and Maintenance	556	294	1 494	405	-73%
Other	2891	18 200	17 260	2 394	-86%
Total Operational Expenditure	21834	29 453	30 078	12 817	-57%
Net Operational Expenditure	10121	8 958	4 835	(12 431)	-357%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.7.8					

Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3 964	3 691	3 188	-14%	
Project A					
Bulk Mains	2 700	2 876	2 501	-13%	
Machinery and Equipment	469	815	687	-16%	
Transport Assets	795	0	0	#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.7.9					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

More funding will be required in the future years to address the maintenance of municipal roads and surfacing of gravel roads. Roads and stormwater were identified in all wards as being a priority for maintenance and upgrading.

The District roads are maintained by the Department of Roads & Public Works and SANRAL maintains all National Roads within the Dr Beyers Naudé Municipal area.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The current stormwater system is a major concern in all wards, especially where gravel roads and steep slopes are involved. The Dr Beyers Naudé area is prone to thunderstorms resulting in flash floods. Funding for this function, especially maintenance, is limited and should receive a higher priority.

3.8 TRANSPORT (including Vehicle Licensing and Public Bus Operation)

INTRODUCTION

Dr Beyers Naudé Local Municipality does not operate a Public Bus Transport System.

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behaviour.

The goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes as agreed for National, Provincial, Metropolitan and Local traffic authorities.

The Municipality holds an Incident Management Committee meeting every two months with different role players such as the contractor appointed by SANRAL for maintenance of the N9 route, SAPS, Emergency and Rescue Services, Department of Roads and Transport (Graaff-Reinet), Municipal Traffic and Fire Services. The

above meetings mainly focus on upgrading of the road network critical areas in the region where accidents could happen and how to improve the road network infrastructure in the area.

3.9 STORMWATER DRAINAGE

Please refer Section 3.7 : Roads – for reporting and general information on Stormwater Drainage.

COMPONENT C : PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

INTRODUCTION

Planning is generally considered to be part of a comprehensive process when a public sector institution (Municipality) intervenes in a problem solution that affects human society.

The major Strategies are:

- Develop a Spatial Development Framework Plan (SDF).
- To consolidate and update the land use management system to a fully integrated Geographical Information System (GIS).
- Systematically release suitable land for housing and commercial development.
- Develop a SPLUMA compliant land use scheme.

The Town Planner and Building Control Officer perform the function of land use management and building control. The administration Department provides the administrative assistance and Protection Services assists with law enforcement of by-laws and contravention of land use management and building regulations.

(Economic Development is dealt with under Section 3.11)

3.10 PLANNING (Town and Spatial)

The top five (5) Service Delivery priorities are:

- Formulation and review of the Dr Beyers Naudé Integrated land use scheme which includes public participation in the formulation of the policy, updating of land use register, and zoning maps;
- Development, adoption and annual review of SPLUMA By-laws by Council, which also includes public participation;
- Aligning the land use Scheme Regulations with the Spatial Planning and Land Use Management Act 16 of 2013;
- Investigation of non-conforming and illegal land uses; and
- Implementation of the Spatial Development Framework (SDF) to eradicate spatial distortions and advancing Social Justice.

APPLICATIONS FOR LAND USE DEVELOPMENT (TO BE UPDATED FOR 2020/21)						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Planning application received	0	0	3	12		158
Determination made in year of receipt			6	12		158
Determination made in following year			0	0		158
Applications withdrawn	0	0	0	0		0
Applications outstanding at year end			1	0		0
T 3.10.2						

(Policy Objectives for T 3.10.3 are displayed on the next page.)

EMPLOYEES : PLANNING SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	2	1	2	4	
13 – 15	1	1	1		
16 – 18		1	1	1	
19 – 20					
Total					%
T 3.10.4					

Financial Performance Year 0: Planning Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	526	526	390	-26%
Expenditure:					
Employees	234	717	710	234	-67%
Repairs and Maintenance					0%
Other	506	67	45	506	1024%
Total Operational Expenditure	740	1364	755	740	-2%
Net Operational Expenditure	740	(525)	(525)	(389)	-26%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.10.5					

CAPITAL EXPENDITURE 2020/21 : PLANNING SERVICES					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					
T 3.10.6					

- There were no Capital Projects or resultant Capital Expenditure for Planning Services.

COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING

The Municipality continues to comply with the provisions of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) through the establishment of a Municipal Planning Tribunal (MPT), and the adoption and implementation of the SPUMA by-laws.

In the year 2020, the municipality commenced with the process of developing an Integrated Spatial Development Plan in partnership with listed stakeholders below:

- Department of Cooperative Governance and Traditional Affairs;
- Municipal Infrastructure Support Agent (MISA);
- Sarah Baartman District Municipality (SBDM);
- The Office of the Premier (OTP); and
- The Department of Rural Development and Land Reform.

Like the Municipality, all the mentioned stakeholders are committed to ensuring that the physical planning function within the LM is adequately regulated by proper Land Use Management Systems for harmonious land development. A draft SDF is now available for comments and will be tabled before council in the month of October 2021 for adoption.

Currently only three (3) out of eight (8) towns have a land use scheme (Camdeboo Integrated Zoning Scheme). All other towns are administered in terms of section 8 regulations of the Land Use Planning Ordinance 15 of 1985 (LUPO). This poses a challenge because the Land Use Planning Ordinance 15 of 1985 was repealed in December 2020. There is an urgent need to develop a new scheme that is aligned with the Spatial Planning and Land Use Management Act 16 of 2013.

The Municipality has recently seen the growth of informal settlements due to the slow RDP Housing delivery. As a result of this slow delivery, some areas, particularly in Graaff-Reinet, Nieu-Bethesda and Jansenville, have resorted to occupy land illegally. This is currently being addressed through legal processes. However, a long-term solution will be to explore informal settlement upgrading through identification of vacant land, relocation of the new informal houses and upgrading the site through the connection of bulk services (water, electricity and sewer) and registration of the sites.

3.11 LOCAL ECONOMIC DEVELOPMENT (including Tourism & Markets)

INTRODUCTION

The LED and Tourism unit is tasked with the obligation of growing the Beyers Naudé Local Municipality's economy by enabling small, medium and micro sized enterprises (SMME), creating an environment in which the business society can optimally operate and ensuring that sustained increases in growth is maintained.

Other critical key success areas are agriculture, manufacturing, Trade and construction. Tourism is also key to the success of the economy and is seen as a primary source for revenue enhancement and creating job opportunities.

The process of developing the Local Economic Development Strategy revealed some critical elements of LED that needs special attention. This financial year was rather cut short due to the National State of Disaster of the Covid 19 pandemic that was declared towards the end of March 2020. The LED strategy process had to be altered to a virtual process that has proven to be rather difficult to complete, public participation was held for the overview of the Socio Economic Profile. For 2019/2020 financial year there was a further decline in job opportunities presented by the Agricultural sector, being one of the main economic drivers of our Municipality and for the 2020/2021 financial year, the status remains the same. The SDF has been adopted by Council, it

will greatly assist in solving the land issues causing the decline in the employment rate by the Agricultural sector, DBN Municipality will ensure that there is gradual improvement in this regard. The Department of Rural Development and Agrarian Reform continues to offer relief and support to most small farmers which provided the much more needed boost for the sector. A plan of action will be developed and will form part of the final LED Strategy Plan.

For the 2020/2021 financial year, LED continued on strengthening capacity for small, medium and micro enterprises across all sectors. Additional to the jobs created in the previous financial year for small enterprises through the partnership with the Municipal Project Management Unit and other state institutions such as Sanral, Department of Public Works, Youth employment programs have been implemented through the Unit. At least 21 youth were appointed through the EPWP Youth Brigades, NYS and APTCOD program.

In partnership with COGTA and FNB we have secured a six month incubator for small businesses across all sectors. The process has been on pause due to covid-19 pandemic lockdown imposed and is earmarked to be kickstarted in the 2021/2022 financial year.

T 3.11.1

ECONOMIC ACTIVITY BY SECTOR				
R '000				
Sector	2017/18	2018/19	2019/20	2020/21
Agriculture, forestry and fishing	117.9	119.8	131.8	173.9
Mining and quarrying	162.1	164.5	181.0	238.9
Manufacturing	290.2	295.1	313.2	413.4
Wholesale and retail trade	570.7	581.4	639.5	844.4
Finance, property, etc.	590.9	610.9	672.0	887.0
Govt, community and social services	1013.4	1030.9	1134.0	149.6
Infrastructure services	221.8	226.6	249.26	329.02
Total	2967.0	3029.2	3320.76	3036.22
T 3.11.2				

Gross Value Added (GVA) for Dr Beyers Naude LM (R1 million constant 2010 prices). Information extracted from the Socio- Economic Profile review under the process of the development of LED Strategy for the Municipality and based on annual growth projections. The baseline used for table T.3.11.1 is 2016 with an average increase of 1.32 annually.

ECONOMIC EMPLOYMENT BY SECTOR				
Sector	Number of Jobs			
	2017/18	2018/19	2019/20	2020/21
Agriculture, forestry and fishing	2495	3293	4347	5738
Mining and quarrying	5	7	9	12
Manufacturing	5557	7336	9684	12783
Wholesale and retail trade	8237	10873	14352	18 945
Finance, property, etc.	3076	4060	5359	7074
Govt, community and social services	5980	7894	10420	13754
Infrastructure services	3472	4583	6050	7986
Total	28 822	38046	50221	118830
T 3.11.3				

Baseline year used for T.3.11.3 is 2016 with a growth rate of 1.32% annually.

COMMENT ON LOCAL JOB OPPORTUNITIES

The Municipality, through the EPWP and CWP programs continue to create a number of jobs in an effort not only to bring relief to the unemployed, but also to stimulate the economy. The aquaculture industry is growing at a very fast pace and to date have employed over 20 employees as part of their agro processing plant. Their internal skills development programme has advanced many of their employees.

More programs have been afforded through the EPWP programme and has been alluded to in the introduction of this chapter.

OFFICE ACTIVITIES ON SMME SUPPORT AND DEVELOPMENT

Facilitating registration of Cooperative with Companies and Intellectual Property Commission (CIPC) - Through the facilitation of the LED Office 20 companies were registered and captured in municipal data base in the 2020/201 financial year. The number keeps rising on a daily basis.

ii. Continuous provision of the business development advice and services.

iii. As a Small Town with limited resources, the aim to convert the office into a one stop shop to access most government services and programmes relating to enterprise development.

iv. Market linkages for emerging enterprises.

v. Accommodate other related service offerings by other spheres of government and development agencies such as DEDEAT, DTI, NYDA, SEDA etc. SEDA has trained the LED officials on some of their programmes. A Memorandum of Agreement has been entered into between

vi. Facilitation of SME capacity building and beneficiation – 30 companies have been selected to take part in the incubator program.

JOBS CREATED DURING 2020/21 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)				
Total Jobs created / Top 3 initiatives	Number of Jobs created	Number of Jobs lost / displaced by other initiatives	Net total number of jobs created in 2019/20	Method of validating jobs created / lost
Total (all initiatives)				
2018/19	3	0	33	Contracts entered into with the companies
2019/20	3	0	33	Contracts entered into with the companies
2020/21	3	0	33	Contracts entered into with the companies
Initiative A : 2017/18	2	0	18 (inclusive of the appointment of local labourers by the contractors)	Appointment letters of the contractors and contract agreements entered into with the main contractor.
Initiative B : 2018/19	2	0	10 (inclusive of 8 local labourers)	Appointment letters of the sub-contractors and contracts entered into with the main contractor

Initiative C : 2019/20	2	0	18 (inclusive of the appointment of local labourers)	Appointment letters of the sub-contractor and contract agreements entered into with the main contractor.
Initiative D: 2020/21	0	0	None	None
				T 3.11.5

JOBS CREATED BY INITIATIVES

Initiative A – Paving of Streets in Graaff-Reinet (Emerging enterprises only)

Two local companies have been employed. Twelve additional jobs have been created through the appointment of these companies

Initiative B – Erection of Security Fence in Spandau Secondary School (CDC in partnership with DBNLM)

Two local companies are employed as sub-contractors. Sixteen other SMMEs are currently receiving training.

Initiative C – Erection of fencing of the Fred Hufkie Cricket stadium.

One local Company was appointed – 4 local labourers were employed by the sub contracted company.

Initiative D – No local companies were appointed by Municipal internal projects through the facilitation of the LED Unit.

JOB CREATION THROUGH EPWP* PROJECTS		
Year	Number of EPWP Projects	Number of Jobs created through EPWP projects
2018/19	4	421
2019/20		542
2020/21		
* Expanded Public Works Programme		T 3.11.6

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
SMME Development and Support	15 SMMEs capacitated in the Arts and Craft sector, as well as through the Incubator Program (a partnership between FNB, COGTA and Dr BNLM).	-	-	15	15	30	15	-	-

Service Objective No. 2									
Job Creation	A number of people were employed through the Community Works Programme, EPWP and other internal Municipal programmes.	Specific details on the number of jobs created are outlined in tables T 3.11.5, T 3.11.6.	-	-	-	-	-	-	-
Service Objective No. 3									
Black Economic Empowerment & Partnerships	Entered into a Service Level Agreement with SEDA to better empower our emerging entrepreneurs.	1	1	1	1	1	-	-	-
									T 3.11.7

EMPLOYEES : LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3		1		1	
4 – 6	4	3 (as reviewed in the current organogram)	4	2	90%.
7 – 9		1		1	
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total	4	5	4	4	90%
					T 3.11.8

Financial Performance Year 0: Local Economic Development Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	1632	2 249	2 249	1 721	-23%
Repairs and Maintenance	0	0	–	–	0%
Other	80	189	189	160	-16%
Total Operational Expenditure	1712	2 438	2 438	1 880	-23%
Net Operational Expenditure	1712	2 438	2 438	1 880	-23%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.11.9					

Capital Expenditure Year 0: Economic Development Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.11.10					

- There were no capital projects budgeted for and implemented during the 2019/2020 financial year as well as for the 2020/2021 financial year.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The Municipality has embarked on a process of developing a new Local Economic Development Strategy/Plan. The new statistics show that there has been a major shift in what is deemed to be key economic sectors and activities.

We have been fortunate as the Municipality for the 2019/20 financial year to be part of the Small Town Revitalisation Program which continues to provide support to the Municipality. The Municipality as part of its developmental support plan usually sets aside a small budget for financial support to at least five smme's annually, as well as hosting various stakeholder engagement sessions (imbizo etc), however for the 2019/20 and 2021/21 financial years these initiatives could not be implemented due to the financial constraints experienced and the National State of disaster declared by Government. Plans to rectify this issue have been developed, and we are confident that the situation will be better accommodated in the upcoming financial year.

The Municipality is dependent upon four key economic activities as per the recent Socio-Economic profile conducted, which are listed below in order of priority:

KEY ECONOMIC ACTIVITIES	DESCRIPTION
Community Services / Public Sector	The Municipality is currently deemed to be largely dependent on community services, which refer to the public sector being the major employer of the Municipality. This is a new development when compared to the previous years
Tourism	The Municipality is a popular holiday destination. It has also become a sought-after residential location for retired persons and foreigners. This has certainly have had a positive contribution to our economy.
Agriculture	There has been a significant decline in the growth of this sector, mainly infested by small businesses. Drought has also contributed to this fact. However, it still employs approximately 8% of the population.
Manufacturing	This proved to be one of the fastest growing sectors. It currently employs approximately 10% of the economy of the Municipality. This has certainly have had a positive contribution to our economy.

The current socio-economic profile under the Development of the LED Strategy Programme reveals that the main economic driver since 2016 for Dr Beyers Naudé LM is Community Services (Public sector Employment), followed by the Finance sector.

Tourism and Agriculture remain at the heart of Dr Beyers Naudé Local Municipality's economy, but these sectors in particular, which previously used to serve as primary sectors, still hold great potential to provide sustainable job opportunities. However, they need to be looked at from a value chain perspective. Mining, construction and manufacturing are identified as other promising sectors.

Furthermore, it is important to view all these sectors as potential drivers of the economy without disregarding the complex manner in which they all interlinked, and the emerging markets for technologies focused on water, energy and waste.

The Municipality has, through the EPWP programs, continuously created the equivalent of 300 FTEs (Full Time Equivalents) per annum, in an effort not only to bring relief to the unemployed, but also to stimulate the economy.

AGRICULTURE

The Municipality still faces major challenges in respect of the current drought and the consistent demand for the replacement of ageing infrastructure in commonages. Assistance has been received but the situation still remains the same. Limited, close to non-availability of state-owned land for small farmers also stands at the centre of the challenge, placing more pressure on the commonages. However, the Municipality is confident that the challenges will be overcome and that the service standards will be maintained. It will continue to strive for the betterment of our communities.

HIGHLIGHTS : LED

- Community Work Programme (CWP) Programme assist to alleviate poverty.
- Small Town Regeneration Programme.

- Wool and Mohair Programme. A Memorandum of Understanding was entered between Mohair South Africa and DBNLM.
- FNB Incubator Programme.
- Development of the LED Strategy Plan commenced. A draft Socio-Economic Profile has been workshopped with relevant role players and is to be tabled to Council.

CHALLENGES : LED

More Human Resource capacity is needed to assist in the full operational process of Developing the Strategy, as well as the day-to-day operations.

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

This component includes libraries and archives, museums and art galleries, community halls, cemeteries and crematoria, child care, aged care, social programmes and theatres.

INTRODUCTION

The objective is to attend to the critical needs and problems being experienced by the community of Dr Beyers Naudé Local Municipality, by providing facilities that will address the social and cultural needs of the community.

The Municipality manages libraries in the following areas :

- Graaff-Reinet (Horseshoe, Kroonvale and Umasizakhe)
- Nieu-Bethesda
- Aberdeen
- Klipplaat
- Jansenville
- Steytlerville
- Willowmore
- Rietbron
- Zaaimanshoek (in Baviaanskloof)

Due to limited buildings and resources to address the recreational and other social needs of the community, the Special Programmes Unit has identified old unused municipal properties to assist. The old building in Umasizakhe that was leased for years under the auspices of SPU, is now used by the Youth for recreational purposes. In addition to that, the Old Post Office building is used for training by the Youth of Graaff-Reinet Apostle Church.

Museums and/or Art Galleries are not a function of the Municipality, but it provides the buildings for some of the museums, except the Hester Rupert Museum in Graaff-Reinet, that was donated to the Municipality. Most of the museums and art galleries are managed by the Department of Sport, Recreation, Arts & Culture (DSRAC), whilst a few are privately owned and run.

Dr Beyers Naudé Municipality is the owner of the world-renowned Owl House Museum in Nieu-Bethesda, which was declared a National Heritage Site in September 2017. There is a formal agreement between the Municipality and the Owl House Foundation (a Section 21 NPC), who is responsible for the administration and maintenance of the Owl House Museum and management of its staff.

3.12 LIBRARIES, ARCHIVES, MUSEUMS, COMMUNITY FACILITIES & OTHER (Theatres, Zoos, etc.)

LIBRARIES, ARCHIVES & COMMUNITY FACILITIES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Building of libraries in areas where there is no library	To be included in the budget	Not done				Not done	Not done	To include building of libraries on the budget	
Service Objective No. 2									
Service Objective No. 3									
T 3.12.3									

EMPLOYEES : LIBRARY, ARCHIVES & COMMUNITY FACILITIES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	9	50	9	34	68
4 – 6	4	0	11	0	0
7 – 9	11	11	6	8	73
10 – 12	3	16	2	7	44
13 – 15	0	3	2	1	33
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	27	80	30	50	63
T 3.12.4					

- There are some important senior posts, i.e. Chief Librarian, 3 x Librarians and Chief Registry Clerk that need to be filled – as a matter of urgency.

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15212	15 952	15 952	14 324	-10%
Expenditure:					
Employees	5308	4 870	4 870	4 614	-5%
Repairs and Maintenance	11	10	10	8	-21%
Other	1162	983	1 180	854	-28%
Total Operational Expenditure	6481	5 862	6 059	5 476	-10%
Net Operational Expenditure	-8731	(10 089)	(9 892)	(8 848)	-11%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.12.5					

- General performance was satisfactory during the year under review, especially that of Libraries.
- The Municipality is responsible for the maintenance of buildings, which are budgeted for under Repairs & Maintenance, however, due to limited resources for the 2020/21 financial year, no major maintenance could be undertaken.
- The Library function is being subsidized by DSRAC, but their contribution does not fully cover the cost of running and maintaining the facilities. This is placing great strain on the Municipality's limited resources.

CAPITAL EXPENDITURE YEAR 2020/21 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.12.6

- There were no Capital Projects or resultant Capital Expenditure for Libraries, Archives or Community Facilities.

CHALLENGES BEING EXPERIENCED WITH LIBRARIES AND COMMUNITY FACILITIES

The general challenge with the libraries is the allocation of a very limited budget by DSRAC, versus the actual expenditure being incurred. An amount of R2.38 million was received for 2019/20 and it did not meet the operational costs of the services rendered to the communities. The municipality had to cover most of the expenditure, which it can ill-afford to do. DSRAC needs to increase its annual contribution substantially.

IT upgrades and internet connections to all libraries is an urgent need and has been a problem for three years already. This is a District competency. There is a specific need for specialized instruments and equipment for persons with vision impairment.

A major challenge is the building of libraries in areas that are currently using very small spaces (such as Municipal offices) as libraries, e.g. Nieu Bethesda, Adendorp, Rietbron, Steytleville and Klipplaat. The growth in the communities requires libraries that have adequate space and are fully functional.

Community Halls throughout the Municipal area are not being maintained properly, due to severe budgetary constraints. Some are in quite a serious state of disrepair and require urgent repairs and upgrading. The construction of a Multi-purpose Community Centre for Ward 3 (Asherville, Geluksdal and informal settlements) has been delayed, due to funding constraints experienced by the Department of Human Settlements.

The Covid-19 pandemic had a negative impact on the operations of Community Halls as these facilities were closed most of the time as a result of the regulations that were in place to curb the spread of the virus.

CHALLENGES BEING EXPERIENCED WITH RECORDS AND ARCHIVES

The Municipality's Records & Archiving function is not being managed properly, for a number of reasons, e.g.

- There are a number of critical vacancies; some senior posts have been vacant for years.
- There is insufficient space for proper filing systems and keeping of records.
- There is no suitable space for archiving of records under the correct and specified conditions.
- Centralization of the function is a major challenge, due to inadequate office space.

3.13 CEMETERIES AND CREMATORIA

INTRODUCTION

Most cemeteries in the municipal area are full or close to full and financial assistance is required for environmental assessments to develop new cemeteries. Funding has been approved by the Sarah Baartman District Municipality for environmental assessments and land surveying for a new cemetery in Aberdeen although the finances never realised.

The challenges in the provision and management of cemeteries that have been identified and are being addressed with the turn-around strategy, include the following:

1. Most cemeteries in all towns are close to full capacity;
2. Section 30A applications have been made for directives to expedite the approval of extensions/ new cemeteries throughout the municipal area;
3. Land surveying have been done in-house which expedites matters and saves costs;

4. The new Graaff-Reinet cemetery was ready for utilization on 1 December 2020 with 30 graves that have been dug in advance. The soil is extremely hard and graves cannot be dug by hand. Yellow plant must be on site for digging graves and graves need to be dug in advance. A caretaker's house and other infrastructure still needs to be provided. The new Graaff-Reinet cemetery is operational and the Sunnyside cemetery can still be utilised for approximately 5 years as have been established after consultation with funeral parlours.

5. Lack of an Integrated Cemetery Plan for the entire municipal area: SALGA has been approached for assistance in this regard.

6. An investigation into the status quo, management, and control (including record-keeping and data of all cemeteries) is in process. A proper electronic system for registration of graves is urgently required.

7. Public complaints regarding poor maintenance of cemeteries are being addressed.

8. Insufficient equipment, staff, and supervision. The organogram is being reviewed in terms of operational requirements

CEMETERIES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Service Objective No. 2									
Service Objective No. 3									
Service Objective No. 4									
T 3.13.3									

EMPLOYEES : CEMETERY SERVICES					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	14	0	14	100
4 – 6	0	4	0	4	100
7 – 9	0	2	0	2	100
10 – 12	6	0	0	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	0	20	0	0	100%

T 3.13.4

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	286	350	350	422	17%
Expenditure:					
Employees	119	127	127	130	2%
Repairs and Maintenance	0	0	0	0	
Other	19	133	433	17	-661%
Total Operational Expenditure	138	260	560	147	-77%
Net Operational Expenditure	-148	(90)	210	(275)	67%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.13.5

CAPITAL EXPENDITURE YEAR 2020/21 : CEMETERIES					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					

Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).

T 3.13.6

- There were no Capital Projects or resultant Capital Expenditure for Cemeteries.

COMMENTS ON THE PERFORMANCE OF CEMETERIES & CREMATORIA OVERALL

Dr Beyers Naudé Municipality is currently faced with a huge crisis regarding availability and suitability of land for burials. Old cemeteries are full and the process of constructing new cemeteries cannot start without funding. The soil in the Jansenville and Willowmore is rocky which makes it difficult for burials to take place as prescribed by Legislature.

The Municipality is still awaiting the outcome of the Section 30A directive from the Department of Environmental Affairs.

The Municipality does not have a crematorium. Bodies are sent to Port Elizabeth for cremation.

3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES (SPU)

INTRODUCTION

The Special Programmes Unit of the Municipality is responsible for a vast base of vulnerable groups, ranging from, amongst others, Disabled Persons, Youth, Sport and Recreation, Women, Children and Elderly Persons.

Most of the Older Persons in the Dr Beyers Naudé Local Municipal Area have been deprived of adequate education, employment and socio-economic opportunities. Without the means to break free from the bondage of poverty, secure retirement benefits or to ensure that their children would flourish, older persons not only need assistance, but they also deserve respect.

The Municipality is still involved in several Child and Aged Care facilities to provide service delivery in terms of the care of children and aged people. Ageing is recognized as an inevitable stage of life, which has special needs. The development paradigm aims to enable Older Persons to live active, healthy and independent lives for as long as possible.

During this period of Covid – 19, the Special Programmes Unit joined Hands with Department of Social Development, SASSA, Churches and other institutions and organisations, to help alleviate the pressure of the lockdown by providing shelter for homeless elders, regular food parcels hand out and food stalls in the different wards.

The Dr Beyers Naudé Local Municipality, in collaboration with the Department of Social Development, is in the process of establishing a Children's Forum as well as a Forum for the Elderly, due to the Covid-19 Lockdown, discussions couldn't continue, but now that lockdown levels are reducing, we will continue with this initiative. This will give these groups a platform to share their views and raise their issues, concerns, and also present solutions. The Municipality continues to support all special facilities that fall under the jurisdiction of the Municipality by way of basic service delivery as set out in the Municipal Systems Act, 2000 (Act 32 of 2000).

Older persons face many challenges, and the South African legislation addresses the Constitutional mandate to protect the human rights of older persons by removing all forms of racial discrimination and by addressing inequality in government-funded services.

Despite some challenges, it remains the vision of the Dr Beyers Naudé Local Municipality to cultivate and promote stronger relationships with sector departments. The Municipality maintains good relationships with the local, district and provincial Departments and will continue to work together with these departments, to ensure a better life for the residents of our Municipality.

Skills shortages are widely regarded as the main factor which slows economic growth in the municipal area. As a result, the Special Programmes Unit continually work with SETAs and Training Institutions to train our groups

as regular as possible. The SPU incorporation with MEDIAWORKS successfully trained 60 learners on the SASSETA Mathematics and Literacy Programme in May – June 2021. NYDA also trained 60 learners on How to Start your Own Business and will continue when lockdown restrictions are eased again,

The focus of the Municipality is to explore solutions to overcome skills shortages in the various industries.

Social Development Projects / Programmes being supported by the Special Programmes Unit:

- Vuyani Safe Haven
- Camdeboo Hospice
- ACVV
- Cluster Home, Aberdeen
- Eliakim Cluster Foster Home – Graaff-Reinet
- Intergenerational for the Aged
- Home-based Care for the Aged
- Crime Prevention – various towns in collaboration with CPF
- Skills Development – various towns in collaboration with the HR Department
- Teenagers against Drugs Abuse (TADA)
- Aberdeen Victim Support Centre
- Karoo Catch
- Khomonani Victim Support Centre
- Little Lamb Disabled Group
- Klipplaat Soup Kitchen
- Simunye Youth Group in Jansenville
- DOS Mobile Crèche – Baviaanskloof, Zaaymanshoek, Vondeling, Rietbron and surrounding farms
- All other Early Childhood Development Centres (ECDs) in the Municipal area.
- Karoo Church Food for the Homeless Initiative
- Open Hearts Foundation – Graaff-Reinet
- Veronica Nosanko Old Age Home
- Shekinah Soup Kitchen - Graaff-Reinet
- Aunt Evelyn's Soup Kitchen – Nieu-Bethesda
- Khanyisa Day Care Centre
- South African Military Veterans in Dr. Beyers Naude Local Municipality

The Municipality does not have the financial means to assist the above-mentioned organisations / institutions but does support them by delivering the basic services provided by the municipality, either free-of-charge or subsidized, as well as letters of support for any grant funding being applied for.

Some of these entities occupy municipal buildings and the maintenance of these buildings is undertaken by the Municipality as well.

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate, and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities.

The Special Programmes Unit is determined to ensure that the mandate is executed in terms of mainstreaming the rights and upliftment of women, men, children, senior citizens, youth, sport and recreation and people with disabilities through advocacy, intersectional collaboration, capacity development, monitoring and evaluation.

SERVICE STATISTICS FOR SPECIAL PROGRAMMES UNIT

(Policy Objectives for T 3.14.3 are displayed on the next page.)

EMPLOYEES : SPECIAL PROGRAMMES UNIT					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
<i>As per the organogram</i>	6	4	5	3	60%
0 – 3					
4 – 6					
7 – 9				1	
10 – 12				2	
13 – 15					
16 – 18					
19 – 20					
Total					60%
<i>T 3.14.4</i>					

COMMENTS ON STAFFING SITUATION

- Only 1 SPU Officer has been placed thus far, placement process is ongoing , the 4 remaining officials are still performing their duties in their respective areas and will be placed in due course.
- The SPU Assistant was appointed as Leave Clerk and hence the number of officials in this department has been reduced to 5 officials with only 4 vacancies on the approved Organogram.

SPECIAL PROGRAMMES UNIT POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/222	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Followi ng Year (x)
Service Objective No. 1									
To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Number of SPU Consultative Forums established, namely: Youth Council, Local Sports Council, Local Aids Council, Women's Forum and Disabled Forum by 30 th June 2020.	4	Not on Target 2. All councils established except Youth Council, however, provision is made for the establishment of the council in 2019/20.	4	2	0 Not on Target Due to Covid – 19 pandemic Establishment of forums couldn't take place. Establishment of Forums to be finalised during the 1 st quarter of 2020/21.	4	The Youth Council Was Established in June 2021	
Service Objective No. 2									
To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Number of training programmes for vulnerable groups especially youth and disabled citizens by 30 th June 2020.	8	8 On Target. Various training programmes implemented and completed	8	10	On Target Various training programmes implemented & completed. Bursaries & Internships included.	12	6 On Target. Various training programmes implemented and completed	
T 3.14.3									

FINANCIAL PERFORMANCE 2020/21 : SPECIAL PROGRAMMES UNIT					
R'000					
Details	2020/21 Actual	2020/21			
		Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	1245	1333	1345	1346	1%
Repairs and Maintenance	4	14	2		
Other	210	147	89	75	-96%
Total Operational Expenditure	1459	1494	1436	1421	-5%
Net Operational Expenditure	1459	1494	1436	1421	-5%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.14.5</i>

CAPITAL EXPENDITURE YEAR 2020/21 : SPECIAL PROGRAMMES UNIT					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.14.6</i>

- There were no Capital Projects or resultant Capital Expenditure for the Special Programmes Unit.

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL

The Special Programmes Unit performed satisfactorily during 2020/2021.

COMPONENT E : ENVIRONMENTAL PROTECTION

This component includes pollution control, biodiversity, landscape and coastal protection.

3.15 POLLUTION CONTROL

Section 152(d) of our Constitution, Act 108/1996, places an obligation on Local Government to “promote a safe and healthy environment”. Part B of Schedule 4 and 5 of the Constitution stipulates Pollution Control as a responsibility of Local Government, which must be enforced by way of Municipal By-laws and other legislation.

The right to prevent pollution and ecological degradation by everyone is enshrined in our Constitution. In our municipality urban areas are primary centres of activity that generate air quality impacts. This includes particulate, paraffin usage and other emissions. Overall contributing factors are results of either concentrated traffic volumes, industrial activities including household fires.

In terms of Air Quality Management, Sarah Baartman District Municipality is the Licensing Authority and there is also an agreement with them for Dr Beyers Naudé to perform the Environmental Health Services on their behalf, on an agency basis. Duties resorting under this agreement include the following:

- Ensuring hygienic working, living and recreational environments.
- The identification of polluting agents and their sources i.e. air, land and water.
- Conducting environmental health impacts and assessments including Major Hazardous Installations.
- Conducting environmental health hazards and risk mapping.
- Accident prevention e.g. paraffin usage.
- Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications.
- Ensuring clean and safe air externally (ambient and point sources) including emission inventories monitoring, modelling and toxicological reviews and complaint investigations.
- Control and prevention of vibration and noise pollution.
- Prevention and control of land pollution detrimental to human, animal and plant life.
- Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations – including anticipating, identifying, evaluating and controlling of occupational hazards.
- Preventative measures required to ensure that the general environment is free from health risks.
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade and etc, which involves the control of internal impacts on the worker and external impacts on the community.
- Integrity management including pipelines and tankage.
- Emergency preparedness under abnormal operating conditions and disasters jointly with other role players.
- Develop sustainable indicators appropriate for monitoring the effectiveness of Environmental Management Systems of Industry.

In protecting the atmosphere, we promote the planting of trees “Spekboom” by individuals, communities, schools, and other institutions to reduce our carbon footprint.

Promote the recycling of waste materials as well as the optimal utilisation of all possible resources in the urban environment such as sewage, storm water and organic waste.

Promote backyard gardening, greening, and beautifying of open spaces.

3.16 BIO-DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES) & OTHER

The Municipality does not have a specialized unit concentrating on Bio-Diversity or Environmental Management, but is maintaining public open spaces. However, Commonage land is not being managed or maintained properly and there are no programmes in place for the eradication of alien vegetation or erosion control – apart from those being managed by SANParks. The Municipality must do more in this regard and take pro-active steps in reducing the adverse impact on the environment, by actively encouraging and participating in the protection of its local bio-diversity. The area does not have any coastal regions to manage or maintain.

COMPONENT F : HEALTH

This component includes Clinics, Ambulance Services and Health Inspections.

3.17 CLINICS

The Municipality does not render Primary Health Care Services; this is a Provincial Competency.

3.18 AMBULANCE SERVICES

The Municipality does not render Ambulance Services; this is a Provincial Competency.

3.19 HEALTH INSPECTIONS, FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

INTRODUCTION

Part B of Schedule 4 of the Constitution allocates Municipal Health Services as a Local Government function.

Residential, business and public premises must be monitored in order to identify, assess, control and manage health hazards and risks emanating from the use of such premises. This function also includes scrutinizing of building plans and providing health-related comment on environmental impact assessments of proposed new developments, in order to ensure that all health aspects are considered.

The implementation of health guidance, health education and awareness programs with the emphasis on preventative care to address both adverse environmental practices and adverse health behaviour for improved environments and healthier lifestyles.

Financial Performance Year 0: Health Inspection and Etc					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 429	2 020	2 020	1 010	-50%
Expenditure:					
Employees	2 564	3 680	3 680	1 312	-64%
Repairs and Maintenance	76	138	178	61	-66%
Other	874	609	2 475	1 540	-38%
Total Operational Expenditure	3 514	4 427	6 333	2 914	-54%
Net Operational Expenditure	2 085	2 407	4 313	1 904	-56%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5

2020/21 SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.			
	Data Elements	Value	Comment
1.	WATER QUALITY MONITORING		
	EH Domestic water sample collected	176	
	EH Domestic water sample compliant	134	Corrective action requests on failures.
2.	FOOD CONTROL		
	EH Food premises inspected	172	
	EH Food premises compliant	170	Issuing compliance notices.
	EH Food poisoning reported new	0	
	EH Food sample bacteriological analysis	24	
	EH Food sample bacteriological compliant	24	
3.	WASTE MANAGEMENT	172	
	EH Health care waste generator inspected	24	
	EH Health care waste generator compliant	24	
4.	HEALTH SURVEILLANCE OF PREMISES		
	EH Premises tobacco legislation inspected	166	
	EH Premises tobacco legislation compliant	166	
5.	VECTOR CONTROL		
	EH Surveillance/Inspection of premises	172	
	EH Rodent/Pest compliant	172	
6.	ENVIRONMENTAL POLLUTION CONTROL		
	EH Pollution control on premises	23	
	EH Pollution on premises compliant	23	
7.	DISPOSAL OF THE DEAD		
	EH Inspection of Funeral Parlours	44	
	EH Funeral undertaker's/mortuaries compliant	44	
8.	BUILDING PLAN INSPECTIONS		
	EH Building plan inspections	101	
	EH Building plan health regulations compliant	101	

COMMENTS ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL

The Environmental Health Practitioners (EHP's) are responsible for health inspections as per minimum inspection frequency per year as part as their scope of practice. There are currently two EHP's in the former Camdeboo area while the former Baviaans and Ikwezi municipalities still fall under Sarah Baartman District Municipality.

FUNCTIONS AS PER SERVICE LEVEL AGREEMENT

Environmental Health Services per definition means the assessment, monitoring, correction, control and prevention of environmental factors that can adversely affect human health. It includes, but is not limited to, the anticipation and identification of environmental health hazards and risks regarding:

- Potable water quality monitoring,
- Ensuring a safe food supply-Food and milk control,
- Waste management,
- Health Surveillance of premises,
- Surveillance and prevention of Communicable diseases excluding immunisation,
- Vector control,
- Environmental pollution control, other than noise, water and air pollution,
- Disposal of the dead,
- Chemical safety,
- Health Information Systems,
- Health aspects of building plans approvals,
- Exhumations and re-burials monitoring,
- Hazardous Substances control,
- Epidemiology,
- Issuing certificates of acceptability and/or competency.

COMPONENT G : SECURITY AND SAFETY

INTRODUCTION

The Department of Protection Services is incorporated as a division under the Directorate of Community Services and the Manager of Protection Services reports directly to the Director of Community Services. Protection Services is responsible for the following sub-divisions:

- Traffic Control
- Traffic Law Enforcement
- General Law Enforcement
- Traffic Agency Services, which includes Roadworthiness Testing, Motor Vehicle Registration & Licensing
- Fire Brigade Services (SLA with Sarah Baartman District Municipality)
- Disaster Management

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behaviour. The Municipality has planned as many as possible roadblock and speed measurement actions in order to combat road accidents during holiday and festive periods.

The goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes, as agreed upon for National, Provincial, Metropolitan and Local traffic authorities.

The critical offences in the towns are: disobeying of no-parking / no-stopping offences, driving without driver's licences, operating without the necessary transport operating licences, holding cell phones in hand while driving and also exceeding the speeding limit.

The N9 National Road running through Dr Beyers Naudé Municipal area is challenging over the busy festive and holiday seasons when it creates a major inflow of traffic through Graaff-Reinet, Aberdeen and Willowmore. Passenger transport operators should be requested to ensure that the drivers of their vehicles become more responsible and safe road users and respect the rights and lives of other road users.

CHALLENGES: Driving License Testing Centres (DLTC) and Vehicle Testing Stations (VTS)

- During this reporting period, Audits were conducted at the DLTC's & VTS's within DBNLM;
- As a result, the VTS in GRT was not fully operational during this financial year due to gaps that were identified during the inspections that were conducted; This had a negative effect in terms of service delivery to our communities and revenue collection;
- Bookings for learner's and driver's licenses were also affected by the findings at the GRT DLTC during this period;

The Provincial Department of Transport recommended that more staff needs to be appointed, e.g. Examiners, E-natis Cashiers, etc. The municipality have requested assistance from the Provincial Department for additional Examiners whilst the placement process is still being finalised.

The Roadworthy Centres received an average Audit Report from the Provincial Department of Transport, indicating that the Municipality needs to appoint more staff.

3.20 POLICE (including Traffic Control and Road Safety)

INTRODUCTION

Dr Beyers Naudé LM provides Traffic Control and Road Safety Services, but does not have a Municipal Police Force. The Municipality works closely with SAPS and some Councillors serve on the local CPFs, however, representation by the Municipality and attendance of these meetings needs to improve.

MUNICIPAL TRAFFIC CONTROL AND ROAD SAFETY SERVICES DATA			
Details	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Number of road traffic accidents during the year	165	253	265
Number of by-law infringements attended to	10	0	18
Number of fines issued during the year	115	215	224
Number of Traffic Officers in the field on average day	4	2	2
Number of Traffic Officers on duty on an average day	4	2	4
Number of Law Enforcement Officers on duty on an average day	1	2	1
<i>T 3.20.2</i>			

(Table 3.30.3 appears further down.)

EMPLOYEES : TRAFFIC SERVICES					
Job Level	2019/20	2020/21			
Traffic Officers/ Administrators	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
Chief Traffic Officer & Deputy	0	0	0	0	0%
Other Traffic Officers	0	0	0	0	0%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	5	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	0	0	0	0	0%
T 3.20.4					

- After the amalgamation, various internal consultative workshops were held to develop an organizational structure for the newly established Dr Beyers Naudé Local Municipality. Based on the fact that Jansenville and Willowmore did not have appointed traffic officials, a structure was developed, that will be addressed during the placement process. The placement process is not yet finalised and the organogram is in reviewing phase, hence this is not yet attended to.

Financial Performance Year 0: Traffic Control					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2457	5 752	5 752	3 922	-32%
Expenditure:					
Employees	4369	4 529	4 929	5 117	4%
Repairs and Maintenance	137	140	290	169	-42%
Other	1124	768	1 278	1 051	-18%
Total Operational Expenditure	5630	5 437	6 497	6 337	-2%
Net Operational Expenditure	3173	(315)	745	2 414	224%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.20.5					

CAPITAL EXPENDITURE YEAR 2020/21 : TRAFFIC CONTROL					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.20.6</i>

- There were no Capital Projects or resultant Capital Expenditure for Traffic Control Services.

TRAFFIC SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
A functional and effective Community Safety Forum, Local Transport Forum and Local Disaster Management Advisory Forum	Review and restructure the existing Local Transport Forum in order to ensure a safe and quality transport system for the commuters.	4	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	District Disaster Management Advisory Forum		
Service Objective No. 2									
To create a platform for co-ordination, integration and implementation of multi-sectoral crime prevention and community initiatives for joint collaboration towards local crime prevention strategies.	Establish sub-committees with specific programmes in respect of crime prevention action plans, provide secretariat services for the structure, funding and infrastructure for the functioning of a Community Safety Forum and develop and integrate a CSF annual program of action into IDPs.		There is an established Community Safety Forum		Not on Target		Not on Target		

Service Objective No. 3									
To provide initiatives and reporting strategies to achieve the necessary objectives for a safe transport system.	Regular review and update the Municipality's Disaster Management plan and ensure that it incorporates threats identified throughout the region.		This is reviewed on an annually basis		This is reviewed annually		This is reviewed annually		
Service Objective No. 4									
To significantly reduce and mitigate the negative impact of disaster and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Make adequate provision in the annual budget to upgrade or install applicable measures for public safety.	4	Incidents management Committee Forum which sits quarterly	4	2	Not on Target	0		
T 3.20.3									

COMMENTS ON PERFORMANCE OF TRAFFIC SERVICES OVERALL

The Department did not meet its target for conducting preventative traffic patrols and enforcing traffic legislation compliance as per its business plan – due to staff shortages

3.21 FIRE

INTRODUCTION

The main objectives of the Fire Services are to prevent fires and to protect life and property should a fire occur. The top four service delivery priorities are vehicle and equipment availability and maintenance, replacement of fire equipment, fire safety inspections and reviewing of building plans.

Dr Beyers Naudé Local Municipality operates strictly according to the SANS 10090:2003, Community Protection Against Fire Standard Code. The different towns within our jurisdiction do not render a 24/7 fire service.

The measures taken to improve performance are based on the risk assessment that was done in terms of SANS Code 10090:2003.

FIRE SERVICES DATA					
Details		2018/19	2019/20		2020/21
		Actual No.	Estimated No.	Actual No.	Projected No.
1	Total fires attended in the year	84	162	197	320
2	Total of other incidents attended in the year	3	25	0	41
3	Average turnout time - urban areas	8.21 minutes	10 minutes	10min	8Min
4	Average turnout time - rural areas	56 minutes	56 minutes	1hour	1hour
5	Fire fighters in post at year end	11	12	12	13
6	Total fire appliances at year end	9	9	8	8
7	Average number of appliances off the road during the year	2	2		2
					T 3.21.2

ANALYSIS OF FIRE SERVICES DATA

A total of 320 fires were attend to during the financial year. The Municipality responded within the average timeframe as stipulated above, depending on different areas.

There are challenges in the vast rural areas, mainly due to gravel roads (some in poor condition) that have to be travelled to reach destinations. This causes delays, which in turn increases the scale of the disaster. For this reason, Sarah Baartman District Municipality issued 2 light vehicle fire-fighting bakkies to improve the time response to rural calls, instead of using the more cumbersome and slower Fire Engine.

T 3.21.2.1

FIRE SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2020/21	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Turnout time compared to National guidelines	% turn out within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% if that is larger	70% within guidelines or A0% if that is larger	A1% within guidelines	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	Turnout time compared to National guidelines
Service Objective No. 2									
Service Objective No. 3									
Service Objective No. 4									
T 3.21.3									

CURRENT FIRE AND RESCUE STATIONS

The Municipality does not have any suitable or purpose-designed fire stations but is utilising fire garages in which fire pumpers are stored. The district municipality through, the SLA with DBNLM, avail and amount of R150 000.00 for the upgrading of the fire station in Klipplaat and the fire garage in Aberdeen. The fire garage in Aberdeen is finalised to an amount of R65 000.00 and the upgrading of the fire station in Klipplaat amounted to R 33 849.60.

The Fire and Rescue Service operates from 6 locations/sites at the moment which are situated in:

- Graaff-Reinet
- Willowmore
- Aberdeen
- Jansenville
- Nieu-Bethesda
- Steytlerville

GRAAFF-REINET

The Graaff-Reinet fire and rescue building is well situated in the CBD and is shared with the municipal Traffic and Disaster Management functions. The Fire and Rescue Service is rendered from 07:30 to 16:30 from the station. The municipality identified a portion of the Old Kroonvale Swimming Pool in Graaff-Reinet as a suitable site for this new development.

After normal working hours - including weekends and public holidays - employees are placed on rotational standby and need to respond from home to the station. Calls are predominantly received from SAPS or the Emergency Ambulance Services radio control rooms. Employees on standby utilise LDV skid units, where available, to respond from home.

Apart from the 2 x medium pumpers, a water tanker, a fire water trailer and HAZMAT trailer have been allocated to Graaff-Reinet.

An application was made to Sarah Baartman District Municipality for the construction of a new Fire Station.

WILLOWMORE

Willowmore fire and rescue service occupies a building (with limited facilities) which is shared with the Provincial Ambulance Service. A Hino 500 medium pumper with rescue equipment, as well as an LDV skid fire unit, a HAZMAT trailer and water trailer is stationed at Willowmore. Three persons were trained as fire fighters during this financial year. There are currently one Fire Officer and 3 fire fighters stationed at Willowmore.

The Fire and Rescue Service is rendered from 07:30 to 16:30 from the Fire and Rescue building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS or the Ambulance Services Control rooms. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

ABERDEEN

Aberdeen has a Dennis medium pumper fire appliance which is housed in a garage. There is only one Firefighter stationed at Aberdeen, assisted by 3 employees. Any support fire appliances or firefighters during an above normal incident need to be deployed from Graaff-Reinet.

STEYTLERVILLE

Steytlerville has no fire station. However, the fire water trailer unit located to the area is housed within an electrical services garage. There is one Fire Station Officer stationed at Steytlerville.

NIEU-BETHESDA

Nieu-Bethesda has no fire station. However, a Ford F250 4x4 light fire pumper has been allocated to the area and housed within a garage. Municipal employees man the appliances.

JANSENVILLE

Jansenville has no fire station. However, they share a multi-purpose garage with Engineering and Planning Services. A medium pumper Hino 500 with rescue equipment has been allocated to the area.

The Fire and Rescue Service is rendered from 07:30 to 16:30 from the mentioned building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS Control room. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

EMPLOYEES OF FIRE SERVICES

A Performance Fire Service level agreement was developed and signed with Sarah Baartman DM.

EMPLOYEES : FIRE SERVICES					
Job Level	2019/20	2020/21			
Fire Fighters / Administrators	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
Chief Fire Officer & Deputy	0	0	0	0	0%
Other Fire Officers	0	0	0	0	0%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	10	2	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	0	0	0	0	0%
T 3.21.4					

FINANCIAL PERFORMANCE OF FIRE SERVICES

Although Dr Beyers Naudé Local Municipality has signed a service level agreement with Sarah Baartman District Municipality, we also realised that additional funds should be allocated for appointing of additional personnel.

Dr Beyers Naudé Local Municipality has a fire service tariff structure in place to subsidize operational costs.

Although the Municipality is receiving a grant on a yearly basis from Sarah Baartman District Municipality, the funding is insufficient to render a 24/7 fire service.

FINANCIAL PERFORMANCE 2020/21 : FIRE SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

CAPITAL EXPENDITURE OF FIRE SERVICES.

The Municipality endeavours to meet the requirements as set out in SANS 10090:2003, with the financial support that it receives every financial year. This funding is basically used to cover the costs of fire pumpers, protective clothing and complying with equipment standards.

CAPITAL EXPENDITURE 2020/21 : FIRE SERVICES					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
		0	0	0	0
Project A : Upgrading of Klipplaat and Aberdeen Satellite Fire Stations	0	0	0	0	0
Project B					
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).					T 3.21.6

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES OVERALL

An assessment of the fire hazards was conducted during the previous year, to determine the extent of the fire services needed to provide adequate protection for our fire area with the assistance of Sarah Baartman District Municipality. The report is not available yet.

An annual Performance Fire Service Level Agreement (LSA) was developed and signed between Sarah Baartman District Municipality and Beyers Naudé Municipality and Retained firefighters were appointed, in order to meet some of the operational objectives – in accordance with SANS 10090:2003.

3.22 OTHER (Disaster Management, Animal Licensing & Control, Public Nuisances, etc.)

INTRODUCTION

In terms of Chapter 5 of the Disaster Management Act, 57 of 2002, Dr Beyers Naudé Local Municipality has participated in the establishment and implementation of a framework for Disaster Management. This framework was to ensure that the Municipality has an integrated and uniform approach towards Disaster Management, in line with the Integrated Development Plan.

SERVICE STATISTICS

Dr Beyers Naudé Local Municipality was faced with a prolonged drought. A promulgation was issued that declared the Municipality as a disaster area. The Nqweba dam is empty and water carting was taking place.

No additional Law Enforcement Officers were appointed to ensure that by-laws will be enforced and the finalisation of placement is still awaited. Awareness campaigns were done at schools in respect of littering.

POLICY OBJECTIVES

A draft Disaster Management Plan was compiled for all the local municipalities under the Sarah Baartman District Municipality and the final draft is ready for Council approval.

DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC. POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20		2020/21	2021/22		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
A functional and effective Community Safety Forum, Local Transport Forum and Local Disaster Management Advisory Forum.				A Forum for Disaster Management is established from the SBDM and there is a Satellite office to assist in disaster.					
Service Objective No. 2									
To significantly reduce and mitigate the negative impact of disaster and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.				There is no effective Law Enforcement in the Municipality					
T 3.22.3									

EMPLOYEES

Dr Beyers Naudé Local Municipality does not have a staff component dealing with Disaster Management. It utilizes the Satellite Officer appointed by Sarah Baartman District Municipality for the region to assist with awareness campaigns, training of volunteers and reviewing of the Disaster Management Plan.

However, provision has been made on the December 2018 organogram for a Disaster Management Officer. Awaiting placement to be finalised

EMPLOYEES : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	0	0	0	0	0%
T 3.22.4					

FINANCIAL PERFORMANCE 2020/21 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:	0	0	0	0	0%
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
T 3.22.5					

- There was no Operational Revenue or Expenditure under the Disaster Management, Animal Licensing and Control or Control of Public Nuisances functions.

CAPITAL EXPENDITURE 2020/21 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B					
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).					T 3.22.6

- There were no Capital Projects or resultant Capital Expenditure under the Disaster Management, Animal Licensing and Control or Control of Public Nuisances functions.

COMMENTS ON THE PERFORMANCE OF PROTECTION SERVICES OVERALL

The Municipality does not have an approved operating or capital budget for Disaster Management functions. It depends on financial assistance from the District and Province when local disasters occur.

COMPONENT H : SPORT AND RECREATION

INTRODUCTION

The Municipality offers a number of facilities and caters for virtually all the sporting codes, i.e. Soccer, Rugby, Netball, Cricket, Tennis, Athletics, etc. There are caravan parks in most towns; as well as established hiking trails and picnic spots. The Municipality also has a few Recreation Hubs, namely in Rietbron, Aberdeen and Klipplaat.

3.23 SPORT AND RECREATION

SPORT AND RECREATION POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
To provide facilities and services that will address the recreational and other social needs of the community.									
Service Objective No. 2									
Stadiums and sports field that have been upgraded and properly equipped to function properly and fully utilized.		Submitted application for the upgrading of stadiums			Upgrading Soccer field by paving parking area (300 m2) and construction of 1 ablution facility (138m2) by 30 June 2020.				
Service Objective No. 3									
Paly parks in all Wards that are safe, secured and healthy recreational areas for children in our communities.									
T 3.23.2									

T 3.23.2

EMPLOYEES : SPORT AND RECREATION					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%
T 3.23.3					

FINANCIAL PERFORMANCE 2020/21 : SPORT AND RECREATION					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15				
Expenditure:					
Employees	13766				
Repairs and Maintenance	95				
Other	2618				
Total Operational Expenditure	16479				
Net Operational Expenditure	16464				
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.23.4

CAPITAL EXPENDITURE 2020/21 : SPORT AND RECREATION					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A : Phase 2 development of Soccer Field in Kroonvale (GRT)	0	0	0	0	280,000
Project B					
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).					T 3.23.5

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Most of the sport facilities require upgrading or refurbishment. Vandalism of facilities is a huge concern and the Municipality is not in position to repair vandalized facilities regularly as it has enormous budget implications. Some facilities are non-functional; others are undergoing or are earmarked for extensive repairs and upgrading.

COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION

Dr Beyers Naudé Local Municipality is a Category B Municipality with a Collective Executive System combined with a Ward Participatory System. The Council consists of 27 Councillors. The Council has a Mayor and a Speaker; both are serving in a full-time capacity.

The Mayor is the Chairperson of the Executive Committee and the Speaker presides over Council Meetings. Council has four (4) Portfolio Committees, namely:

- Engineering and Planning
- Corporate Services
- Budget and Treasury
- Community Services

Other Oversight Committees are:

- Audit Committee and;
- Municipal Public Accounts Committee (MPAC)

3.24 EXECUTIVE AND COUNCIL

FINANCIAL PERFORMANCE YEAR 2020/21 : THE EXECUTIVE AND COUNCIL

R'000					
Details	2019/20 Actual	2020/21			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	62	71	71	162	-128%
Expenditure:					
Employees	19 836	19 151	19 191	20 468	-7%
Repairs and Maintenance	5 018	2 163	2 163	7	99%
Other	16 168	12 188	12 974	13 304	-3%
Total Operational Expenditure	41 023	33 503	34 329	33 780	2%
Net Operational Expenditure	-40 961	-33 432	-34 258	-33 618	2%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.24.5</i>

3.25 FINANCIAL SERVICES

INTRODUCTION

Financial Services took steps to achieve the goals/objectives of capacity building in the Budget and Treasury Office, to improve the municipal audit outcome and establish a Supply Chain Management Unit.

The introduction of baseline tariffs has significantly increased revenue and collection strategies are continually updated to deal ensure all revenue is collected to ensure continuity of service delivery.

FINANCIAL PERFORMANCE YEAR 2020/21 : FINANCIAL SERVICES					
R'000					
Details	2019/20 Actual	2020/21			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	47493	77 891	252 927	46 752	82%
Expenditure:					
Employees	25998	26 322	26 322	27 036	3%
Repairs and Maintenance	87	179	379	1 354	257%
Other	48798	24 744	49 909	64 480	29%
Total Operational Expenditure	74883	51 245	76 611	92 870	21%
Net Operational Expenditure	-27 390	26 646	176 316	-44 763	75%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.25.5

CAPITAL EXPENDITURE YEAR 2020/21 : FINANCIAL SERVICES					
R' 000					
Capital Projects	Year 2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	710	710	456	35%	
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.25.6

COMMENTS ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

For Financial Services, the project outline represents fairly the capital expenditure needs of the Department. However, due to inadequate implementation of the Capital Budget, particularly on office furniture, there were large variances.

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The objective of the Human Resources function is to render services to the organization i.e. Personnel provisioning, training and development, payroll services, as well as services with regard to the transformation of the organisation i.e. Employment Equity Services – whilst following a stringent regime with regard to Safety Regulations, in line with the Occupational Health and Safety Act.

Such Services are rendered within a policy framework. The policy framework depicts, for example, the Organisation's own Institutional Policies and Collective Agreement; that is the Consolidated Collective Agreement on Conditions of Service, Disciplinary Procedure Collective Agreement, Main Collective Agreement and the relevant pieces of legislation that are operational within the sector.

The HR Section started a process of reviewing of its own organisational HR Policies that were adopted by the Municipal Council in June 2019. During the year under review, such policies served as a guideline that informed all HR-related activities that were to follow the adopted policy guidelines to the letter.

In general, this approach impacted positively on the organisation and also reduced the huge costs of overtime in particular.

T 3.26.

7.3.20.

HUMAN RESOURCE SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2019/20	2020/21	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Organogram	Consultation workshops with all stakeholders	Establishment of an Organogram	Organogram Adopted in Dec. 2018/19	Organogram Adopted in Dec. 2018/19	Review Organogram by Dec. 2019	Not on Target	Review Organogram by Dec. 2020	Review Organogram by June 2021	Annual review of Organogram
Service Objective No. 2									
Placement of Staff	Establishment and Approval of a Placement Policy		Adoption of Placement Policy			Commencement of Placement Process	Implementation of Placement	Placement to be finalised.	
Service Objective No. 3									
Recruitment of Staff	Filling of vacant Section 57 Positions	Filling of Director Corporate Services	Process not yet started	Filling of Director Corporate Services	Advertise vacant Section 57 positions	Recruitment process to be finalised	0	0	
Service Objective No. 4									
Recruitment of Staff	Filling of vacancies						Advertise vacant positions after completion of placement	Recruitment of Staff especially critical positions	
T 3.26.3									

T 3.26.3

EMPLOYEES : HUMAN RESOURCE SERVICES					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	5	15	5	10	66.6%
13 – 15	3	0	3	0	0%
16 – 18					
19 – 20					
Total	8	15	8	7	1.5%
T 3.26.4					

FINANCIAL PERFORMANCE YEAR 2020/21 : CORPORATE SERVICES (INCL. HR SERVICES)					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	0	355	155	88	-303%
Total Operational Expenditure	0	355	155	88	-303%
Net Operational Expenditure	0	355	155	88	-303%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

CAPITAL EXPENDITURE YEAR 2020/21 : HUMAN RESOURCE SERVICES					
R' 000					
Capital Projects	Year 2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.26.6

- There were no Capital Projects or resultant Capital Expenditure by the HR Department.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The overall performance of Human Resources on its different functions has improved tremendously during the past financial year. Roadshows have been held in all departments and area offices, explaining the roles and responsibilities of HR in relation to the Basic Conditions of Services and the implementation of policies, as well as the importance thereof. All adopted policies have been communicated to line managers and supervisors, as they are mostly the implementers of policies.

Roadshows took place in terms of the placement process and had one on one sessions as well to explain the policy in detail.

HR has improved in terms of communicating employee-related matters to the general workers. What has also improved, is the relationship between HR and the two Municipal Labour Unions. The Local Labour Forum is functional and meets as per the year planner.

T 3.26.7

3.27 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION

Appreciation goes to all Dr Beyers Naudé Local Municipality staff for having patience with the ICT unit which managed to keep the ship afloat through difficult times. The Municipality's network and user database continue to increase and currently stand at 299 Computers. Through a very successful recycling and amalgamation process we managed to virtualise most of our servers. We currently have five servers, all of which are centralised in Graaff Reinet. The everchanging ICT environment, new procedures and applications remain a learning curve for the ICT Unit and it can only get better as time goes on.

It cannot confidently be said that Dr Beyers Naudé Local Municipality is no longer a high-risk pertaining data and security. The Municipality will always strive to keep its network up to date with the latest trends that technology has to offer. ICT has been restructuring many, if not all, things like: over complicated networks, unstable (outdated) servers, open WiFi in buildings that have had the same password for the past 10 years, changing of passwords of all administrative devices, servers, antennas, WiFi and computers to avoid any unauthorized access to the network and confidential data.

The Municipality has been applauded by suppliers and contractors in the ICT field for the progress it has made so far, and has been told that its IT Infrastructure is way ahead of most – if not all – surrounding municipalities in the region.

INTERNET

It is pleasing to report that the Municipality advanced from a 40mbps fibre internet connection to a much-improved 80mbps metro fibre internet connection for the Dr Beyers Naudè area as allowed by the infrastructure. Unified networking is planned as part of ongoing network infrastructure upgrades which will result in financial savings as well improved operations. The tender process for the new phones is still awaited. We are currently sharing the 80mbps fibre connection with the other municipal towns, with the option to upgrade the fibre to 100mbps if needed.

The use of fibre allows the use of cloud-based solutions, that could not be utilised in the past as the internet was too slow and applications could not run sufficiently.

CLOUD BASED APPLICATIONS (EMAILS AND FINANCIAL)

As mentioned above the Municipality now makes use of cloud-based solutions. Emails was the first application. The move to the cloud was prompted by the need for many different towns to connect to one email solution. A cloud-based solution was the only viable option that would work. The initial solution, hosted exchange was upgraded to office 365 which means that as long as the employee has an internet connection, he/she can connect to their emails and office applications without any trouble. Office 365 has been used for more than a year now.

The move to a cloud based financial solution is currently in the test phase. This is revolutionary, especially in the current Covid-19 environment as it will enable authorised employees to connect from anywhere as long as the employee has an internet connection.

ANTIVIRUS AND ICT POLICIES

The Antivirus was successfully migrated to ESET Antivirus and has been running for the past year. Installation was successfully done on most user computers with minimal virus detections. An extension of another two years is planned.

IT POLICIES

New Policies and procedures have been created for the new entity and have been workshopped with Management and Council. Yearly revision of existing policies and addition of new policies was recently approved by council. Improving Disaster Recovery capabilities are underway. Servers were upgraded to a virtual environment and backups are being done daily. A new generator was installed for electricity back-up purposes.

PRINTERS

Bulk printing is being done from a central Print point in each building, and prints are being collected from the Print Rooms by individuals. This resulted in substantial cost saving in this area.

ICT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20		2020/21	2021/22		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
To improve overall efficiency of ICT ~ administration, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery.						Virtual equipment and infrastructure were put in place to effect cost saving and information sharing. A fully functioning helpdesk system were implemented to assist with record keeping. Upgrading of WAN network was completed to enhance the communication between areas.	Network infrastructures were upgraded to ensure faster and a more reliable network availability. ICT policies were updated and reviewed. Staff awareness are currently in progress		
Service Objective No. 2									
Service Objective No. 3									
T 3.27.3									

EMPLOYEES : ICT SERVICES					
Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	2		3		
4 – 6					
7 – 9		8		6	100%
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					100%

T 3.27.4

FINANCIAL PERFORMANCE YEAR 2020/21 : ICT SERVICES (To be updated for 2020/21)					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	984	1051	1041	1120	6%
Repairs and Maintenance	328	38	0	0	
Other	102	65	384	548	88%
Total Operational Expenditure	1412	1154	1425	1668	31%
Net Operational Expenditure	1412	1154	1425	1668	31%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.27.5

CAPITAL EXPENDITURE YEAR 2020/21 : ICT SERVICES					
R' 000					
Capital Projects	Year 2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400 000	400 000	351 000	49 000	351 000
Project A	100 000	100 000	91 000	9 000	91 000
Project B	300 000	300 000	260 000	40 000	260 000
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Municipality has an ICT unit consisting of three permanent employees and two contract workers. During the 2020/21 year the following programs were implemented.

- Extension of wireless to tourism office in Willowmore
- Installing Video conferencing equipment in Willowmore and Jansenville
- Upgrading Servers to virtual environment
- Installation of standby generator and ensuring backups are operational as part of DR plan.

The position of the ICT Manager is vacant to date which makes it very difficult for taking responsibilities and decision making. The position has been referred to the budget 2020/21.

T 3.27.7

3.28 PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

This component includes property, legal, risk management and procurement services.

INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The Property Management Section is responsible to render properties and facilities management administration processes in respect of all land and property transactions within the entire Municipal jurisdiction. The approved organogram makes provision for a Property Management Section. During the reporting period (2020/21 financial year), the Senior Administrative Officer: Property Management position was filled internally on the 01st June 2021 through the normal Recruitment and Selection processes of the municipality. Prior to this appointment, the official who provided assistance to this Section was performing dual functions which had an effect on the performance of this Section.

A lease register was developed and approved by Council which incorporates all leases within Dr Beyers Naudé Local Municipality. Council resolved on the 30th January 2020 that all expired leases should be advertised for public interest. However, challenges were experienced in terms of market-related rentals in order to proceed or execute Council's resolution.

On a quarterly basis, all new property related applications were submitted to Council through the various Committees for approval. However, the implementation of Council resolutions remained a challenge throughout the financial year.

During this financial year, various Council properties were vandalised in most of our areas. Due to budget limitations, it is very difficult to maintain & repair Council's properties.

The leases are done in-house or all municipal properties. The challenge within the Municipality is a very limited budget for maintenance and repair of the properties.

The Municipality does not have a legal unit and all legal matters are outsourced, as and when needed. Provision has been made in the organogram for the position of a Manager Legal Services – in the Office of the Municipal Manager.

There is a dedicated Internal Audit Unit – reporting to the Municipal Manager. The Risk Management function is part of the Unit's organizational structure and a risk management officer was appointed in April 2019. The incumbent is performing the duties attached to the post.

T3.28.1

SERVICE INDICATORS FOR PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES																																																																																																					
1.1	1.1.1	1.1.1.1	1.1.1.2	1.1.1.3	1.1.1.4	1.1.1.5	1.1.1.6	1.1.1.7	1.1.1.8	1.1.1.9	1.1.1.10	1.1.1.11	1.1.1.12	1.1.1.13	1.1.1.14	1.1.1.15	1.1.1.16	1.1.1.17	1.1.1.18	1.1.1.19	1.1.1.20	1.1.1.21	1.1.1.22	1.1.1.23	1.1.1.24	1.1.1.25	1.1.1.26	1.1.1.27	1.1.1.28	1.1.1.29	1.1.1.30	1.1.1.31	1.1.1.32	1.1.1.33	1.1.1.34	1.1.1.35	1.1.1.36	1.1.1.37	1.1.1.38	1.1.1.39	1.1.1.40	1.1.1.41	1.1.1.42	1.1.1.43	1.1.1.44	1.1.1.45	1.1.1.46	1.1.1.47	1.1.1.48	1.1.1.49	1.1.1.50	1.1.1.51	1.1.1.52	1.1.1.53	1.1.1.54	1.1.1.55	1.1.1.56	1.1.1.57	1.1.1.58	1.1.1.59	1.1.1.60	1.1.1.61	1.1.1.62	1.1.1.63	1.1.1.64	1.1.1.65	1.1.1.66	1.1.1.67	1.1.1.68	1.1.1.69	1.1.1.70	1.1.1.71	1.1.1.72	1.1.1.73	1.1.1.74	1.1.1.75	1.1.1.76	1.1.1.77	1.1.1.78	1.1.1.79	1.1.1.80	1.1.1.81	1.1.1.82	1.1.1.83	1.1.1.84	1.1.1.85	1.1.1.86	1.1.1.87	1.1.1.88	1.1.1.89	1.1.1.90	1.1.1.91	1.1.1.92	1.1.1.93	1.1.1.94	1.1.1.95	1.1.1.96	1.1.1.97	1.1.1.98	1.1.1.99	1.1.1.100

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2017/18		2018/19		2019/20	2020/21		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
NOT APPLICABLE									

T 3.28.3

EMPLOYEES: PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
Job Level (TG)	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3	0	0	0	0	0
4 – 6	0	1	0	1	100%
7 – 9	0	2	0	2 (Property)	100%
10 – 12	0	1	0	1 (Property)	100%
13 – 15	0	1	0	1 (Legal)	100%
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	0	5	0	5	100%
T 3.28.4					

**FINANCIAL PERFORMANCE YEAR 2020/21 : PROPERTY,
LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES**

R'000					
Details	2019/20 Actual	2020/21			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	356	560	560	367	34%
Expenditure:					
Employees	982	1 014	1 014	1 093	-8%
Repairs and Maintenance	16	32	32	10	69%
Other	18 115	3 168	3 168	3 879	-22%
Total Operational Expenditure	19 113	4 214	4 214	4 982	-18%
Net Operational Expenditure	-18 757	-3 654	-3 654	-4 615	-26%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.28.5</i>

**CAPITAL EXPENDITURE YEAR 2020/21 : PROPERTY, LEGAL,
RISK MANAGEMENT AND PROCUREMENT SERVICES**

R' 000					
Capital Projects	Year 2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.28.6</i>

- There were no Capital Projects or resultant Capital Expenditure by Property, Legal, Risk Management and Procurement Services.

COMMENT ON THE PERFORMANCE OF PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES OVERALL

The Property Management Section is not yet fully capacitated to perform its normal functions. But despite of this shortfall, all matters which relates to property management/leases were attended to. With the appointment of the Senior Administrative Officer: Property Management, there was a huge improvement with the facilitation of the drafting of lease agreements, communication with lessees who's lease agreements were due to expire and the implementation of Council resolutions pertaining leases and land disposal.

It is worth noting that the current Covid-19 pandemic had a negative impact on the determination of market-related property values and rentals due to limited staff from the Valuers who were appointed by Council. Further to that, the mitigating measures put in place by the municipality to curb the spread of the Covid-19 virus has reduced the operating capacity in general.

Due to financial constraints, repairs and maintenance of Council's properties remains a challenge.

The Municipality has no dedicated unit dealing with property and matters, but despite limited capacity in terms of staff shortage and other resources, all matters are attended to satisfactorily.

COMPONENT J : MISCELLANEOUS

This component includes the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO AIRPORT SERVICES

T 3.29.0

SERVICE INDICATORS FOR AIRPORT SERVICES

AIRPORT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20			2020/21	2021/22	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Service Objective No. 2									
T 3.29.1									

T 3.29.1

EMPLOYEES : AIRPORT SERVICES

Job Level	2019/20	2020/21			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%

T 3.29.2

FINANCIAL PERFORMANCE YEAR 2020/21 : AIRPORT SERVICES

R'000					
Details	2011/20 Actual	2020/21			
		Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	75	378	378	55	85%
Expenditure:					
Employees	832	868	868	660	24%
Repairs and Maintenance	6	0	0	2	0
Other	1 060	1 321	2 225	1 838	17%
Total Operational Expenditure	1 898	2 189	3 093	2 500	19%
Net Operational Expenditure	-1 823	-1 811	-2 715	-2 445	10%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.29.3</i>

CAPITAL EXPENDITURE YEAR 2020/21 : AIRPORT SERVICES

R' 000					
Capital Projects	Year 2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.29.4</i>

- There were no Capital Projects or resultant Capital Expenditure by Airport Services.

COMMENT ON THE PERFORMANCE OF AIRPORT SERVICES OVERALL

T 3.29.5

COMPONENT K : ORGANIZATIONAL PERFORMANCE SCORECARD

ORGANIZATIONAL SCORECARD 2020/21

The function of Performance Management within the Municipality resides in the Office of the Municipal Manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the Municipality and its administration. These indicators pinpoint areas of focus for each financial year and are included in the IDP.

Once approved, the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

An Annual Performance Report was developed in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11. The report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2020/21.

The format of the report reflects the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Areas, which are:

- Organizational Transformation & Institutional Development;
- Service Delivery & Infrastructure Planning;
- Local Economic Development;
- Financial Viability and
- Good Governance and Public Participation.

For the 2020/21 financial year, the organizational scorecard reflects the following performance results per development priority, namely:

IDP DEVELOPMENT PRIORITY	Number of KPIs	On Target	Not on Target	% Achieved
Infrastructure Development	13	13	0	100%
Community Development	4	4	0	100%
Institutional Development	28	24	4	86%
Local Economic Development	5	3	2	60%
Back to Basics: Good Governance	11	10	1	91%
Back to Basics: Sound Financial Management	11	6	5	55%
T 3.3.30				

The Municipality was challenged with the various lockdown regulations during the financial year, however achieved great results, as 85% of all planned targets as per the Service Delivery and Budget Implementation Plan (SDBIP) were met.

❖ *THE DRAFT 2020/21 ANNUAL PERFORMANCE REPORT HAS BEEN ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT.*



CHAPTER 4

ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT : PART 2)



COMPONENT A : INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

The aim of this document is to provide a Staff Structure in terms of reporting and remuneration levels for the Municipality. The review of the organizational structure is a strategic process of monitoring sustainable service delivery. A recent audit process found lack of supervision at a municipal level. In response to the audit finding and informed by its service delivery objectives, the organizational structure is reviewed and developed.

To achieve the objectives set out in the IDP, it is vital that the capacity and transformation needs of the Municipality be clearly defined and understood.

Council approved and organizational structure in December 2018 hence placement process commenced in February 2019. The placement process has been finalized and one on one sessions commenced in September 2019.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The organogram was adopted by Council on 13 December 2018. The Placement Process commenced during the year of reporting but has not yet been finalised.

There are a total number of 1,019 posts on the Municipality's organogram, of which 518 were filled. Due to the placement process not being finalised and the job evaluation process that has not yet commenced, it is difficult to give a ratio on level 9 - 12 in terms vacancy rates. It is only possible to provide figures for the current filled positions.

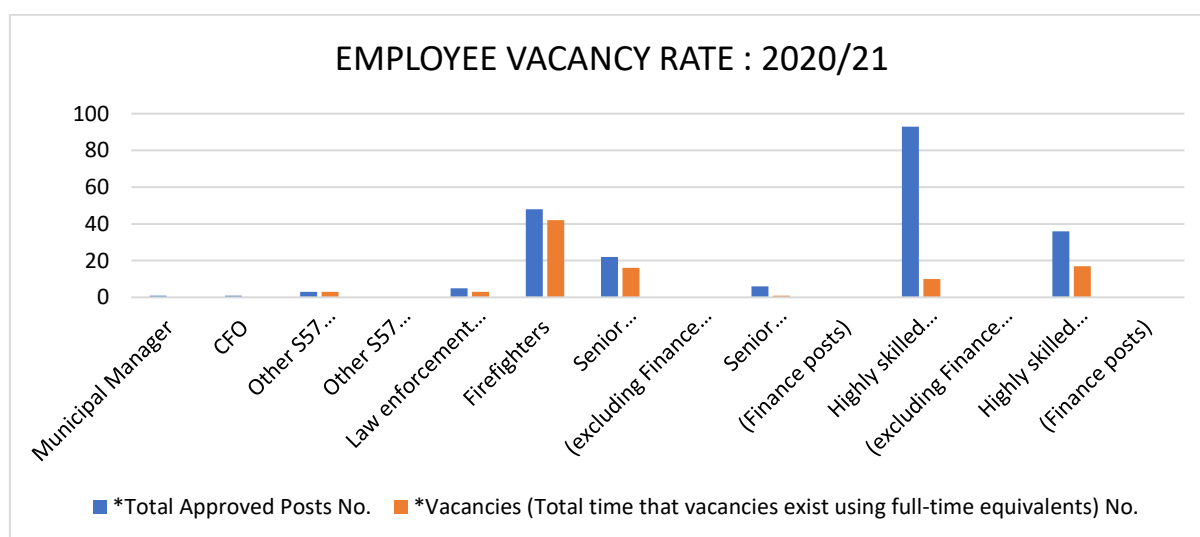
EMPLOYEES : 2020/21					
Description	2019/20	2020/21			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager and Staff	26	30	25	5	16%
CFO, Budget and Treasury & SCM Staff	64	105	62	43	41%
Corporate Services (Administration and HR)	84	116	80	36	31%
COMMUNITY & PUBLIC SERVICES					
Library Services	12	26	12	14	54%
Protection, Traffic & Fire Services	26	105	24	81	77%
Community & EH Services	4	11	5	6	54%
Parks, Gardens & Amenities	40	108	38	70	65%
Refuse Services	66	136	63	73	54%
Street and Pavements	58	88	56	32	36%
Engineering & Planning	52	122	46	76	62%
Water, Sanitation & WWTW	58	116	55	61	53%
Electrical Services	32	56	28	28	50%
Totals					
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					T 4.1.1

EMPLOYEE VACANCY RATE : 2020/21

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	3	3	100
Other S57 Managers (Finance Posts)	0	0	0
Law enforcement Officers	5	3	60
Firefighters	48	42	88
Senior management levels 13 – 15 (excluding Finance posts)	22	16	72
Senior management levels 13 – 15 (Finance posts)	6	1	17
Highly skilled supervision levels 9-12 (excluding Finance posts)	93	10	11
Highly skilled supervision levels 9-12 (Finance posts)	36	17	47
TOTAL	215	92	43%

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 4.1.2



EMPLOYEE TURNOVER RATE			
Year	Total Appointments as at beginning of Financial Year	Terminations during the Financial Year	Turnover Rate %
2019	4	7	1.75%
2020	0	19	0%
2021	24	33	1.38%
To calculate Turnover Rate, divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year.			T 4.1.3

COMMENTS ON VACANCIES AND TURNOVER

The positions of Director Corporate Services (1 June 2018), Director: Engineering & Planning Services (1 June 2019) and the Director Community Services (1 September 2019) are vacant.

In line with the Municipality's Succession Planning Policy, opportunities are created for employees to advance within the ranks of the institution, through vacant posts first being advertised internally, and only if no suitable internal candidate can be found, will the post be advertised externally.

COMPONENT B : MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

An organizational structure was developed, workshopped with all stakeholders and approved by Council in December 2018.

Dr Beyers Naudé Municipality is committed to the principles of Employment Equity and has made conscious efforts to appoint historically and previously disadvantaged individuals in the top four tiers of its Staff Establishment.

4.2 POLICIES

NAME OF POLICY		IN PLACE Yes / No	REVIEWED Yes / No	DATE ADOPTED BY COUNCIL OR COMMENT ON FAILURE TO ADOPT
1	Institutional Plan (HR Plan)	No	No	Draft
2	Employment Equity Plan	Yes	No	December 2019
3	Workplace Skills Plan	Yes	Yes	30/04/2021
4	Relocation Policy	Yes	No	28/06/2019
5	Migration & Placement policy	Yes	No	29/05/2018
6	Subsistence & Travel	Yes	No	23/05/2017
7	Recruitment and selection	Yes	No	28/06/2019
8	Leave	Yes	No	28/06/2019

9	Skills development and training	No	No	Draft
10	Overtime	Yes	No	28/06/2019
11	Termination of employment	No	No	Draft
12	Legal assistance & Indemnification	No	No	No policy in place for new Municipality
13	Administration of Council-owned housing stock leased to employees	No	No	No policy in place for new Municipality
14	Private work & declaration of interests	No	No	No policy in place for new Municipality
15	Smoking control	No	No	No policy in place for new Municipality
16	Alcohol and drug abuse	No	No	No policy in place for new Municipality
17	Remuneration	No	No	No policy in place for new Municipality
18	ALLOWANCES - Acting Allowance - Cellphone Allowance - Travel Allowance	Yes Yes No	No No No	- 28/06/2019 - 12 November 2020 - No policy for BNLM
19	Succession planning	No	No	No policy in place for new Municipality
20	Scarce skills and retention	Yes	No	28/06/2019
21	Employee study assistance (bursary)	Yes	No	12 November 2020
22	Health & safety	No	No	Draft
23	Employee Wellness	Yes	No	12 November 2020
24	HIV/Aids in the workplace (HR/SPU)	No	No	No policy in place for new Municipality
25	Bad weather / inaccessibility	No	No	No policy in place for new Municipality
26	Heat & Stress & Discomfort levels	No	No	No policy in place for new Municipality
27	Sexual Harassment	Yes	No	12 November 2020
28	Organizational rights & LLF	Yes	Yes	ORA & LLF in place
29	Code of Conduct (Sec.69 of MSA)	Yes	Yes	In place, applied
30	Grievance & Disciplinary procedures	Yes	Yes	SALGBC procedures in place
31	Customer care policy	No	No	Draft Customer Care Policy was submitted to the Executive Committee and workshopped to Council on the 15 th June 2021. Due to the Covid-19 regulations towards the end of the financial year, the policy could not be approved by Council before the end of the reporting period.
32	Communication Strategy & Policy and public participation strategy (incl. stakeholder mobilization) (Internal/External)	Yes	Yes	Draft Communication Strategy & Communication and Public Participation Policy were submitted to the Executive Committee and workshopped to Council on the 15 th June 2021. Due to the Covid-19

				regulations towards the end of the financial year, the policy could not be approved by Council before the end of the reporting period.
33	Records management policy	Yes	Yes	Approved by province
34	ICT policies and procedures	No	No	Draft ICT Policies were submitted to the Executive Committee and workshopped to Council on the 15 th June 2021. Due to the Covid-19 regulations towards the end of the financial year, the policy could not be approved by Council before the end of the reporting period.
35	Ward Committee Policy	Yes	New	15 December 2020
36	Ward Operational Framework Plan	Yes	New	31 March 2021
37	Petition Policy	Yes	New	4 August 2021
38	Public Participation Policy	Yes	New	31 March 2021
T 4.2.1.1				

COMMENTS ON WORKFORCE POLICY DEVELOPMENT

On the appointment of the HR Manager, we started to develop and reviewing our own policies, these policies were work shopped with all relevant stakeholders, and went through the process of being tabled at the Local Labour Forum before they were submitted to council for approval.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER AND COST OF INJURIES ON DUTY (IOD) : 2019/20					
Type of injury	Days Injury leave time Taken	No. of Employees using injury leave	% Proportion employees using sick leave	Average injury leave per employee	Total estimated Cost in Rand
Requiring basic medical attention only	79	10	1.98	7	R38 893.73
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	79	10	1.98%	7	R38 893.73
T 4.3.1					

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING IOD) : 2020/21						
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 employee	Estimated Cost in Rands
Lower skilled (Levels TG 1 - 2)	0	0	0	0	0	0
Skilled (Levels TG 3 – 5)	694	35.74	89	249	2.79	319344.10
Highly Skilled Production (Levels TG 6 – 9)	183	26.36	29	110	1.66	148019.55
Highly skilled supervision (Levels TG 10 – 13)	354	23.20	29	125	2.82	460093.80
Senior management (Level 14 - 18)	44	44.44	8	18	2.44	94087.40
MM and S57	2	25.00	1	4	0.5	
TOTAL	1277	30.83	156	506	2.52	1,769,037.
* = Number of employees in post at the beginning of the year. * = Average is calculated by taking sick leave in column 2 divided by total employees in column 5.						T 4.3.2

COMMENT ON INJURY AND SICK LEAVE

When injuries on duty occur, supervisors take injured workers to HR department where necessary forms are completed and the injured person is then referred to a medical practitioner. The Municipality does not have its own doctor and makes use of local practitioners. Sick leave is monitored by Municipality; and personal records maintained of the number of instances of sick leave and amount of time taken each year.

NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not finalised	Date Finalised
Motor Registration Clerk	Alleged theft and fraud	16 August 2018	Hearing in progress	Pending
CFO	Financial Misconduct	1 November 2019	Hearing in progress	Pending
Truck Driver	Gross insubordination	26 November 2019	Hearing in progress	Pending
Supervisor: Collie Koeberg	Unauthorized absence	21 November 2019	Hearing in progress	Pending
General Assistant	Allegedly driving municipal vehicle without authority and under the influence of liquor	21 January 2020	Hearing in progress	Pending
Supervisor: Water Reticulation	Alleged theft	14 February 2020	Hearing in progress	Pending
T 4.3.5				

T 4.3.3

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
CFO	Financial Misconduct	1 November 2019	Hearing in progress
-	-	-	-
T 4.3.6			

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The hearing with regard to the alleged financial misconduct has been finalised in January 2021.

T 4.3.7

4.4 PERFORMANCE REWARDS

No performance rewards were awarded during the 2020/21 Financial Year.

COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The Municipality's Workplace Skills Plan is reviewed annually, the most recent one was submitted to LGSETA along with the Municipality's annual Training Report in April 2019. 0.18% of the Municipality's annual salary budget is applied towards implementing the WSP. Section 10 of the WSP addresses the issue of critical and scarce skills, and the municipality fully supports its staff being trained in capacity building and scarce skills programmes.

4.5 SKILLS DEVELOPMENT AND TRAINING

Kindly refer to the tables on the following pages.

SKILLS MATRIX : 2020/21

Management level	Gender	Employees in posts as at 30 June 2021	Number of Skilled Employees required and actual as at 30 June 2021											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of June 2020	Actual: End of June 2021	2020/21 Target	Actual: End of June 2020	Actual: End of June 2021	2020/21 Target	Actual: End of June 2020	Actual: End of June 2021	2020/21 Target	Actual: End of June 2020	Actual: End of June 2021	2020/21 Target
MM and S57	Female	2	0	0	0	0	1	1	0	0	0	0	1	1
	Male	3	0	0	0	1	1	1	0	0	0	1	1	1
Councillors, senior officials and managers	Females	12	0	0	0	12	7	7	0	0	0	12	7	7
	Males	36	0	0	0	19	11	11	0	0	0	19	11	11
Technicians and associate Professionals*	Female	15	0	0	0	0	5	5	0	0	0	0	5	5
	Males	18	0	0	0	0	10	10	0	0	0	0	10	10
Professionals	Females	18	0	0	0	0	20	20	0	0	0	0	20	20
	Males	12	0	0	0	0	14	14	0	0	0	0	14	14
Sub total	Females	47	0		0	0	33	0	0		0	0	33	33
	Males	69	0		0	0	36	0	0		0	0	36	36
Total		116	0		0	32	69	0	0		0	32	69	69

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 & 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 (Reg. 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Reg. 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	1	1
<i>Chief financial officer</i>	1	0	1	0	1	1
<i>Senior managers</i>	2	0	2	0	1	1
<i>Any other financial officials</i>	29	0	29	7		8
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	1	0	1	1	1	1
TOTAL	35	0	35	9	4	13
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

SKILLS DEVELOPMENT EXPENDITURE : 2020/21										
Management level	Gender	Employees as at 1 July 2020	Original Budget and Actual Expenditure on skills development 2020/21							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R
MM and S57	Female	2	0	0	17 189	0	0	0	17 189	0
	Male	3	0	0	17 189	0	0	0	17 189	0
Legislators, senior officials and managers	Female	14	0	0	17 189	80 530	0	0	17 189	80 530
	Male	38	0	0	17 189	93 715	0	0	17 189	93 715
Professionals	Female	18	0	0	17 189	0	0	0	17 189	0
	Male	10	0	0	17 189	0	0	0	17 189	0
Technicians and associate professionals	Female	10	0	0	17 189	0	0	0	17 189	0
	Male	15	0	0	17 189	20 233	0	0	17 189	20 233
Clerks	Female	43	0	0	17 189	0	0	0	17 189	0
	Male	17	0	0	17 189	0	0	0	17 189	0
Service and sales workers	Female	10	0	0	17 189	0	0	0	17 189	0
	Male	27	0	0	17 189	0	0	0	17 189	0
Plant and machine operators and assemblers	Female	0	0	0	17 189	0	0	0	17 189	0
	Male	70	0	0	17 189	29 250	0	0	17 189	29 250
Elementary occupations	Female	40	0	0	17 189	14 330	0	0	17 189	14 330
	Male	193	0	0	17 189	17 320	0	0	17 189	14 330
Sub total	Female	137	0	0	0	0	0	0	0	0
	Male	373	0	0	0	0	0	0	0	0
TOTAL		510	0	0	0	255 378	0	0	275 024	255 378
% and *R value of municipal salaries (original budget) allocated for workplace skills plan									0.0%	R 0
T 4.5.3										

COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The Municipality's budget is effective for training of staff. However, the implementation of the budget is not adequately addressed, thus the need for a Skills Development Official to identify training needs, and coordinate and assist to ensure that amounts are accurately budgeted for and utilised.

COMPONENT D : MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION

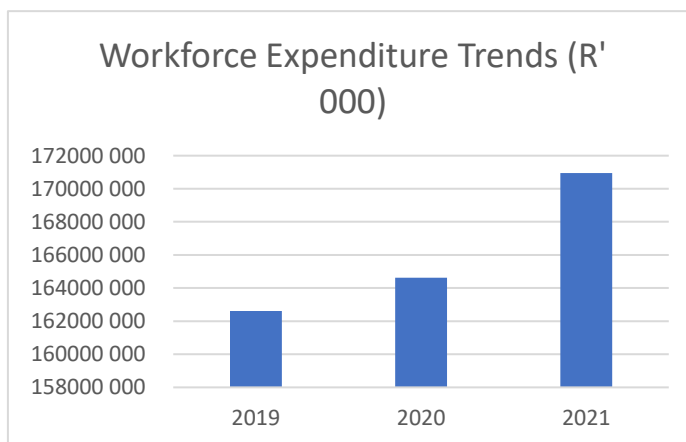
Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

Managers and Supervisors have the obligation to enforce Council's policies in order to ensure value-for-money performance and optimal production by the workforce.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

2018/19	162 607 765
2019/20	164 630 936
2020/21	170 943 455
T 4.6.1	



COMMENT ON WORKFORCE EXPENDITURE

34% of the 2020/21 Operating Budget was allocated to employee costs.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED : 2020/21				
Beneficiaries	Gender	No. of Beneficiaries	Total	Indicate No. of Disabled
MM and S 57	Female	0	0	0
	Male	0		0
Senior management (Levels 13-16)	Female	0	0	0
	Male	0		0
Highly skilled supervision (Levels 9-12)	Female	0	0	0
	Male	0		0
Highly skilled production (Levels 6-8)	Female	0	0	0
	Male	0		0
Skilled (Levels 3-5)	Female	0	0	0
	Male	0		0
Lower skilled (Levels 1-2)	Female	0	0	0
	Male	0		0
Total		0	0	0
The number of employees with disability amongst above-listed levels is shown in the right-hand side column in brackets, e.g. (x).				T 4.6.2

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for deviation
Supervisors	23	7	282 456	Equalization
Electricians	11	10	303 312	Equalization
Law Enforcement Officer	2		282 456	Equalization
Fire Fighters	10		282 456	Equalization
Clerk Gr2 : Collections	1		171 672	Equalization
Clerk Gr2 : Rates	1	T06	282456	Equalization
Cleaner	8	T03	112 596	Equalization
General Workers / Shift Workers	9		171 672	Equalization
Revenue Clerk	1		171 672	Equalization
Senior Cashiers	2	T06	282 456	Equalization
Cashier	2	T06	163 764	Equalization
Clerk / Typist	1		171 672	Equalization
General Worker / Driver	5		142 202	Equalization
IT Clerks	2		163 764	Equalization
Administrator	1		289 248	Equalization
Snr Clerk : Electrical	1	T6	282 456	Equalization
Tractor Driver	4	T6	163 764	Equalization
Ward Coordinator	1		282 456	Equalization
Meter Readers	5	T05	138 696	Equalization
Librarian	1		289 248	Equalization
T 4.6.3				

EMPLOYEES APPOINTED TO POSTS NOT APPROVED				
Department	Level	Date of Appointment	No. appointed	Reason for appointment when no established post existed
-	-	-	0	-
T 4.6.4				

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

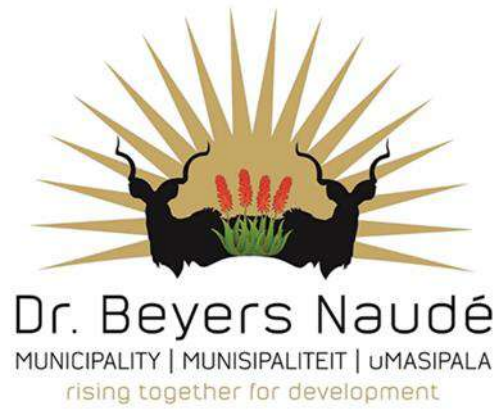
Job Evaluations for Dr Beyers Naudé LM have still not been conducted since its establishment in August 2016. Sarah Baartman District Municipality is to assist with this. New Job Descriptions are also not in place yet.

DISCLOSURE OF FINANCIAL INTERESTS

Within each financial year, Disclosure of Financial Interest forms are distributed to all Employees for completion. Completed forms are kept in their personal files. Similarly, Councillors must also complete Disclosure of Financial Interest forms, and these are also kept on file.

T 4.6.6

❖ PLEASE REFER APPENDIX J FOR LIST OF FINANCIAL DISCLOSURE



CHAPTER 5

FINANCIAL PERFORMANCE



INTRODUCTION

Chapter 5 contains information regarding the financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The 2020/21 financial year was a difficult year for the Municipality. Dr Beyers Naudé is still struggling with debt inherited from amalgamation, old fleet and equipment that constantly need repairs and insufficient number of vehicles to ensure that excellent service delivery is done.

COMPONENT A : STATEMENTS OF FINANCIAL PERFORMANCE**5.1 STATEMENTS OF FINANCIAL PERFORMANCE****INTRODUCTION TO FINANCIAL STATEMENTS**

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

The Municipality traded at a deficit of R106 million (R60 million 2019/20) which is a sharp increase in deficit. The Municipality is heavily reliant on Government grants and subsidies especially for infrastructure projects and accordingly does not have sufficient resources to fund capital expenditure from own revenue.

Employee cost contributes 33,7% to total expenditure (35,7% 2019/20). R50 million was spent on contracted services compared to 2019/20 financial year of R 25 million. Finance cost of R22 million was mainly due to the inability of the Municipality to pay creditors within the required 30 days with the largest of these relating to Eskom.

R38 million (93,3%) of the capital expenditure was funded through grant funding, which clearly illustrates the Municipality's dependants on grant funding.

Cash equivalents at year end were R2,6 million and remained consistent since 2019/20 at R2,2 million which is concerning given the growth in our creditors. This clearly illustrates the Municipality's difficulties with cash flow management.

T 5.1.0.

❖ *THE 2020/2021 ANNUAL FINANCIAL STATEMENTS (AFS) ARE ATTACHED AS ANNEXURE 1 IN VOLUME II OF THIS REPORT.*

COMMENT ON FINANCIAL PERFORMANCE : T 5.1.1 (THIS PAGE) AND T 5.1.2 (NEXT PAGE)

Please refer to the applicable narrative in the Annual Financial Statements, attached as ANNEX

EC101 Dr Beyers Naudé Local Municipality- Table A2 Budget Summary

Description	2020/2021								2019/2020			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	86 293	(175 031)	261 324	89 617		(171 707)	34.3%	103.9%				43 337
Executive and council	7 471	—	7 471	162		(7 309)	2.2%	2.2%				7 027
Finance and administration	78 822	(175 031)	253 853	89 455		(164 398)	35.2%	113.5%				36 310
Internal audit	—	—	—	—		—	—	—				—
Community and public safety	20 426	128	20 297	3 154		(17 144)	15.5%	15.4%				17 167
Community and social services	16 035	—	16 035	477		(15 558)	3.0%	3.0%				12 742
Sport and recreation	92	—	92	62		(30)	67.2%	67.2%				15
Public safety	2 266	128	2 137	1 601		(536)	74.9%	70.7%				2 976
Housing	13	—	13	4		(10)	28.1%	28.1%				4
Health	2 020	—	2 020	1 010		(1 010)	50.0%	50.0%				1 430
Economic and environmental services	27 824	(4 748)	32 572	37 494		4 922	115.1%	134.8%				14 729
Planning and development	1 578	—	1 578	—		(1 578)	—	—				—
Road transport	26 247	(4 748)	30 995	37 494		6 499	121.0%	142.9%				14 729
Environmental protection	—	—	—	—		—	—	—				—
Trading services	366 126	17 000	349 126	287 630		(61 496)	82.4%	78.6%				317 158
Electricity	158 223	7 000	151 223	125 549		(25 674)	83.0%	79.3%				127 757
Water	106 466	10 000	96 466	75 630		(20 836)	78.4%	71.0%				103 229
Waste water management	52 213	—	52 213	42 069		(10 145)	80.6%	80.6%				42 242
Waste management	49 224	—	49 224	44 382		(4 841)	90.2%	90.2%				43 930
Other	399	—	399	—		(399)	—	—				(362)
Total Revenue - Standard	501 067	(162 651)	663 718	417 895		(245 824)	63.0%	83.4%				392 028
Expenditure - Standard												
Governance and administration	109 694	(34 489)	144 183	150 929	6 746	6 746	104.7%	137.6%	—	—	—	164 282
Executive and council	30 048	(4 653)	34 701	28 532	(6 169)	(6 169)	82.2%	95.0%	—	—	—	36 463
Finance and administration	78 682	(29 836)	108 518	121 425	12 907	12 907	111.9%	154.3%	—	—	—	126 937
Internal audit	964	—	964	972	8	8	100.8%	100.8%	—	—	—	881
Community and public safety	35 290	(4 823)	40 113	34 026	(6 087)	(6 087)	84.8%	96.4%	—	—	—	32 480
Community and social services	6 102	(497)	6 599	3 881	(2 718)	(2 718)	58.8%	63.6%	—	—	—	4 696
Sport and recreation	17 601	(2 163)	19 764	20 258	494	494	102.5%	115.1%	—	—	—	16 770
Public safety	7 159	(257)	7 417	7 167	(249)	(249)	96.6%	100.1%	—	—	—	7 486
Housing	—	—	—	—	—	—	—	—	—	—	—	—
Health	4 427	(1 906)	6 333	2 720	(3 613)	(3 613)	42.9%	61.4%	—	—	—	3 527
Economic and environmental services	53 210	(1 486)	54 695	51 396	(3 299)	(3 299)	94.0%	96.6%	—	—	—	32 643
Planning and development	17 920	(201)	18 120	4 074	(14 046)	(14 046)	22.5%	22.7%	—	—	—	2 472
Road transport	35 290	(1 285)	36 575	47 322	10 747	10 747	129.4%	134.1%	—	—	—	30 171
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—
Trading services	236 308	(22 379)	258 687	286 114	27 427	27 427	110.6%	121.1%	—	—	—	229 443
Electricity	134 415	(517)	134 933	127 505	(7 428)	(7 428)	94.5%	94.9%	—	—	—	105 904
Water	52 981	(9 421)	62 402	66 859	4 457	4 457	107.1%	126.2%	—	—	—	74 218
Waste water management	30 596	(10 543)	41 139	71 033	29 894	29 894	172.7%	232.2%	—	—	—	29 502
Waste management	18 315	(1 898)	20 213	20 717	504	504	102.5%	113.1%	—	—	—	19 819
Other	2 208	(1 039)	3 247	2 041	(1 206)	(1 206)	62.9%	92.4%	—	—	—	1 917
Total Expenditure - Standard	436 710	(64 215)	500 925	524 506	23 581	23 581	104.7%	120.1%	—	—	—	460 764
Surplus/(Deficit) for the year	64 358	(98 435)	162 793	(106 611)	(269 404)	(269 404)	-65.5%	-165.7%	—	—	—	(68 736)

EC101 Dr Beyers Naudé Local Municipality- Table A4 Budget Summary

Description	2020/2021								2019/2020			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	51 603	(3 200)	48 403	36 899		(11 504)	76.2%	71.5%				34 909
Property rates - penalties & collection charges						-	-	-				
Service charges - electricity revenue	140 611	(7 000)	133 611	110 658		(22 954)	82.8%	78.7%				105 072
Service charges - water revenue	44 596	(9 000)	35 596	37 836		2 240	106.3%	84.8%				35 447
Service charges - sanitation revenue	33 227	-	33 227	15 941		(17 286)	48.0%	48.0%				14 652
Service charges - refuse revenue	33 520	-	33 520	19 644		(13 876)	58.6%	58.6%				17 075
Service charges - other		-				-	-	-				
Rental of facilities and equipment	1 014	-	1 014	811		(204)	79.9%	79.9%				702
Interest earned - external investments	3 660	-	3 660	169		(3 492)	4.6%	4.6%				442
Interest earned - outstanding debtors	4 803	-	4 803	9 044		4 241	188.3%	188.3%				5 705
Dividends received	-	-	-	-		-	-	-				-
Fines	34	-	34	80		46	235.1%	235.1%				31
Licences and permits	1 784	-	1 784	932		(852)	52.2%	52.2%				310
Agency services	3 929	-	3 929	2 373		(1 556)	60.4%	60.4%				2 115
Transfers recognised - operational	118 413	(133)	118 279	121 049		2 769	102.3%	102.2%				129 362
Other revenue	16 377	187 236	203 613	4 172		(199 442)	2.0%	25.5%				10 078
Public contributions and donations				2 238		2 238	#DIV/0!	#DIV/0!				1 050
Gains on disposal of PPE	-	-	-	-		-	-	-				6 715
Total Revenue (excluding capital transfers and contributions)	453 572	167 903	621 475	361 845		(259 631)	58.2%	79.8%				363 662
Expenditure By Type												
Employee related costs	168 482	1 805	170 287	170 943	656	656	100.4%	101.5%			-	164 631
Remuneration of councillors	9 987	-	9 987	10 189	202	202	102.0%	102.0%			-	9 649
Debt impairment	10 146	-	10 146	45 440	35 294	35 294	447.9%	447.9%			-	47 250
Depreciation & asset impairment	46 094	-	46 094	59 729	13 635	13 635	129.6%	129.6%			-	54 352
Finance charges	4 214	-	4 214	22 132	17 918	17 918	525.2%	525.2%			-	13 224
Bulk purchases	109 125	-	109 125	99 082	(10 043)	(10 043)	90.8%	90.8%			-	93 024
Other materials	870	2 347	3 218	-	(3 218)	(3 218)	-	-			-	-
Contracted services	10 089	10 946	21 035	50 935	29 900	29 900	242.1%	504.9%			-	25 074
Transfers and grants	30	-	30	17	(14)	(14)	55.0%	55.0%			-	18
Other expenditure	77 673	49 117	126 790	47 504	(79 285)	(79 285)	37.5%	61.2%			-	53 543
Loss on disposal of PPE	-	-	-	1 271	1 271	1 271	#DIV/0!	#DIV/0!			-	-
Total Expenditure	436 710	64 215	500 925	507 242	6 316	6 316	101.3%	116.2%	-	-	-	460 764
Surplus/(Deficit)	16 863	232 118	120 550	(145 397)		(265 947)	-120.6%	-862.3%				(97 102)
Transfers recognised - capital	47 495	5 252	42 243	38 786		(3 457)	91.8%	81.7%				36 906
Contributions recognised - capital			-			-	-	-				-
Contributed assets			-			-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	64 358	237 370	162 793	(106 612)	-	(269 404)	-65.5%	-165.7%				(60 196)
Taxation			-			-	-	-				-
Surplus/(Deficit) after taxation	64 358	237 370	162 793	(106 612)	-	(269 404)	-65.5%	-165.7%				(60 196)
Attributable to minorities			-			-	-	-				-
Surplus/(Deficit) attributable to municipality	64 358	237 370	162 793	(106 612)	-	(269 404)	-65.5%	-165.7%				(60 196)
Share of surplus/ (deficit) of associate			-			-	-	-				-
Surplus/(Deficit) for the year	64 358	237 370	162 793	(106 612)	(269 404)	(269 404)	-65.5%	-165.7%				(60 196)

5.2 GRANTS

Grant Performance				
				R' 000
Description	Year -1	Year 0		
	Actual	Budget	Adjustments Budget	Actual
Operating Transfers and Grants				
National Government:	120 194	100 793	100 788	115 121
Equitable share	90 876	96 607	96 602	110 935
Municipal Systems Improvement	–	–	–	–
Drought relief	24 067	–	–	–
Other transfers/grants	5 251	4 186	4 186	4 186
Provincial Government:	5 639	2 020	2 020	1 010
Health subsidy	1 429	2 020	2 020	1 010
Office of the premier	4 209	–	–	–
Ambulance subsidy				
Sports and Recreation				
Other transfers/grants				
District Municipality:	2 827	4 301	4 172	3 908
Fire Grant	519	1 993	1 864	1 600
Library Grant	2 308	2 308	2 308	2 308
<i>Sarah Baartman District Municipality - Operational Grants</i>				
Other grant providers:	700	333	333	1 009
SETA	434	333	333	143
COGTA COVID 19			–	–
<i>Municipal Disaster Relief Grant</i>	266			866
Total Operating Transfers and Grants	129 362	107 447	107 313	121 048
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>				

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

The equitable share allocation included an additional R14 m for Covid relief due to the pandemic outbreak and resultant loss of income. The national grant reduction is mostly attributable to the net decrease of the R24 million drought grant that was a once off grant allocation and the increase of equitable share.

The Municipality received a Finance Management Grant to the value of R3 million (reduced from R4 million in 2019/20) which is mainly used for the appointment of Finance Interns and skills development of Finance staff, including the minimum competency training.

With the current pandemic, an amount of R1,1 million was received for municipal disaster relief grant which was utilized to procure protective gear for municipal staff and consumers. R 266 thousand spent in 2019/20 and the remainder of R 866 thousand spent in 2020/21.

All grants were used in terms of approved business plans and were fully spent at financial year end.

T 5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION

The objective of asset management per the Asset Management Policy is to ensure effective and efficient control over the Municipality's assets by or through:

- The proper recording of assets from the date of authorisation, acquisition and to subsequent disposal.
- Providing for safeguarding procedures
- Setting proper guidelines regarding permissible utilisation; and
- Prescribing requirements for the proper maintenance of assets.

This policy must comply with all relevant legislative requirement, including:

- The Constitution of the Republic of South Africa, 1996;
- Municipal Structure Act 1998;
- Municipal Systems Act, 2000;
- Division of Revenue Act (enacted annually);
- Municipal Finance Management Act No 56 of 2003; and
- National Treasury Regulations

The vastness of the municipal area makes asset management extremely difficult. The Asset Management unit is currently occupied by a limited staff of only 4 persons that must ensure control over the asset register.

The Municipality is currently struggling financially, and the maintenance of assets is becoming more and more difficult. The Municipality is currently only spending 2,7% on repairs and maintenance.

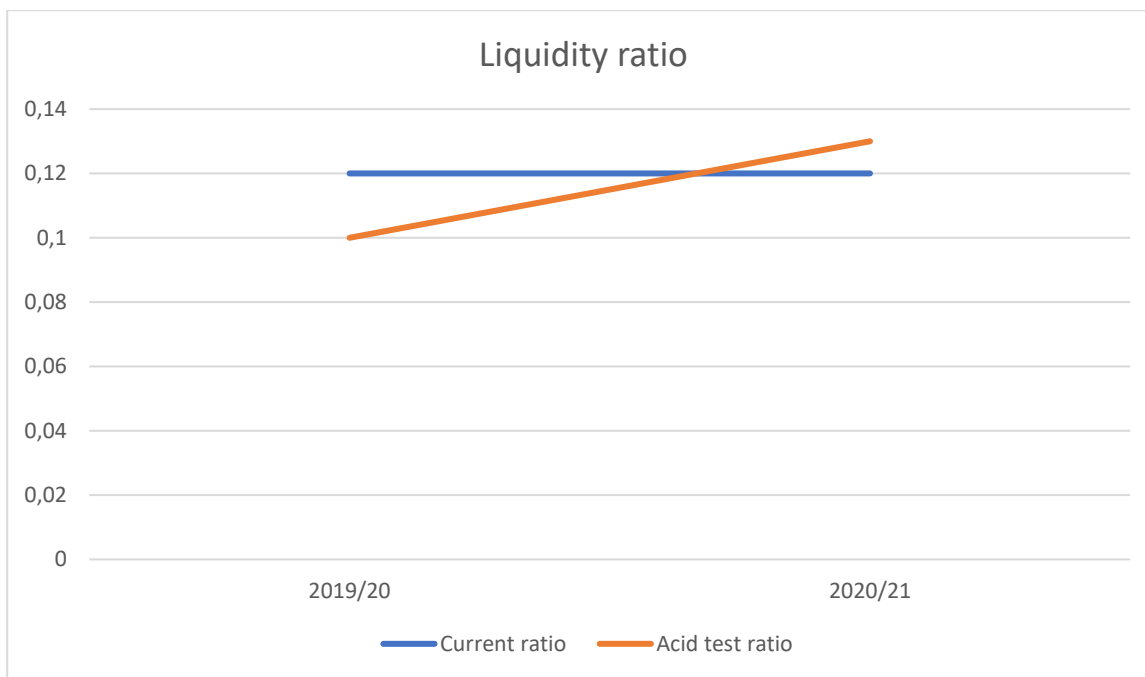
PLEASE NOTE

T 5.3.2 : Treatment of the three largest Assets acquired in 2019/20 – not applicable; nothing to report on.

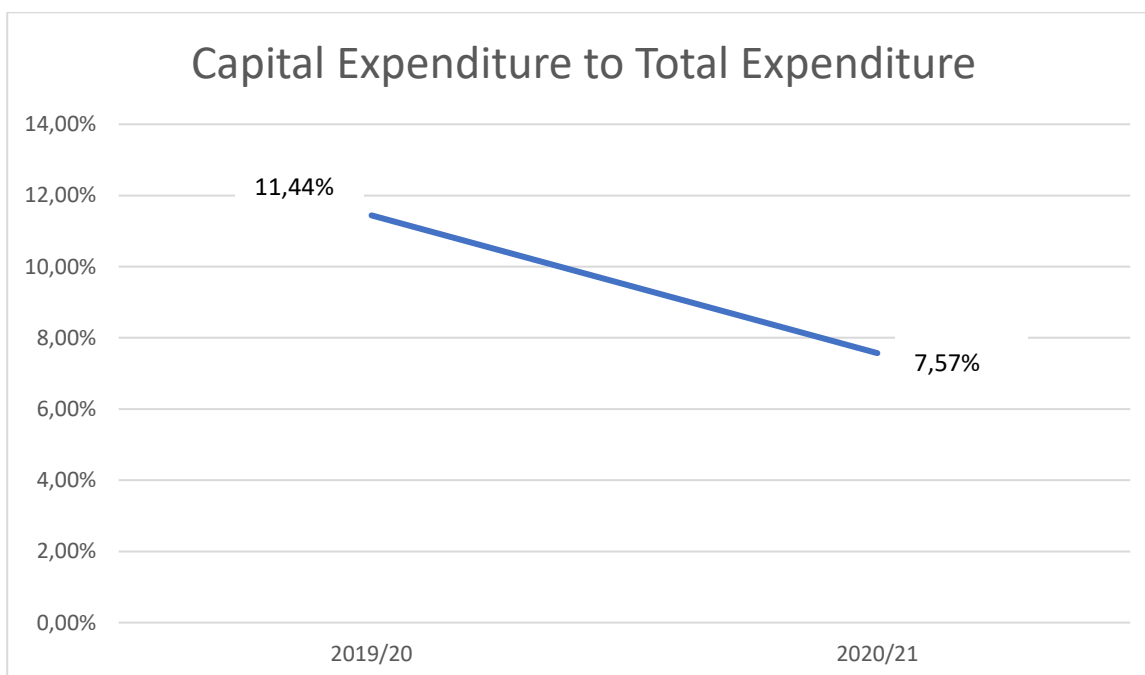
REPAIR AND MAINTENANCE EXPENDITURE : 2020/21				
R' 000				
Description	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	28 347	48 224	13 518	(72%)
T 5.3.4				

The large variance from budget can be attributable to the financial position of the municipality where the quick savings are applied to repairs and maintenance.

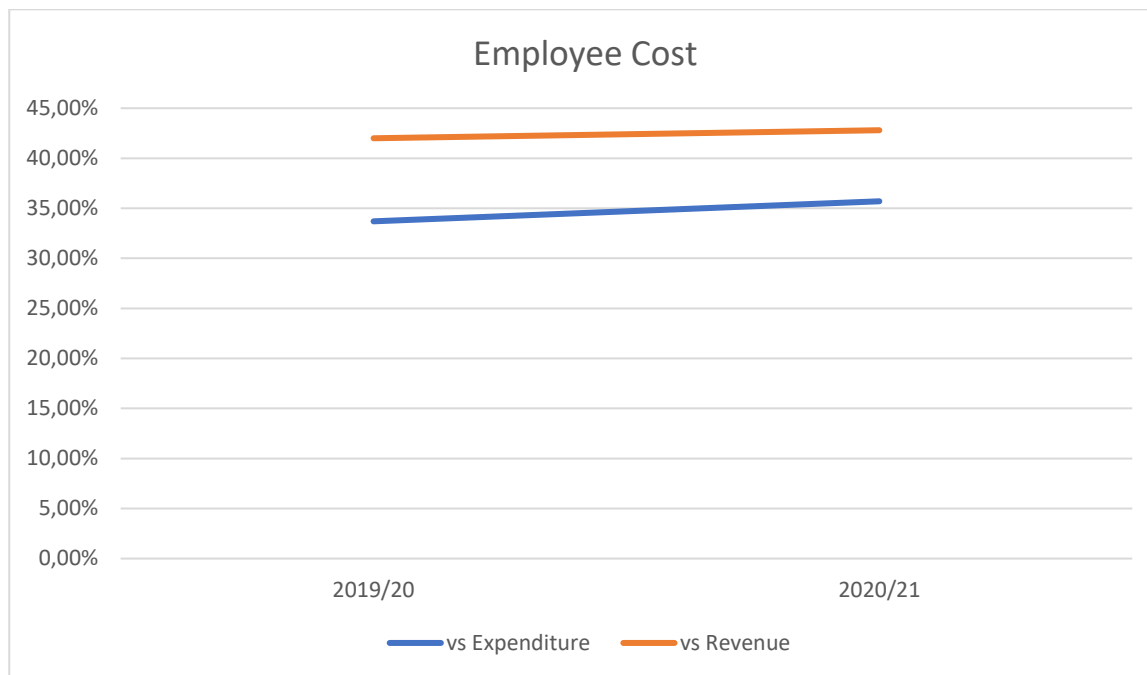
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



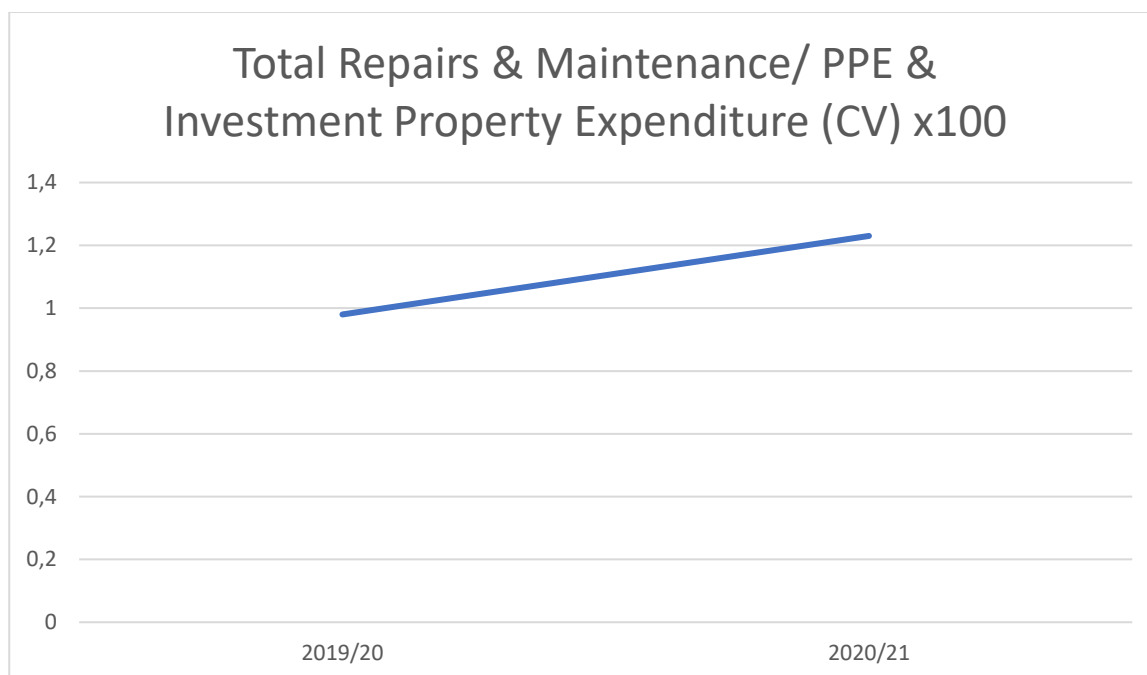
T 5.4.1 : Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.



T 5.4.6 : Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



T 5.4.7 : 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.



T 5.4.8 : Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

COMMENTS ON FINANCIAL RATIOS

As can be seen from the above ratios, the Municipality is struggling financially.

Dr Beyers Naudé Municipality Liquidity ratios: The current ratio is 0.12:1 (0.12:1 2019/20). The quick ratio is 0.13:1 (0.10:1). Both ratios fall outside of the National Treasury norm of 1.5-2:1 and 1:1 respectively, which highlights serious financial challenges and likely liquidity problems.

Employee costs in relation to expenditure have slightly decreased from 35.7% to 33.7% year on year and a slight increase in relation to revenue totals from 42% to 42.8%.

The Municipality is currently only spending 2,7% of total expenditure on repairs and maintenance which contributes to the poor quality of the fleet and equipment as well as infrastructure. Repairs and maintenance should in future be prioritised.

Capital expenditure to operating expenditure has decreased from 11,44% to 7,57% in the 2020/21 year. Primarily due to drought grant available for spending in the 2019/20 financial year and COGTA grant that was not available in 2020/21 either.

Creditors cannot be paid within the required 30 days.

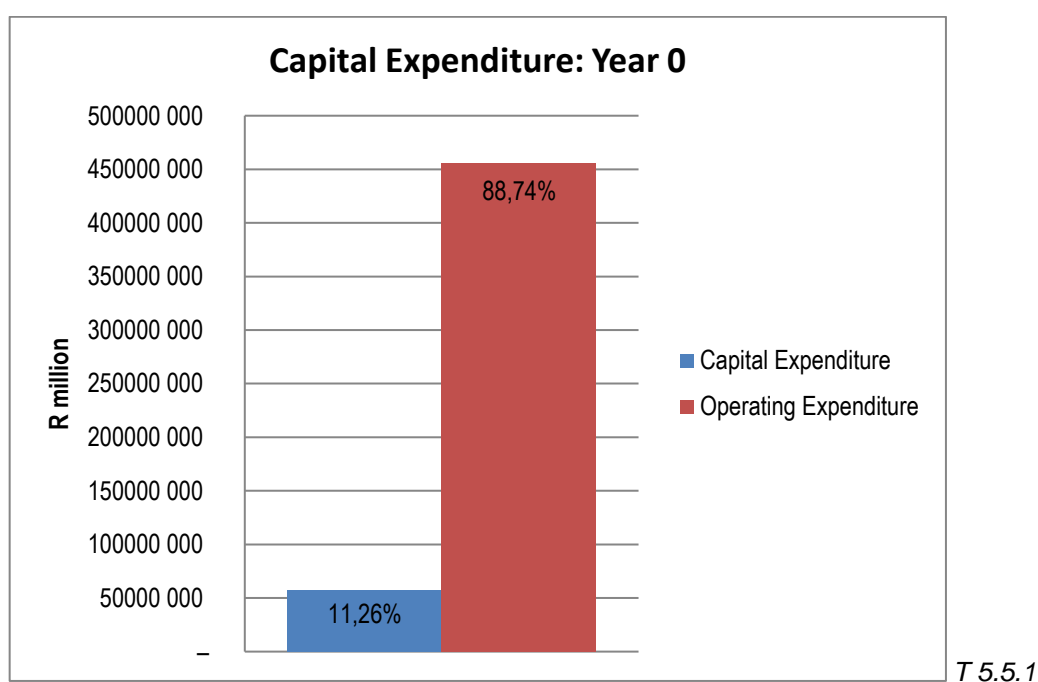
COMPONENT B : SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings, and surpluses.

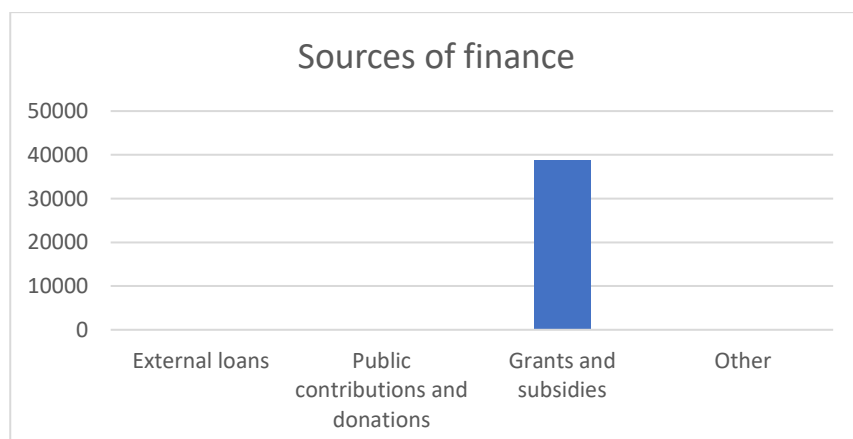
Component B deals with capital spending, indicating where the funding comes from and whether the Municipality can spend the available funding as planned.

5.5 CAPITAL EXPENDITURE



(Above chart not applicable to BNLM; still to be activated & provided)

5.6 SOURCES OF FINANCE



CAPITAL EXPENDITURE BY FUNDING SOURCES : 2019/20 TO 2020/21						
Details	2019/20	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Adjustment to Original Budget (%)	Actual to Original Budget (%)
Source of Finance						
External Loans	0	0	0	0	0	0
Public Contributions and Donations	0	0	0	0	0	0
Grants and Subsidies	58 183	47 990	57 486	38 786	91%	81%
Other	0	0	0	0	0	0
Total	58 183	47 990	57 486	38 786	91%	179%
<i>Percentage of Finance</i>						
External Loans	0%	0%	0%	0%	0%	0%
Public Contributions and Donations	0%	0%	0%	0%	0%	0%
Grants and Subsidies	100%	100%	100%	100%	100%	100%
Other	0%	0%	0%	0%	0%	0%
Capital Expenditure						
Water & Sanitation	49 957	49 147	46 668	32 928	95%	67%
Electricity		1 529	1 529	469	100%	10%
Housing	-	0	0	-	0%	0%
Roads & Stormwater	6 218	3 964	3 691	2 501	93%	63%
Other	2 008	5 180	2 293	5 660	44%	109%
Total	58 183	59 820	54 181	41 558	91%	179%
<i>Percentage of Expenditure</i>						
Water & Sanitation	86%	82%	86%	79%		
Electricity	0%	3%	3%	1%		
Housing	0%	0%	0%	0%		
Roads & Stormwater	10%	7%	7%	6%		
Other	4%	8%	4%	14%		

T 5.6.1

COMMENT ON SOURCES OF FUNDING

The above graph and table indicate the extent of the grant dependency for capital projects. 99% Of all capital projects are funded by grants.

5.7 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					
R' 000					
Name of Project	2020/21			Variance 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Upgrading sewer pumpstation-graaff	8 140	14 660	12 748	-56.6%	13.0%
B – Graaff Reinet Bulk Water Supply Scheme: Phase 2	7 000	7 000	6 087	87%	87%
C – Graaf-Reinet Emergency Water Supply Scheme Phase 3	17 000	7 000	4 979	70.7%	28.9%
D – Willowmore Bulk Water Supply, Upgrading, extension	0	5 050	4 307	0	14.7%
E – Ikwezi bulk water supply	10 000	10 000	2 688	73.1%	73.1%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	UPGRADING SEWER PUMPSTATION-GRAAFF				
Objective of Project	To upgrade sewer pump stations in Graaff-Reinet				
Delays	None				
Future Challenges	Phase 1 Completed successfully Multi year Project				
Anticipated citizen benefits	40421				
Name of Project - B	Graaff-Reinet Bulk Water Supply Scheme: Phase 2				
Objective of Project	To augment the bulk water supply to the town of Graaff-Reinet				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	40421				
Name of Project - C	Graaf-Reinet Emergency Water Supply Scheme (WSS) Phase 3				
Objective of Project	To augment the bulk water supply to the town of Graaff-Reinet				
Delays	None				
Future Challenges	Upgrading and Maintaining water supply in Graaff-Reinet				
Anticipated citizen benefits	40421				
Name of Project - D	Willowmore Bulk Water Supply, Upgrading, extension				
Objective of Project	To upgrade water supply in Willowmore				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	8048				
Name of Project - E	IKWEZI BULK WATER SUPPLY				
Objective of Project	To Augment water supply in Jansenville				
Delays	None				
Future Challenges	Multi year project				
Anticipated citizen benefits					
T 5.7.1					

5.8 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS : OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T 5.8.1

CATEGORY	BACKLOG
Roads	328,92
Sports fields	12
Community halls	20
Sanitation	1020
Water	1870

SERVICE BACKLOGS AS AT 30 JUNE 2021

Households (HHs)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water				
Sanitation				
Electricity				
Waste management				
Housing				
% HHs are the service *above/**below minimum standard as a proportion of total HHs. 'Housing' refers to formal and informal settlements.				T 5.8.2

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE ON SERVICE BACKLOGS : 2020/21

R' 000						
Details	Budget	Adjustments Budget	Actual	% Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport						
Roads, Pavements & Bridges	2 700	2 876	2 876	0%	-3%	
Storm water						
Infrastructure – Electricity						
Generation						
Transmission & Reticulation						
Street Lighting						
Infrastructure – Water						
Dams & Reservoirs						
Water purification						
Reticulation	1 300	6 350	6 350	0%	-388%	
Infrastructure – Sanitation						
Reticulation	8 140	14 661	14 661	0%	-80%	

Sewerage purification						
Infrastructure – Other						
Waste Management	280	211	211	0%	25%	
Transportation						
Gas						
Other Specify:						
Sports stadiums	3 000	120	120	0%	96%	
Total	15 420	24 217	24 217	0%	-57%	
<i>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						T 5.8.3

COMMENT ON BACKLOGS

T 5.8.4

COMPONENT C : CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION

Cash flow management is the most important aspect of every business. A healthy cash flow ensures that the Municipality can pay salaries on time and have funds for growth and expansion of service delivery. Resources are also available for paying creditors on time.

A regular analysis of the Municipality's finances ensures that management can project the future cash flow with accuracy and take necessary action.

The amalgamation continues to put constraints on the cash flow as creditors inherited from the amalgamation process need to be paid. The additional employee cost is another factor which contributes to the cash flow constraints. The vastness of the area requires a lot of travelling and associated costs. Staff regularly need to travel between the towns to perform their functions.

Old fleet and equipment places strain on financial resources with continuous maintenance that is required.

5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Ratepayers and Other	174 367	291 113	291 113	184 510
Government – Operating	144 210	155 529	155 529	157 755
Other receipts	0	6 423	207 142	0
Interest	442	8 040	0	169
Suppliers and Employees	(280 651)	358 552	358 552	(306 659)
NET CASH FROM / (USED) OPERATING ACTIVITIES	38 367	819 658	1 023 294	35 774
CASHFLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal	7 659	0	0	281
Increase in PPE	(59 817)	(59 820)	(59 820)	(41 558)
NET CASHFLOWS FROM / (USED) INVESTING ACTIVITIES	(52 158)	(59 820)	(59 820)	(41 277)
CASHFLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Consumer deposits	0	(3 317)	(3 317)	0
Increase (Decrease) in financial liabilities	(8 245)	0	(4 214)	5 859
NET CASH FROM / (USED) FINANCING ACTIVITIES	(8 245)	(3 317)	(7 530)	5 859
NET INCREASE/(DECREASE) IN CASH HELD	22 035	763 154	955 944	357
Cash/cash equivalents at the year begin	24 313	2 278	2 278	2 278
Cash/cash equivalents at the year end	2 278	765 432	958 222	2 634
T 5.9.1				

COMMENT ON CASH FLOW OUTCOMES

Cash flow management is critical to the municipality as it enables the organisation to assess whether sufficient cash is available at any point in time to honour the Council's commitments.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION

Dr Beyers Naudé LM does not have any borrowings. Investments are normally short-term investments for grant funds received. Long term loans can only be used to procure capital items to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution.

T 5.10.3

MUNICIPAL INVESTMENTS	2019/20 Actual	2020/21 Actual
<u>Municipality</u>		
Securities - National Government		
Listed Corporate Bonds		
Deposits – Bank	2 277	2 634
Deposits - Public Investment Commissioners		
Deposits - Corporation for Public Deposits		
Bankers' Acceptance Certificates		
Negotiable Certificates of Deposit - Banks		
Guaranteed Endowment Policies (sinking)		
Repurchase Agreements – Banks		
Municipal Bonds		
Other		
Consolidated total	24	2
		T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS

The municipality did not enter any borrowing contracts during the financial year ended 30 June 2021. Cash and cash equivalents amounted to R2 634 445 at 30 June 2021. The municipality does not have any municipal entities under its control.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any public private partnerships.

PUBLIC PRIVATE PARTNERSHIPS

T 5.11.1

COMPONENT D : OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

OVERVIEW

Supply Chain Management seeks to ensure the proper flow of goods and services between the supplier and the Municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money, expeditious and appropriate service delivery. As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any administrative and fraudulent practices on the procurement front.

LEGISLATIVE REQUIREMENTS

Dr Beyers Naudé Local Municipality is committed to apply and create the prescribed legislative environment pertaining Supply Chain Management by way of:

- The Constitution
- The Municipal Finance Management Act (MFMA)
- Regulations in terms of section 168 of the Municipal Finance Management Act
- Local Government: Municipal Systems Act
- The Preferential Procurement Policy Framework Act (PPPFA)
- The Prevention and Combating of Corrupt Activities Act
- The Construction Industry Development Board (CIDB) Act
- Other applicable by-laws, ordinance and legislation

POLICY CHANGES / AMENDMENTS 2020/21 FINANCIAL YEAR

No changes/ amendments. The Dr Beyers Naudé Municipality's Supply Chain Management Policy was reviewed and approved in July 2018.

FUTURE DEVELOPMENTS

The organizational structure of the supply chain unit will be reviewed in the next financial year to ensure better service delivery and distribution of functions. The new organogram will ensure that all towns are serviced by supply chain management officials located in the relevant towns.

MFMP COMPETENCY LEVELS

The Manager SCM, Chief Clerk SCM and the Senior Clerk SCM have all met the minimum competency levels as prescribed by the National Treasury Regulations for Supply Chain Management officials.

SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2020/21

The procurement plan is derived from the Municipal Service Delivery Budget Implementation Plan (SDBIP) which in turn directly relates to the municipal Integrated Development Plan (IDP).

The plan indicates quarterly targets that must be met by each department with regard to the procurement of goods and services. The report must be analysed in conjunction with the SDBIP.

National Treasury issued MFMA Circular No 97 –Cost Containment Measures on 31 July 2019. This circular advises regarding proposed formats for reporting on budgets, expenditure and savings as addressed in the regulations.

CHALLENGES FACED DURING THE YEAR

- The lock-down regulations prolonged the procurement processes.
- The Standard for Infrastructure Procurement Delivery Management, has been replaced with the Framework for Infrastructure Delivery and Procurement. National issue amongst various municipalities.
- Positions not filled.
- No clear job descriptions.
- ICT infrastructure not accommodative for all towns.
- Not enough staff

MAIN AUDIT FINDINGS DURING 2020/21

- The performance of some of the contractors or providers was not monitored monthly, as required by section 116(2) (b) of the MFMA. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
- Goods with a transaction value of over R 200 000 were procured without inviting competitive bids where excessive use of deviations are used which results in increased irregular expenditure

5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice, and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. Dr Beyers Naudé is currently fully GRAP compliant and did not deviate from GRAP standards currently applicable.

5.14 MSCOA IMPLEMENTATION

The Dr Beyers Naudé Local Municipality has converted to mSCOA and are reporting monthly. Challenges were experienced during the 2020/21, and the municipality is considering changing the financial system in an effort to consistently comply with MSCOA.



CHAPTER 6

AUDITOR-GENERAL : AUDIT FINDINGS



INTRODUCTION

Audit Outcome

The audit outcome stayed consistent with prior year with the municipality receiving a qualified audit outcome.

Other findings

- Money owed by the municipality was not always paid within 30 days of receipt of invoice.
- Reasonable steps were not taken to prevent irregular expenditure.
- Reasonable steps were not taken to prevent unauthorised expenditure.
- Some contracts were not awarded in an economical manner.
- Competitive bidding processes were in certain instances not followed when required.
- Some contracts were modified without the proper authority.
- The performance of some contractors was not monitored.

COMPONENT A : AUDITOR-GENERAL OPINION OF AFS YEAR -1**6.1 AUDITOR-GENERAL'S REPORT FOR 2019/20**

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2019/20		
Audit Report Status*:	Qualified opinion	
Non-Compliance Issues	Remedial Action Taken	
S122 of the MFMA not complied with. The financial statements were not compiled free of material misstatement	Action plan drafted and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses	
Reasonable steps were not taken to prevent irregular and unauthorised expenditure as required by section 62 of the MFMA.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses	
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(E) of the MFMA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses	
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>		T 6.2.1

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE : 2019/20

Audit Report Status**:	<ul style="list-style-type: none"> Usefulness : No Material Findings Reliability : No Material Findings
Non-Compliance Issues	Remedial Action Taken
The municipality did not have an adequate record keeping system to ensure reliable reporting on the achievement of the indicators listed.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
T 6.1.2	

COMPONENT B : AUDITOR-GENERAL OPINION OF AFS YEAR 0

6.2 AUDITOR-GENERAL'S REPORT FOR 2020/21

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2020/21

Audit Report Status*:	Qualified opinion
Non-Compliance Issues	Remedial Action Taken
S122 of the MFMA not complied with. The financial statements were not compiled free of material misstatement	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
Reasonable steps were not taken to prevent irregular and unauthorised expenditure as required by section 62 of the MFMA.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(E) of the MFMA	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	
T 6.2.1	

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE : 2020/21*

Audit Report Status**:	<ul style="list-style-type: none"> Usefulness: No Material Findings Reliability: No Material Findings
Non-Compliance Issues	Remedial Action Taken
<i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0.</i>	
<i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i>	
T 6.2.2	

COMMENT ON THE AUDITOR-GENERAL'S REPORT ON THE 2020/21 FINANCIAL STATEMENTS

- ❖ *THE 2020/21 AUDITOR-GENERAL'S REPORT IS ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT.*

T 6.2.3

The main objective after improvement is to sustain the standard and improve even further. The AG audit not only provides an opinion on the financial reporting but also plays an important role to a maturing municipality. Therefore the audit action plan has been drafted, which is specific to addressing the issues mentioned by the AG and progress is being monitored by all Oversight Committees.

- ❖ *THE AUDIT ACTION PLAN ADDRESSING AUDIT FINDINGS IS ATTACHED AS ANNEXURE 3 IN VOLUME II OF THIS REPORT.*

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

The compliance with S71 of the MFMA is an ongoing process which is in place. Regular feedback is provided by the Provincial Treasury on issues that require attention. The reporting is therefore in compliance with the legislation.

.....
Signed by the Chief Financial Officer

.....
Date

T 6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a Municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a Municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “ <i>what we wish to achieve</i> ”.

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan (SDBIP)	Detailed plan approved by the mayor for implementing the Municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a Municipality is divided for appropriation of money for the different departments or functional areas of the Municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>
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APPENDICES

APPENDIX A	COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
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COUNCIL MEMBERS	FULL TIME / PART TIME FT/PT	COMMITTEES ALLOCATED	WARD AND / OR PARTY REPRESENTED	% OF COUNCIL MEETINGS ATTENDED	% APOLOGIES FOR NON- ATTENDANCE
Cllr Deon de Vos	FT	Chair of EXCO Chair of IDP Rep Forum & political champion of the IDP	Mayor	100%	0%
Cllr Thembisa Nonnies	FT	Chairperson of Council	Speaker & PR Councillor	100%	0%
Cllr Willem Säfers	PT	MPAC Chairperson	Ward 1 Councillor	100%	0%
Cllr Ricardo Smith	PT		Ward 2 Councillor	93%	7%
Cllr Katie Hoffman	PT		Ward 3 Councillor	100%	0%
Cllr Xolile Galada	PT		Ward 4 Councillor	93%	7%
Cllr Glenda Mackelina	PT		Ward 5 Councillor	80%	20%
Cllr Thembile Tshona	PT		Ward 6 Councillor	100%	0%
Cllr Rudy Jacobs	PT		Ward 7 Councillor	80%	20%
Cllr Ewald Look	PT	Portfolio Head of Budget & Treasury Committee	Ward 8 Councillor	93%	7%
Cllr Piet Bees	PT		Ward 9 Councillor	93%	7%
Cllr Louis Langeveldt	PT		Ward 10 Councillor	100%	0%

Cllr Abraham Arries	PT		Ward 11 Councillor	100%	0%
Cllr Danie Bezuidenhout	PT		Ward 12 Councillor	86%	14%
Cllr Errol Rossouw	PT		Ward 13 Councillor	100%	0%
Cllr Joy Williams	PT		Ward 14 Councillor	93%	7%
Cllr Pieter (Penn) Koeberg	PT	Portfolio Head of Engineering & Planning Committee	PR Councillor	80%	20%
Cllr Notizi Vanda	PT	Portfolio Head of Community Services Committee	PR Councillor	100%	0%
Cllr Angeline Booysen	PT		PR Councillor	93%	7%
Cllr Asanda Mboneni	PT		PR Councillor	93%	7%
Cllr E.A. Rutgers	PT	Portfolio Head of Corporate Services Committee	PR Councillor	100%	0%
Cllr W.Z. Le Grange	PT		PR Councillor	100%	0%
Cllr B.W. Seekoei	PT		PR Councillor	93%	7%
Cllr E.A Carolus	PT		PR Councillor	73%	27%
Cllr D. Williams	PT		PR Councillor	93%	7%
Cllr H. Booysen	PT		PR Councillor	80%	10%
T A					

COMMENTS ON COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

There are a total of 27 Councillors, of which 14 are elected Ward Councillors and 13 PR Councillors, appointed on a proportional basis.

The Chairpersons of EXCO, Council and the four Standing (Portfolio) Committees are detailed in the table above. The various structures are further made up of other Councillors, the Municipal Manager and Directors, as well as senior Officials.

Councillors' meeting attendance is good and apologies are tendered for their absence.

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APPENDIX B**COMMITTEES AND COMMITTEE PURPOSES**

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE) AND THEIR PURPOSE	
MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Local Labour Forum	Discussing labour related issues
Training & Occupational Health & Safety Committee	Discussing training of employee and employer and occupational health and safety issues
MPAC & Oversight Committee	The committee plays an oversight role over operations of the Municipality
Disaster Management Committee	Discussing all issues relating to disaster
IGR Meeting Committee	Discussing Inter-Governmental issues relating to all stakeholders or state departments
Disability Forum	Discussing Special Programmes pertaining to Disabled people
Youth Forum	Discussing Special Programmes pertaining to Youth of Dr Beyers Naudé Local Municipality
Sports Council	Discussing Special Programmes pertaining to sport codes of Dr Beyers Naudé Local Municipality
LED Committee	Discussing social and economic development issues
Audit Committee	Discussing audit related issues
Commonage Committee	Discussing all municipal commonage/farming land issues
IDP Representative Forum	Discussing all Integrated Development Planning related items – more specifically to effect sectoral alignment
IDP Steering Committee	Discussing Ward-Based Planning and Integrated Development Planning
Top Management & Management Committee	Discussing all issues that need recommendation/input from Management
Infrastructure Services Committee	Discussing all infrastructural and planning items
Community Services Committee	Discussing all community developmental issues
Corporate Services Standing Committee	Discussing all Human Resources issues
Budget & Treasury Committee	Discussing all finance-related matters
<i>T B</i>	

APPENDIX C	THIRD TIER ADMINISTRATIVE STRUCTURE
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DIRECTORATE	DIRECTOR / MANAGER
Municipal Manager	Municipal Manager: Dr E.M. Rankwana (from 3 September 2017)
	Chief Operations Officer: Mr H. Hendricks
	Internal Audit Executive: Mr G. Maya
	IDP Manager: Miss L. Fouché
Corporate Services	Director Corporate Services: Ms. Z.V. Kali (1 August 2020)
	Manager: Human Resources: Ms D Klassen (from 3 December 2018)
	Manager: Administration: Ms. N. W. Oliphant (1 March 2021)
	Manager: Records & Archives: Ms. N. W. Oliphant (1 March 2021)
	Area Manager: Mrs. L. De Beer (Willowmore) until end of February 2021 & Mr. Nico Barnaard (from 1 March 2021)
	Area Manager: Mr A. Damane (Jansenville)
	Area Manager: Mr C. Kombani (Aberdeen)
	Manager, Corporate Services: Mr M. Lötter (Steytlerville)
	Manager, Corporate Services: Mr X. Jack (Jansenville)
Community Services	Director Community Services: Mr. G. W. Hermanus (1 August 2020)
	Manager Protection Services: Mr C.V. Rhooode (
	Manager Community Services: Mr. Melvin Pietersen (1 April 2021)
Budget & Treasury	Chief Financial Officer: Mrs H. Kok (from 3 September 2017)
	Manager Reporting: Mr S. Mbotya (from 1 April 2018)
	Manager Revenue: Ms D. Sauls (from January 2018)
	Acting Manager Assets & Supply Chain Management: Mr R. Jegels 1 July 2020 to 28 February 2021 Manager Assets & Supply Chain Management: Mr R. Jegels 1 March 2021

Infrastructure Services	Acting Director Infrastructure Services: Mr B. Arends (1 July 2019 until 30 June 2020)
	Acting Director Infrastructure Services: Mr B. Arends (1 July 2020 until 31 June 2020)
	Acting Director Infrastructure Services: Mr B. Arends (1 July 2020 until 31 July 2020)
	Director Infrastructure Services: Mr B. Arends (1 August 2020)
	Manager, Electrical Services : Mr A. Van Zyl
	Manager, PMU (EPWP/MIG) : Mr L. Mandla
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APPENDIX D	FUNCTIONS OF MUNICIPALITY / ENTITY
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MUNICIPAL POWERS AND FUNCTIONS	Applicable to Municipality	Applicable to Entity
RSA Constitution Schedule 4, Part B Functions	(Yes / No)	(Yes / No)
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	No
Fire-fighting services	Yes	No
Local tourism	Yes	No
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services (PHC function has been provincialized)	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
<i>T D (i)</i>		

MUNICIPAL POWERS AND FUNCTIONS	Applicable to Municipality	Applicable to Entity
RSA Constitution Schedule 5, Part B Functions	(Yes / No)	(Yes / No)
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
<i>TD (ii)</i>		

APPENDIX E	WARD REPORTING
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WARD NO.	NAME OF WARD CLLR AND ELECTED WARD COMMITTEE MEMBERS	COMMITTEE ESTABLISHED (Yes / No)	NO. OF MONTHLY COMMITTEE MEETINGS HELD DURING THE YEAR	NUMBER OF MONTHLY REPORTS SUBMITTED TO SPEAKER'S OFFICE ON TIME	NUMBER OF QUARTERLY PUBLIC WARD MEETINGS HELD DURING YEAR
1	Cllr Willem Säfers <ul style="list-style-type: none"> - Amanda Nonnies - Daniel Pieterse - Jeanette Tinus - Joan B. Mafilika - Johannes Riaan Mauply - Klassie Afrika - Yvonne Frazenburg - Arthur Jantjies - Maude Godlo - B.L. Jacobs 	Yes, during 2017/18	4	12	1
2	Cllr Ricardo Smith <ul style="list-style-type: none"> - Jerome Schots - Welma Theron - Brian Heugh - E.A. Savage - Elain Stanley - Hilary Palmé - Hestie Van Der Mescht - Dennis Davidson - Shirley Haarhoff 	Yes, during 2017/18	0	12	0
3	Cllr Katie Hoffman <ul style="list-style-type: none"> - Roseline Reid - Johnna Jaftha - Lilly Williams - André Pokpas - August Steyn - Joe Deurling - Johannes Delmas - Moos Mbodla - Michael Hector 	Yes, during 2017/18	3	12	2

4	Cllr Xolile Galada <ul style="list-style-type: none"> - Ayanda Mjada - Mandisa Cebele - Nozuko Mantayi - Irene Meintjies - Sinethemba Qoqo - Westerfield Sodladla - K. M. Ndoni - Sipho Bafo - Asemahle Novemba 	Yes, during 2017/18	0	12	0
5	Cllr Glenda Mackelina <ul style="list-style-type: none"> - Margaret Baartman - Shaun Baartman - Dorothy Baardman - P.A. Reid - Isabel Sondag - A. Meyer - Joe Jaftha 	Yes, during 2017/18	0	12	No records submitted
6	Cllr Thembile Tshona <ul style="list-style-type: none"> - L.E. Fula - M. Volontiya - Nobendiba Jack - Nomayaza Ntsodwa 	Yes, during 2017/18	No records submitted	12	No records submitted
7	Cllr Rudy Jacobs <ul style="list-style-type: none"> - Andrew Mintoor - George Ngeju - Dick Van Wyk - Christo Frazenburg - Christo Klassen - Niklaas Saaiman - Lee-Ann Kekana - Karen Pienaar - Magareth Joy Du Plooy - Aryton Travill - Ian Reed 	Yes, during 2017/18	0	12	2
8	Cllr Ewald Look <ul style="list-style-type: none"> - C.D.N. Umslana - Hendrik Rex - L. Luiters - K.C.M. Van Niekerk - Mathew Nicholas - Marisa Human - Henry Blou - Annie Smith - H.A. Slier 	Yes, during 2017/18	1	12	1

9	Cllr Piet Bees <ul style="list-style-type: none"> - Willem Matola - Gideon Malan - P. Korkei - Jacoba Dunn - Rodney W.Human - Madeline Wolhurter - Annie Wagenaar - Sussana Magielies - Adriaan Jordaan - Channel Cornelius 	Yes, during 2017/18	1	12	1
10	Cllr Louis Langeveldt <ul style="list-style-type: none"> - Abraham Brouwers - Patrick Douws - Vuyokazi Oliphant - Meyer D.D. Wikken - Thembekile Kock - Pieter Chabe - Thanduxolo Mgwali - Vuyolweyhu Desha - Miranda Sidonga - Stephane Mlolomba 	Yes, during 2017/18	2	12	0
11	Cllr Abraham Arries <ul style="list-style-type: none"> - Christo Heseni - Elain Nomfundiso Khoza - Nomalungelo G. Ketchem - Maxham Luxolo - Ntombodidi Cynthia Nkasai - Brenda Cola - Lorretta Plaatjies - Hendrix Kattie - J.Lewies - F.Maxham 	Yes, during 2017/18	0	12	0
12	Cllr Daniel Bezuidenhout <ul style="list-style-type: none"> - Kiewiet Booysen - Annie Hemley - Marius Herselman - S.S. Stout - Willem Jaftha - W.T. Hayward - Elwean Fisher 	Yes, during 2017/18	1	12	0

13	Cllr Errol Rossouw - Una De Vos - Johann Koolman - Elsa Jaer - Willie Nantoe - Zongezile Blou - Xolani Mama - Willem Koekemoer - Adam Festus - Christopher Devos - Hillary Schoeman	Yes, during 2017/18	0	12	1
14	Cllr Joy Williams - Rudolf Rossouw - Errol Jantjies - Gerald Dampies - Joan Jantjies - Deon Prins - Niel Koeberg - Gavin Kemp - Jonathan Tarentaal - Paul Skut - Sophie Botman	Yes, during 2017/18	1	12	0
NOTE : CDWs serve Ex Officio on Ward Committees in Wards that have CDWs T E					

APPENDIX F

WARD INFORMATION

WARD 1 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)

No.	Priority Name and Detail	Progress during 2020/21
1	Cemeteries (Fence, fix and maintain. Attend to flood damage as indicated on map)	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
2	Stormwater (reconstruct and address ongoing problem in front of Clinic)	None. Shared competency.
3	Sports Fields (develop, upgrade & maintain)	None. Budgetary constraints.
4	Waste Management, illegal dumping & littering	Landfill site was tidied up, but illegal dumping continues. BNLM has implemented anti-littering campaigns, but there has not been any improvement in the situation.

WARD 2 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)

No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing : NB (housing development below Pienaarsig to be expedited)	No progress for several years of reporting. Provincial competency. Funding has been made available for further planning. Must be expedited. More recently it was indicated that the 250 units originally anticipated, will be reduced substantially.
2	Traffic Control : GRT (speeding & dangerous intersections)	None (some are Provincial competency). Situation has worsened.
3	MR605 : NB (last section of road up to Sam's Drift must be tarred. The bridge on bend at De Toren is deteriorating; structural safety is a concern.)	Provincial competency. Only grading of gravel surface was done; tarring of last section still to be completed. Bridge has not received any attention. Surfacing of MR605 was set to commence later in 2020, but thus far no progress.
4	Waste Management : GRT (address illegal dumping on river banks and other areas)	None. Private Sector assisted in cleaning both Transfer Station & Landfill site. BNLM continued working on the Landfill site, but the Transfer Station remains closed. Illegal dumping & littering still rife. Law enforcement is required. Plans in place for 2021/22 but no MIG funding has been allocated for upgrading of sites in Graaff-Reinet in 3YCP.

WARD 3 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)

No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing (rezoning and formal development of Riemvasmaak; electrification)	None. Provincial competency. (Informal Settlement upgrading programme is being developed.)
2	Multi-purpose Centre (Community Hall, Clinic, Library, SPU desks, Care Centre, etc)	None. Provincial competency. MPCC Committee was established but nothing further. Site was allocated by Municipality (erf 3625). No movement on side of DoHS.
3	Streets (surfacing/paving of gravel streets that carry high traffic volumes)	Only slight progress. The rest remains unattended and there are serious flooding problems.
4	RDP Housing (fallen and rectifications in Smartie Town & Geluksdal)	Provincial competency – no progress, no budget.
WARD 4 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing (Lower Umas : replace all mud houses with new units & indoor toilets)	Provincial competency – after standing still, the project has recommenced. 152 new RDP units had to be built. 98 + the 11 Units (Mandela Park) were scheduled for completion Dec. 2020,
2	Streets & Stormwater (Lower Umas : all gravel streets to be surfaced/paved)	Some work was done, but there is still a serious flooding problem.
3	MPCC for Umasizakhe (to include Youth training & skills development facilities)	New priority. No progress as yet. DoHS is waiting for co-ordinates of site.
4	Waste Management : provision of refuse bins and bags for all households	Refuse is being removed by Municipality, with regular clean-up of affected Wards. Educational campaigns are underway and other means of improving the service are being investigated.
WARD 5 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Streets & Stormwater (surfacing/paving of identified streets, filling of potholes and urgent attention required at areas prone to flooding)	Area adjacent to the Ward was worked on but has not had desired result. Flooding still taking place. More effective maintenance is required.
2	Clinic (New facility urgently required at site identified. Existing one must be closed)	No progress - Provincial competency. Situation is critical.
3	Sewerage Network (blockages, overflowing in Mandela Park; to be upgraded)	Situation has been brought under control.
4	RDP Housing (housing delivery)	No progress – Provincial competency. The project for the 11 houses was due to commence, but was stopped by the Community.
WARD 6 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		

No.	Priority Name and Detail	Progress during 2020/21
1	Land Release (unblock land in Eunice Kekana Village, Tjoksville & Chris Hani areas for housing, clinic, commercial & church sites)	None. There has only been a verbal communication that DoHS is considering a project of 40 new Units.
2	Streets & Stormwater (stormwater systems to be upgraded, streets to be widened)	Work was done on the Stormwater system but has not solved the problem. Serious flooding still occurring.
3	RDP Housing (remove and replace asbestos roofs in Umasizakhe & Elite View)	Provincial competency. Fallen houses project has recommenced. Still no progress with asbestos roofs.
4	Traffic calming measures (speedhumps required at crèche and Main Street)	No progress. (Dir. Community Services did indicate that suitable measures are being investigated.)
WARD 7 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Cemetery : Aberdeen (construction of new cemetery to be expedited and existing to be repaired & maintained)	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
2	Streets & Stormwater : Aberdeen (surfacing/paving of all internal streets; priority to those indicated on map)	No progress apart from some basic maintenance. Water furrows in Aberdeen have become problematic.
3	Public Toilets : Aberdeen (to be upgraded and maintained)	Private sector assisted with some sprucing up of facility in previous year but situation has since deteriorated.
4	Traffic calming measures : Aberdeen (speedhumps and other traffic control measures - as indicated on map)	R338 no progress - a Provincial competency. Only routine maintenance is being budgeted for. Speedhumps are required on internal (Municipal) roads.
WARD 8 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Bulk water supply to Willowmore (via Wanhoop)	Project is well underway. Needs to be expedited as old pipeline will not last much longer. Multi-year MIG-funded project with allocations indicated in 2021/22 3YCP.
2	RDP Housing <ul style="list-style-type: none"> ❖ Willowmore (new housing for Vondeling) ❖ Rietbron (40 houses built – identification of beneficiaries) ❖ Baviaanskloof (for people living in mud dwellings) 	Provincial competency. Talks have been underway but clarity is required on certain aspects. Only the Down project seems to be moving forward – latter half of 2020. Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytlerville.

3	Electricity in Vondeling & Baviaanskloof	No progress - Dept of Energy competency. Approximately 90 beneficiaries were registered.
4	Connection of houses in Willowmore town to main sewerage line (removal of septic tanks)	No progress. Situation requires urgent attention. To be brought into planning (extension of sewage reticulation system).
WARD 9 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, maintenance of all manholes)	No further progress since previous year's reporting. More funding is required to complete all areas.
2	Cemetery : existing one to be expanded	No progress. Situation is critical. DEDEAT has recommended Section 30A route. MIG funding has been withdrawn / redirected to W & S.
3	Sidewalks along Noord- & East Street (Willowmore)	No progress.
4	Lighting in dark areas (High mast & flood lights)	No progress with high mast lights. (Reflected in 3 rd year of 2021/22 3YCP.) Maintenance on streetlights was done.
WARD 10 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Water Purification Plant	Situation has deteriorated. Multi-year RBIG-funded project with allocations indicated in 2021/22 3YCP.
2	Streets & Stormwater (paving & upgrading)	No progress – project was not completed.
3	Septic Tanks (Households to be connected to Mun. system)	No progress. Situation is hazardous & critical.
4	RDP Housing (rectifications)	No progress - Provincial competency. Two destitute houses were earmarked for attention.
WARD 11 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing (new development next to Klipplaat Rd to address backlog)	No progress - Provincial competency. Awaiting report from DoHS. 6 Destitute houses requiring urgent attention.
2	Bulk Water Supply (pipeline between Klipfontein & Jansenville, and water quality)	RBIG project has commenced; multi-year funded project in 2021/22 3YCP. However, there is concern over Klipplaat water source, as their dam has dried

		up. Water quality in Jansenville requires urgent attention.
3	Sidewalks (to be constructed along gravel streets, where indicated on map)	No progress yet with Phase 2.
4	Sports Facility (upgrade of Phumlani stadium & indoor sport centre)	No progress. According to Dir. Community Services, there are funding constraints.
WARD 12 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing (next to Daleview & Bosman Streets)	Provincial competency. No progress other than an indication that Golden Valley project is set to commence in Oct 2020. EIA issue must be investigated and clarified. Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytleville.
2	Waste Management (Steytleville Landfill and refuse removal service required for Wolwefontein)	Refuse not collected in Wolwefontein for several months. Work at Steytleville landfill had not yet started. Multi-year MIG funding has been indicated in 2021/22 3YCP.
3	School/s (more teachers to be appointed)	Provincial competency. Situation at Daleview is under control but situation at Karel du Toit has deteriorated even more and requires urgent intervention.
4	Streets & Stormwater (paving of gravel streets, speed humps, etc.)	Some work was done and stormwater currently under control. However, regular maintenance of stormwater systems is required.
WARD 13 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	Upgrading of Vuyolwethu hall (Steytleville)	No progress. Minor maintenance done a few years ago was of inferior standard. The facility has deteriorated even more and requires urgent attention.
2	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, new signage)	Some work was done and maintenance is being carried out. Rest of Steytleville and Willowmore projects must be completed.
3	High-mast lights & flood lights in dark areas	Most areas have been addressed but high mast lights are still required in some problematic, crime hotspot areas. (MIG funding is reflected in 3 rd year of 2021/22 3YCP.)
4	RDP Housing (housing backlog must be addressed urgently) & rectification	Provincial competency. Willowmore project set to commence in Oct 2020. Some movement too with Steytleville Infill houses.

		Verbal communication by DoHS indicated that 110 Units were underway in Willowmore and 82 in Steytlerville.
WARD 14 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)		
No.	Priority Name and Detail	Progress during 2020/21
1	RDP Housing (housing delivery must be expedited to address critical need)	No progress – Provincial competency. Awaiting report from DoHS.
2	Streets (surfacing/paving of gravel streets with priority to those indicated on map)	Some areas were attended but there are streets that were listed as priority areas that still need to be attended to.
3	Waste Management (additional skips and refuse bins)	There has been some progress with cleaning up by BNLM and educational campaigns, but illegal dumping & littering is still a huge problem. Skips are required at specific spots and refuse bins for all households.
4	Stormwater (address areas prone to flooding as indicated on map)	Some work was done in neighbouring Wards. Flooding is still a problem in Ward 14; in particular Zinia Street where some reconstruction is required.
<i>CBP Report = Community-based Planning Report (containing Ward-based Plans), which is reviewed and updated annually, with the IDP. 3YCP = Three-year Capital Plan with allocations as per DORA promulgations. Current 3YCP covers 2021/22, 2122/23 and 2023/24.</i>		<i>T F</i>

APPENDIX G	RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
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AUDIT COMMITTEE ANNUAL REPORT – FINANCIAL YEAR 2020/21

Introduction

The Audit Committee is mandated to prepare an Annual Report that will be incorporated into the municipality's Annual Report. The report will, inter alia, comprise the following:

- The functions that were carried out by the Audit Committee;
- The number of meetings attended;
- The recommendations and resolutions taken by the Audit Committee;
- The relevant comments advanced by the committee that may enhance good governance and accountability;
- The preparation of quarterly reports and reporting to the council and
- The monitoring and evaluation of the resolutions.

Legal Framework

Section 216(1)(c) of the Constitution of the Republic of South Africa, dictates that the national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing the uniform National Treasury norms and standards. Good governance entails the manner an institution is managed, coupled with the organizational culture and the interaction with various stakeholders. Therefore, there is a dire need for combined assurance providers such the Internal Audit (I A) and the Audit Committee (A C) to provide objective, independent advice to improve oversight, good governance and assist to mitigate risks.

Establishment of Audit Committee and Internal Audit Unit

The Audit Committee is a council committee, and its responsibilities are embedded in MFMA, Section 166 and the corporate governance responsibilities are delegated to it by council through the A C Charter. The Internal Audit is founded by Section 165 of MFMA, as a unit of internal control, risk management, corporate governance and renders assurance and advisory services to the organization. The Internal Audit is mandated by a charter in its responsibilities, authority and purpose. The charter is approved by the Audit Committee and accepted by the Accounting Officer.

Membership of the Audit Committee and Internal Audit Staff Complement

The committee consists of three members who are consistent in attending all the statutory meetings, including the Annual Financial Statements Review meeting. The following table portrays the names and meetings attended.

Audit Committee Member	Meetings attended during 2020/21 F/Y
Mr. N. Smith	All the scheduled meetings attended
Mr. D. De Lange	All the scheduled meetings attended
Dr. N. Mzamo	All the scheduled meetings attended

Internal Audit Unit	Position
Mr Ashwyn Goss	Acting Chief Audit Executive
Mr Leszla Maya	Intern

The former Acting Chief Audit Executive, Mr. J. Booysen was transferred to BTO in September 2021. The Audit Committee extended a word of appreciation for the services rendered by Mr Booysen in the Internal Audit Unit.

Projects Status as of 30 June 2021

Internal Audit Project	Auditable Area	Timeframes	Status
		Reporting Date to Audit Committee	
IAP 2020/1	Human Resource Review Report	30 September 2020	Completed
IAP 2020/2	Annual Performance Report Review	30 October 2020	Completed
IAP 2020/3	Compliance Review Report -Q1 2020/21	30 November 2020	Completed

IAP 2020/01	Annual Performance Review Report	11 December 2020	Completed
IAP 2020/02	Human Resource Review Report	11 December 2020	Completed
IAP 2020/03	Compliance Review Report: Q1- Q2- Q3- Q4-	11 December 2020 18 February 2021 15 April 2021 15 July 2021	Completed
IAP 2021/01	Reconciliations Report	18 February 2021	Completed
IAP 2021/02	Fleet Management Q1 & Q2	15 April 2021	Completed
IAP 2021/03	SCM & Expenditure Review Report	15 April 2021	Completed
IAP 2021/04	Internal Control Assessment: Other Income	15 April 2021	Completed
IAP2021/05	Budget Management Process	15 July 2021	Completed

IAP 2021/06	Disciplinary Hearings Report	15 July 2021	Completed
IAP 2021/07	Final Inventory Report	15 July 2021	Completed
IAP 2021/08	Revenue Report	15 July 2021	Completed
IAP 2021/09	Water and Electricity Losses Report	15 July 2021	Completed
IAP 2021/10	Ad hoc request – Irregular expenditure former Ikwezi	15 July 2021	Completed
IAP 2021/11	Ad hoc request – Investigation into prepaid vending machine amendments	None	There was a hearing scheduled for 16 September 2021.

Expiation on the above-mentioned Internal Audit Projects:

- **Human Resource Report**

The Audit Committee reviewed the action taken against those contravening the pieces of legislation and the Senior Management confirmed that they were implementing Consequence Management, where applicable. Secondly, the A C sounded a warning on the control of annual leave coupled with excessive overtime claims. The A C recommended that management should pay special attention to the management and control of annual leave and overtime that could drain the financial resources of the municipality and impact negatively on the cash-flow of the municipality.

- **Compliance Report**

The A C is still awaiting copies of the Strategic Planning and Cost Containment Documents, to review the manner of developing management plans to address financial constraints. Strategies must be developed to reduce the unpaid pension and the ESKOM Account. The A C checked if National Treasury did not have an intention to invoke Section 216 (2) of the Constitution (stopping the transfer of funds to an organ of state...). The Senior Management responded that the latter was not considered. The Senior Management should further draft a Plan of Action with concrete timelines when responding to I A Findings.

- **Internal Control Assessment: Other Income**

The overall report rating was weak due to the nature and the number of weaknesses revealed during the review, such as the absence of standard operating procedures (SOP's), lack of inspection of the hall facilities before refunding the hirer and the inadequate controls on cemeteries. The Audit Committee urged the senior management to develop and implement SOPs, conduct internal control assessments and improve them and inspect the hall facilities before refunds are paid out to hirers.

- **Compliance Report**

The A C noticed that there was a disturbing trend of non-compliance, relating to Section 71 Reports that are submitted late to Provincial Treasury. Secondly, the revenue collected on agency basis for the Department of Transport, was also transferred late to the Provincial Treasury. The response from the CFO, was that there is the lack of human resources at Budget and Treasury Office (BTO). The A C recommended that the BTO should be allocated additional staff to cater for the end of the month procedures before National Treasury invokes Section 216 of the Constitution and withholds the equitable share. The Department of Transport (DOT) could also implement punitive measures or cancel the agreement and therefore all revenue due to the DOT must be paid timeously.

- **Fleet Management**

The A C was concerned with the high repair costs of vehicles as against cash-flow challenges of the municipality. The report by Internal Audit (I A) recorded the lack of oversight by Senior Management, absence of Standard Operating Procedures (SOPs) and weak internal controls. The A C recommended that the Senior Management should prioritise the crafting of SOPs, tighten the weak internal controls and ensure that the oversight function is performed.

- **Supply Chain Management & Expenditure Review**

The A C recommended that there must be a proper delegation register file in place, failing which irregular expenditure would occur. Moreover, the National and Provincial Treasuries are focussing at reducing the Irregular Expenditure in the country, hence on the 10 June 2021 a Provincial Workshop was held. Senior Management must respond promptly to I A findings as delayed response contributes to poor municipal governance.

- **Budget Management Process**

The A C emphasised to the Senior Management to comply with all the relevant prescripts such as MFMA, DORA and National Treasury Circulars as this is one of the areas the A C provides advisory services.

- **Disciplinary Hearings**

The A C recommended the resuscitation of the Disciplinary Board to attend to financial misconduct cases (Section 32 of MFA) and that the Senior Management should improve the turn-over time of disciplinary hearings. The National and Provincial Treasuries held a workshop for Disciplinary Board Members on the 10/9/2021 on Municipal Consequence Management and the matter is one of the priorities of the government, that the Boards must be operational and effective. On the 7 August 2021, the chairperson of the Board communicated with the Accounting Officer, the Director for Corporate Services, and the Provincial Treasury Director for Sarah Baartman District Municipality that there is a dire need for a Disciplinary Board meeting. The Acting CFO or her delegatee could present on Irregular, Unauthorised, Fruitless and Wasteful Expenditure (IUFW) and indicate the programme of action regarding the

reduction and elimination of the IUFW expenditure. The municipality was advised to be proactive and to embark on a programme to prevent IUFW expenditure.

- **Final Inventory Report**

The loss in the stores was recorded at R1m, due to dilapidated buildings and poor security. The A C recommended that the municipality should invest in upgrading of the security to reduce losses. The municipality reported to the A C that loss was reduced from R1m to R150 000, and the senior management planned to establish a committee to oversee inventory. The A C urged the senior management to reduce the losses to acceptable levels.

- **Revenue Report**

At Steytlerville Office, money went missing and an investigation into the matter was conducted. The alleged official was suspended because the collections were not deposited regularly and there was no cash on hand in the office. The A C recommended that the findings raised by the Internal Audit must be addressed and the office must bank daily, and the internal controls must be tightened.

- **Internal Audit Review: Revenue Transactions**

The findings were that there was a lack of control framework in place and significant control weaknesses resulted in a material risk exposure. There were no compensating controls in place to mitigate the identified risks. Due to the latter weaknesses the overall rating of the control environment was inadequate. The Audit Committee recommended that the Jansenville Cashier's Office should be properly secured to eliminate easy access and that daily takings must be deposited daily and that the supervisor must review daily cash reconciliations.

- **Water and Electricity Losses**

At Klipplaat there was a significant loss amounting to R1.3m due to non-billing. The AC recommended that the Senior Management should develop a strategy to reduce the losses, which **inter alia**, include proper spatial planning of the area. The AC resolved that; regular reports must be presented quarterly.

- **Ad Hoc Investigation Report**

The ad hoc investigation on the irregular expenditure of erstwhile Ikhwezi Local Municipality sought to resolve the matter that has been outstanding for years. The challenge for the municipality was the absence of documents from the archives of Ikhwezi. The recommendation from the AC was the implementation of the findings of the Internal Audit in respect of **R79m** of the former Ikhwezi L M. The CFO should ensure that the final report was tabled before the council.

- **Ad Hoc Request – Investigation into Prepaid Vending Machine Amendments**

The Internal Audit Unit was assigned by the Accounting Officer to investigate prepaid machine alteration by an official, with a view to benefit illegally. The Internal Audit (I A) verified transactions and amendments on the prepaid vending machine. The Internal Audit Unit noted that the 40% deduction of the prepaid electricity sales for payment of arrear debt, was inappropriately removed and adjusted to 0% deduction on many occasions between October 2020 and January 2021. The technocrat who committed fraud was charged, underwent the disciplinary hearing and the case concluded with a final written warning.

The Internal Audit Unit recommended that adequate oversight should be exercised by weekly reconciliation of the removal of 40% deductions on all prepaid sales to ensure compliance with Section 38(1)(e) of the approved Credit Control and Debt Collection Policy. The Internal Controls must be improved and the Standard Operating Procedures must be compiled and reviewed. The report has not yet been tabled to the Audit Committee and will be presented in the next meeting.

Other Matters

- **Fraud and Misconduct**

The A C noted the case that was reported in Steytlerville and encouraged the Senior Management to act immediately when fraud and corruption is discovered and brought to their attention.

- **Internal Control Review**

The A C once more, emphasised the importance of immediate responses to Internal Audit requests for information, to develop a culture of co-operation and teamwork in the municipality.

- **Irregular, Unauthorised, Fruitless and Wasteful Expenditure**

The following are different categories of expenditure as per the Annual Financial Statements for the year that ended on 30 June 2020:

- Irregular R 189 077 669
- Unauthorised R 441 804 962
- Fruitless and Wasteful R 24 736 641

There was an investigation into the fruitless and wasteful expenditure. Reports were presented to MPAC together with Internal Audit's investigation. Irregular expenditure was also submitted to the MPAC.

- **Incomplete Internal Audit Projects for 2020/21**

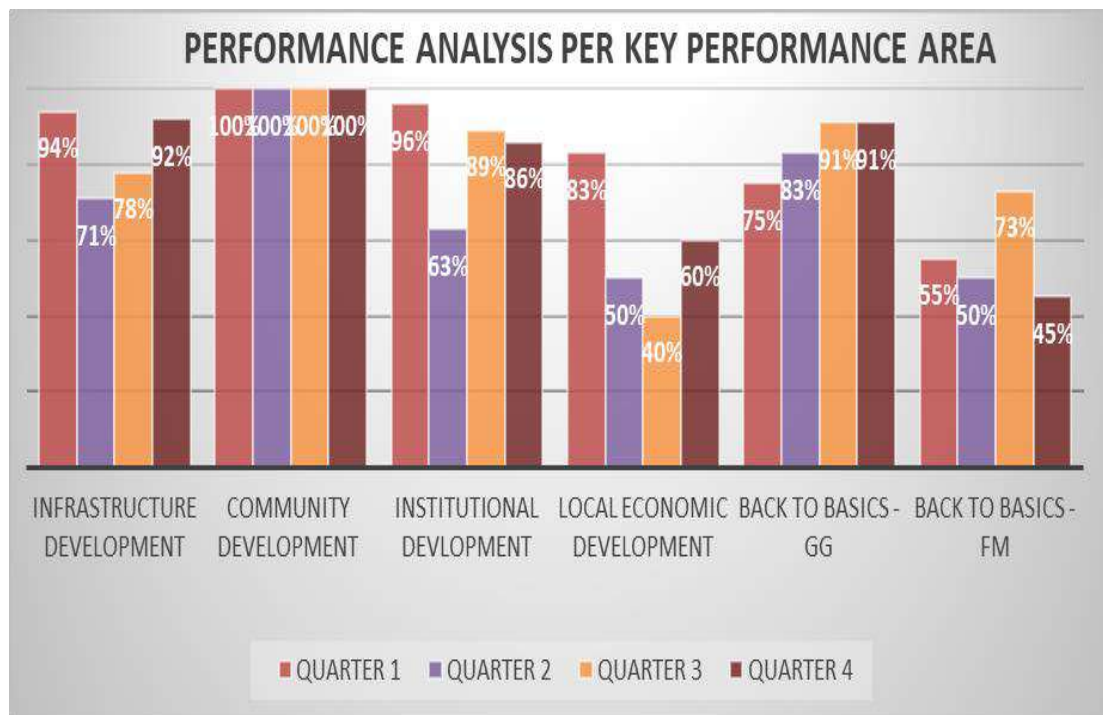
During the year 2020/21, there were incomplete projects due to lack of human capital in the Internal Audit Unit. The Acting Chief Audit Executive recommended to the Audit Committee that the projects should be carried over to 2021/22 Financial Year. After deliberations, the committee approved that the uncompleted projects should be incorporated in the Risk-Based Operational Plan of 2021/22 as follows:

- Report on Conditional Grants,
- Information and Communication Technology Report,
- Quarterly Performance Management Report,
- Occupational Health and Safety Operational Risk Assessment Report and
- Facilitation of Fraud Assessment.

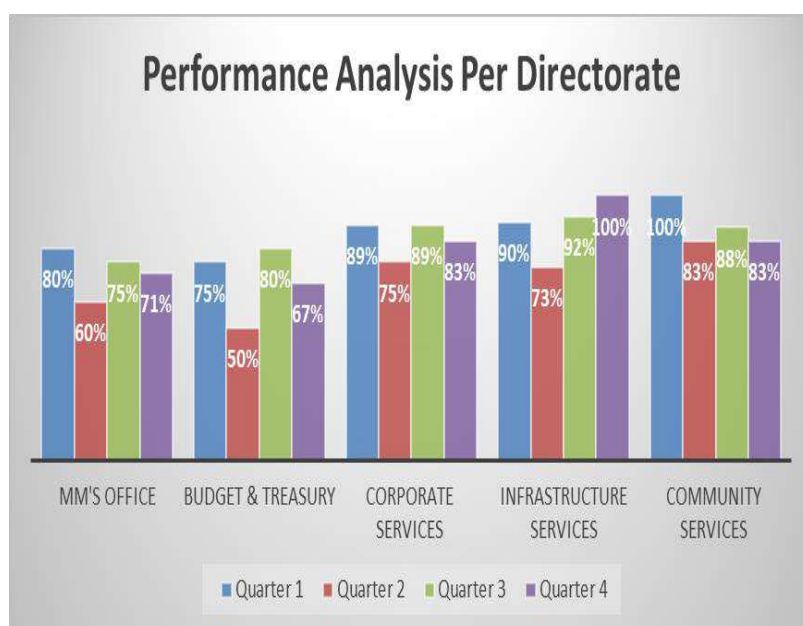
- **Performance Report**

The overall annual performance of the institution reported by management is **80%** in 2020/21 versus **39%** for 2019/20 Financial Year. The municipality has taken some strides in improving performance of the previous financial year to 2020/21, despite the global Covid-19 pandemic.

KEY PERFORMANCE AREA	Targets	Achieved	% Achieved
INFRASTRUCTURE SERVICES	13	12	92%
COMMUNITY SERVICES	4	4	100%
INSTITUTIONAL DEVELOPMENT	28	24	86%
LOCAL ECONOMIC DEVELOPMENT	5	3	60%
GOOD GOVERNANCE	11	10	91%
SOUND FINANCIAL MANAGEMENT	11	5	45%



PERFORMANCE DIRECTORATE	PER	Targets	Achieved	% Achieved
MM'S OFFICE		14	10	71%
INFRASTRUCTURE SERVICES		18	18	100%
COMMUNITY SERVICES		12	10	83%
CORPORATE SERVICES		18	15	83%
BUDGET & TREASURY		15	10	67%



Conclusion

The Audit Committee advises the Municipal Council, the Accounting Officer and Senior Management on the following matters: - Internal financial control, internal audit, risk management, performance management and evaluation, effective good governance, accounting policies, compliance with the Act, DORA, and other pieces of legislation.

With reference to the Risk-Based Operational Plan of the Internal Audit Unit, the Audit Committee has conducted its oversight function on all reports and reviewed reports presented to the committee, except those projects that could not be implemented by the Internal Audit Unit due to acute shortage of human capital. Those projects will be dealt with in 2021/22 Financial Year.

The Audit Committee conducted a self-assessment exercise required by the Department of Cooperative Governance and Traditional Affairs through the office of the Acting Chief Audit Executive.

Finally, the Audit Committee appreciates the support of the council and the senior management of the municipality.

Compiled by: Ngwadi Mzamo.

Chairperson: Audit Committee.

Date: 13 October 2021.

APPENDIX H**LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS**

LONG-TERM CONTRACTS					
(20 Largest Contracts Entered into during 2019/20)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
NOT APPLICABLE. NO LONG-TERM CONTRACTS ENTERED INTO					
T H.1					

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING 2019/20					
R' 000					
Name and Description of Project	Name of Partner/s	Initiation Date	Expiry Date	Project manager	Project Value
NOT APPLICABLE. NO PP PARTNERSHIPS ENTERED INTO					
T H.2					

APPENDIX I

MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE									
Name of Entity or SP / Purpose (i)	Outline (a) Service Indicators and (b) Targets (ii)	2017/18		2018/19		2019/20	2020/21		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
(Insert Name)									
(Insert Name)									
NOT APPLICABLE. NO PERFORMANCE AGREEMENTS ENTERED INTO									
(Insert Name)									
(Insert Name)									
T /									

T /

APPENDIX J**DISCLOSURES OF FINANCIAL INTEREST**

Period 1 July 2020 to 30 June 2021		
POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST
Mayor	Deon Wesley Sam De Vos	Declared that there was no financial interest
Speaker	Thembisa Lettar Nonnies	Declared that there was no financial interest
Councillor	Andreas Nortje	Declared that there was no financial interest
Councillor	Glenda Christina Mackelina	Declared that there was no financial interest
Councillor	Pieter William Koeberg	Declared that there was no financial interest
Councillor	Angeline Booysen	Declared that there was no financial interest
Councillor	Daniel Williams	Declared that there was no financial interest
Councillor	Notizi Vanda	Declared that there was no financial interest
Councillor	Wilton Zayne Le Grange	Declared that there was no financial interest
Councillor	Eldan Adley Carolus	Declared that there was no financial interest
Councillor	Hendrik Booysen	Declared that there was no financial interest
Councillor	Willem Jacobus Säfers	Declared that there was no financial interest
Councillor	Ricardo Smith	Declared that there was no financial interest
Councillor	Katie Hoffman	Declared that there was no financial interest
Councillor	Xolile Mzimkulu Galada	Membership of close corporation; other financial interest in business undertaking
Councillor	Thembile Michael Tshona	Declared that there was no financial interest
Councillor	Rudy Boyce Jacobs	Declared that there was no financial interest
Councillor	Ewald Laurens Loock	Other financial interest in business undertaking
Councillor	Piet Bees	Shares and securities in company
Councillor	Louis Leonard Langeveldt	Declared that there was no financial interest
Councillor	Abraham Arries	Declared that there was no financial interest
Councillor	Daniel Johannes Bezuidenhout	Declared that there was no financial interest
Councillor	Errol Vernon Ruben Rossouw	Membership of close corporation
Councillor	Joy Juanita Williams	Declared that there was no financial interest

Municipal Manager	Edward Martin Rankwana	Interest in property; subsidies, grants or sponsorships
Chief Financial Officer	Heleen Elsa Kok	Declared that there was no financial interest
Director Engineering and Planning	W.I. Berrington	Interest in trust; interest in property
Director Community Services	Vacant	N/A
Chief Operations Officer	Hans Hendricks	Interest in property
Assistant Director Engineering and Planning	Benjamin Arends	Interest in property; subsidies, grants or sponsorships
Manager Corporate Services	Zoleka Viola Kali	Interest in property
<i>FINANCIAL INTERESTS TO BE DISCLOSED EVEN IF THEY INCURRED FOR ONLY PART OF THE YEAR. SEE MBRR SA34A</i>		

APPENDIX K
**REVENUE COLLECTION PERFORMANCE
BY VOTE AND BY SOURCE**
APPENDIX K (i) : REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R '000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - EXECUTIVE & COUNCIL	61 487	71 354	71	6 734	9337%	9337%
Vote 2 - CORPORATE SERVICES - ADMINISTRATION	22 877 814	24 302	24 302	17 511	-28%	-28%
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES	45 201 762	52 077	52 077	45 935	-12%	-12%
Vote 4 - CORPORATE SERVICES - PROTECTION	2 975 970	7 751	7 623	4 989	-36%	-35%
Vote 5 - FINANCIAL SERVICES	35 528 502	77 891	252 922	49 968	-36%	-80%
Vote 6 - TECHNICAL SERVICES - ENGINEERING	173 165 996	180 752	175 500	142 944	-21%	-19%
Vote 7 - TECHNICAL SERVICES - ELECTRICAL	120 756 605	158 223	151 223	132 549	-16%	-12%
Example 8 - Vote 8	0	0	0			
Example 9 - Vote 9	0	0	0			
Example 10 - Vote 10	0	0	0			
Example 11 - Vote 11	0	0	0			
Example 12 - Vote 12	0	0	0			
Example 13 - Vote 13	0	0	0			
Example 14 - Vote 14	0	0	0			
Example 15 - Vote 15	0	0	0			
Total Revenue by Vote	400 568 137	501 067 495	663 718 071	400 630 228	92	92
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDIX K (ii) : REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	30 162	51 603	48 403	36 899	-28%	-24%
Service Charges - electricity revenue	103 248	140 611	133 611	110 658	-21%	-17%
Service Charges - water revenue	24 870	44 596	35 596	37 836	-15%	6%
Service Charges - sanitation revenue	10 422	33 227	33 227	15 941	-52%	-52%
Service Charges - refuse revenue	11 517	33 520	33 520	19 644	-41%	-41%
Service Charges - other						
Rentals of facilities and equipment	855	1 014	1 014	811	-20%	-20%
Interest earned - external investments	634	3 660	3 660	169	-95%	-95%
Interest earned - outstanding debtors	5 410	4 803	4 803	9 044	88%	88%
Dividends received		-				
Fines	21	34	34	80	135%	135%
Licences and permits	1 066	1 784	1 784	932	-48%	-48%
Agency services	1 874	3 929	3 929	2 373	-40%	-40%
Transfers recognised - operational	114 805	118 413	118 279	121 049	2%	2%
Other revenue	12 491	16 377	203 613	5 054	-69%	-98%
Gains on disposal of PPE	583	0	-	1 356	1355501%	#DIV/0!
Enviromental Protection						
Total Revenue (excluding capital transfers and contributions)	317 958	453 573	621 475	361 845	-20%	-42%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDIX L

CONDITIONAL GRANTS RECEIVED

EC101 Dr Beyers Naude - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2020/21 medium term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Pre-Audited Outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		91 489	91 489	96 127	113 907	115 142	115 121	111 759	119 845	125 589
Local Government Equitable Share		83 278	83 278	90 876	109 721	110 956	110 935	96 607	103 110	109 007
Finance Management		6 085	6 085	4 000	3 000	3 000	3 000	3 000	3 200	3 300
Energy Efficiency and Demand Management				–	–		–	966	2 535	1 182
EPWP Incentive		1 032	1 032	1 251	1 186	1 186	1 186	1 186	–	–
Municipal Systems Improvement		1 000	1 000	–			–			
Transitional Grant		94	94	–			–	10 000	11 000	12 100
Provincial Government:		1 208	2 179	5 639	2 020	1 010	1 010	2 020	(2 142)	(2 270)
Health subsidy		1 208	2 179	1 430	2 020	1 010	1 010	2 020	(2 142)	(2 270)
Housing										
Operating Transfers and Grants				4 210						
District Municipality:		3 184	4 477	3 127	4 301	4 172	3 908	4 301	4 731	5 204
Fire Grant		926	2 170	519	1 993	1 864	1 600	1 993	2 192	2 411
Library Grant		2 258	2 308	2 308	2 308	2 308	2 308	2 308	2 539	2 793
Sarah Baartman District Municipality - Operational Grants			300	300						
Other grant providers:		345	35	434	333	333	144	333	366	403
Seta Grant		345	35	434	333	333	144	333	366	403
COGTA COVID 19				–		–	–			
Municipal Disaster Relief Grant				266			–			
Total Operating Transfers and Grants	5	96 225	98 181	105 328	120 561	120 657	120 183	118 413	122 800	128 926
Capital Transfers and Grants										
National Government:		53 702	34 374	54 585	58 455	48 461	38 786	47 495	67 698	65 746
Municipal Infrastructure Grant (MIG)		27 388	16 252	19 394	20 495	20 495	25 243	20 495	21 948	23 011
Regional Bulk Infrastructure		16 692	5 048	4 123	27 000	17 000	6 543	27 000	42 750	37 935
DWA GRANT - DROUGHT RELIEF			5 952	7 000		–	–			
WSIG		2 622	2 622	24 068	10 000	10 000	7 000			
DROUGHT RELIEF						–	–			
INEP		7 000	4 500	–	960	966	–	–	3 000	4 800
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
Fire Grant										
Other grant providers:		–	7 968	6 388	–	–	–	–	–	–
Cogta Grant - Drilling of Boreholes				6 388		–	–			
Other Government: Fonteinbos			218	–						
OTP			7 750	–	–	–	–			
Total Capital Transfers and Grants	5	53 702	42 342	60 974	58 455	48 461	38 786	47 495	67 698	65 746
TOTAL RECEIPTS OF TRANSFERS & GRANTS		149 926	140 523	166 301	179 016	169 118	158 969	165 908	190 498	194 672

EC101 Dr Beyers Naude - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Pre-Audited Outcome	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		97 441	120 195	120 195	95 127	115 207	115 121	111 759	119 845	125 589
Local Government Equitable Share		83 278	90 876	90 876	90 876	110 956	110 935	96 607	103 110	109 007
Finance Management		6 085	4 000	4 000	3 000	3 000	3 000	3 000	3 200	3 300
Energy Efficiency and Demand Management			-	-			-	966	2 535	1 182
EPWP Incentive		1 032	1 251	1 251	1 251	1 251	1 186	1 186	-	-
Municipal Systems Improvement		1 000	-	-			-			
Transitional Grant		94	-	-			-			
DWA GRANT - DROUGHT RELIEF		5 952	24 068	24 068	-	-	-	10 000	11 000	12 100
Provincial Government:		4 487	3 738	7 947	2 020	2 020	1 010	2 020	(2 142)	(2 270)
Health subsidy		2 179	1 430	1 430	2 020	2 020	1 010	2 020	(2 142)	(2 270)
OTP Grant				4 210	-					
Library Grant		2 308	2 308	2 308						
DWA GRANT - DROUGHT RELIEF										
District Municipality:		2 170	519	519	4 301	4 172	3 908	4 301	4 731	5 204
Fire Grant		2 170	519	519	1 993	1 864	1 600	1 993	2 192	2 411
					2 308	2 308	2 308	2 308	2 539	2 793
<i>Sarah Baartman District Municipality - Operational Grants</i>			300	-						
Other grant providers:		35	434	700	333	333	1 010	333	366	403
Seta Grant		35	434	434	333	333	144	333	366	403
Municipal Disaster Relief Grant			266	266			866			
Total Operating Transfers and Grants	5	104 133	124 886	129 362	101 781	121 732	121 049	118 413	122 800	128 926
Capital Transfers and Grants										
National Government:		34 374	54 585	30 517	58 461	48 461	38 786	47 495	67 698	65 746
Municipal Infrastructure Grant (MIG)		16 252	19 394	19 394	20 495	20 495	25 243	20 495	21 948	23 011
Regional Bulk Infrastructure		5 048	4 123	4 123	27 000	17 000	6 543	27 000	42 750	37 935
DWA GRANT - DROUGHT RELIEF		5 952	24 068	-		-	-			
WSIG		2 622	7 000	7 000	10 000	10 000	7 000			
INEP		4 500	-	-	966	966	-	-	3 000	4 800
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Fire Grant										
Other grant providers:		7 968	10 598	6 388	-	-	-	-	-	-
Cogta Grant - Drilling of Boreholes			6 388	6 388		-	-			
Other Government: Fonteinbos		218								
OTP		7 750	4 210	-	-	-	-			
Total Capital Transfers and Grants	5	42 342	65 183	36 906	58 461	48 461	38 786	47 495	67 698	65 746
TOTAL RECEIPTS OF TRANSFERS & GRANTS		146 475	190 069	166 268	160 242	170 193	159 835	165 908	190 498	194 672

APPENDIX M**CAPITAL EXPENDITURE, NEW & UPGRADE /
RENEWAL PROGRAMMES**

APPENDIX M (i) : CAPITAL EXPENDITURE (NEW ASSETS PROGRAMME)

**APPENDIX M (ii) : CAPITAL EXPENDITURE (NEW AND UPGRADE / RENEWAL
PROGRAMMES)**

Kindly note that the format of above-listed schedules has changed and they now appear combined as the 2020/21 A5 Capex Table on the next page.

EC101 Dr Beyers Naudé Local Municipality- Table A5 Budget Summary

Vote Description	2020/2021						2019/2020					
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 9 - COUNCIL (30: CS)		—				—	—	—			—	
Vote 10 - MUNICIPAL MANAGER (31: CS)		—				—	—	—			—	
Vote 11 - CORPORATE SERVICES: ADMINSTRN (32: CS)		—				—	—	—			—	
Vote 12 - CORPORATE SERVICES: COMM SERV (33: CS)		—				—	—	—			—	
Vote 13 - CORPORATE SERVICES: PROTECTION (34: CS)		—				—	—	—			—	
Vote 14 - FINANCIAL SERVICES (36: CS)		—				—	—	—			—	
Vote 15 - TECHNICAL SERVICES: ENGINEERING (38: CS)		—	—			—	—	—			—	
Vote 16 - TECHNICAL SERVICES: ELECTRICAL (39: CS)		—	—			—	—	—			—	
Example 9 - Vote9		—				—	—	—			—	
Example 10 - Vote10		—				—	—	—			—	
Example 11 - Vote11		—				—	—	—			—	
Example 12 - Vote12		—				—	—	—			—	
Example 13 - Vote13		—				—	—	—			—	
Example 14 - Vote14		—				—	—	—			—	
Example 15 - Vote15		—				—	—	—			—	
Capital multi-year expenditure	—	—	—	—	—	—	—	—	—	—	—	—
Single-year expenditure												
Vote 9 - COUNCIL (30: CS)	—	—	—	—	—	—	—	0%			—	—
Vote 10 - MUNICIPAL MANAGER (31: CS)	—	(12)	12	—	(12)	(12)	—	0%			—	—
Vote 11 - CORPORATE SERVICES: ADMINSTRN (32: CS)	360	200	160	98	(62)	(62)	61%	0%			—	—
Vote 12 - CORPORATE SERVICES: COMM SERV (33: CS)	4 060	2 899	1 161	343	(819)	(819)	30%	8%			—	1 802
Vote 13 - CORPORATE SERVICES: PROTECTION (34: CS)	410	(470)	880	2 355	1 475	1 475	268%	574%			—	—
Vote 14 - FINANCIAL SERVICES (36: CS)	350	(200)	550	358	(192)	(192)	65%	102%			—	205
Vote 15 - TECHNICAL SERVICES: ENGINEERING (38: CS)	53 111	2 752	50 359	37 108	(13 251)	(13 251)	74%	70%			—	56 727
Vote 16 - TECHNICAL SERVICES: ELECTRICAL (39: CS)	1 529	—	1 529	1 480	(49)	(49)	97%	97%			—	—
Example 9 - Vote9	—	—	—	—	—	—	—	—			—	—
Example 10 - Vote10	—	—	—	—	—	—	—	—			—	—
Example 11 - Vote11	—	—	—	—	—	—	—	—			—	—
Example 12 - Vote12	—	—	—	—	—	—	—	—			—	—
Example 13 - Vote13	—	—	—	—	—	—	—	—			—	—
Example 14 - Vote14	—	—	—	—	—	—	—	—			—	—
Example 15 - Vote15	—	—	—	—	—	—	—	—			—	—
Capital single-year expenditure	59 820	5 169	54 651	41 741	1 209	(12 910)	76%	70%	—	—	—	58 735
Total Capital Expenditure - Vote	59 820	5 169	54 651	41 741	1 209	(12 910)	76%	70%	—	—	—	58 735
Capital Expenditure - Standard												
Governance and administration	710	—	722	456	(254)	(266)	63%	64%	—	—	—	205
Executive and council	—	—	12	—	(12)	(12)	—	—			—	—
Finance and administration	710	—	710	456	(254)	(254)	64%	64%			—	205
Internal audit	—	—	—	—	—	—	—	—			—	—
Community and public safety	3 000	2 360	640	2 126	1 486	1 486	332%	71%	—	—	—	—
Community and social services	—	—	—	—	—	—	—	—			—	—
Sport and recreation	3 000	2 830	170	159	(11)	(11)	93%	5%			—	—
Public safety	—	(470)	470	1 967	1 497	1 497	418%	#DIV/0!			—	—
Housing	—	—	—	—	—	—	—	—			—	—
Health	—	—	—	—	—	—	—	—			—	—
Economic and environmental services	4 374	273	4 101	3 576	(525)	(525)	87%	82%	—	—	—	6 218
Planning and development	—	—	—	—	—	—	—	—			—	—
Road transport	4 374	273	4 101	3 576	(525)	(525)	87%	82%			—	6 218
Environmental protection	—	—	—	—	—	—	—	—			—	—
Trading services	51 736	2 548	49 188	35 584	(13 605)	(13 605)	72%	69%	—	—	—	52 417
Energy sources	1 529	—	1 529	1 480	(49)	(49)	97%	97%			—	—
Water management	39 350	9 000	30 350	19 276	(11 074)	(11 074)	64%	49%			—	49 722
Waste water management	9 797	(6 521)	16 318	14 644	(1 674)	(1 674)	90%	149%			—	892
Waste management	1 060	69	991	184	(808)	(808)	19%	17%			—	1 802
Other	—	—	—	—	—	—	—	—			—	—
Total Capital Expenditure - Standard	59 820	5 181	54 651	41 741	(12 898)	(12 910)	76%	70%	—	—	—	58 840
Funded by:												
National Government	32 447	(16 303)	48 750	35 087	(13 663)	(13 663)	72%	108%			—	38 688
Provincial Government	—	—	—	—	—	—	—	—			—	20 152
District Municipality	—	—	—	1 747	—	1 747	#DIV/0!	#DIV/0!			—	—
Other transfers and grants	—	—	—	—	—	—	—	—			—	—
Transfers recognised - capital	32 447	(16 303)	48 750	36 834	(11 916)	(11 916)	76%	114%			—	58 840
Public contributions & donations	—	—	—	—	—	—	—	—			—	—
Borrowing	—	—	—	—	—	—	—	—			—	—
Internally generated funds	—	—	5 901	4 907	—	(994)	83%	#DIV/0!			—	—
Total Capital Funding	32 447	(16 303)	54 651	41 741	(12 910)	(12 910)	76%	129%			—	58 840

APPENDIX N
CAPITAL PROGRAMME BY PROJECT YEAR 0 (2020/21)

Capital Programme by Project : 2020/21					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Aberdeen Bulk Water Supply	7,340,846	6,040,846	6,040,831	82%	100%
Graaff Reinet Emergency Bulk Water Supply (RBIG)	6,000,000	6,000,000	5,092,961	85%	85%
Graaff Reinet Emergency Bulk Water Supply (WSIG)	7,000,000	7,000,000	7,000,000	100%	100%
Willowmore Bulk Water Supply (OTP)	4,210,000	4,210,000	4,209,676	99%	99%
Drought Project (WSIG)	30,020,060	30,020,060	30,020,049	100%	100%
Graaff Reinet Drilling of additional Boreholes (COGTA)	6,400,000	6,400,000	6,388,391	99%	99%
Nqweba Dam Wall Refurbishment	2,418,366	2,418,366	2,418,366	100%	100%
Sanitation/Sewerage					
Desludging of Sewer Pump Stations	1,757,633	1,757,633	1,757,633	100%	1000%
Electricity					
Upgrading of Graaff Reinet MV Switch Gear					
"Project B"					
Housing					
"Project A"					
"Project B"					
Refuse removal					
Steytlerville Upgrading of Solid Waste Site	2,896,465		2,072,830	72%	72%
"Project B"					
Stormwater					
Upgrading of Streets and Storm Water Graaff Reinet	8,673,069	5,797,069	5,797,069	66%	100%
Upgrading of Streets and Storm Water Willowmore	2,314,200	2,314,200	2,314,200	100%	100%
Upgrading of Streets and Storm Water Jansenville and Klipplaat	2,146,400	2,146,400	2,146,400	100%	100%
Economic development					
"Project A"					
"Project B"					
Sports, Arts & Culture					
"Project A"					

"Project B"					
Environment					
"Project A"					
"Project B"					
Health					
"Project A"					
"Project B"					
Safety and Security					
"Project A"					
					<i>T N</i>

APPENDIX 0
CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward : 2020/21		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
"Project A"	Ward 1	Yes
"Project B"	Ward 2,3,4,5,6,7,14	Yes
Sanitation/Sewerage	Ward 2,3,4,5,6,7,14	Yes
"Project A"	Ward 8, 9	Yes
"Project B"	Ward 2,3,4,5,6,7,14	Yes
Electricity	Ward 2,3,4,5,6,7,14	Yes
"Project A"	Ward 2,3,4,5,6,7,14	Yes
"Project B"		
Housing	Ward 2,4,6	Yes
"Project A"		
"Project B"		
Refuse removal	Ward 2,4,6	Yes
"Project A"		
"Project B"		
Stormwater		
"Project A"		
"Project B"	Ward 12	Yes
Economic development		
"Project A"		
"Project B"		
Sports, Arts & Culture		
"Project A"		
"Project B"		
Environment		
"Project A"		
"Project B"		
Health		
"Project A"		
"Project B"		
Safety and Security		
"Project A"		
"Project B"		
ICT and Other		
"Project A"		
"Project B"		
TO		

APPENDIX P
SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
SCHOOLS (names, locations)				
CLINICS (names, locations)				

Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.

T P

APPENDIX Q

SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS THE SERVICE PROVIDER (where the municipality whether or not act on agency basis)

Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
		TQ

APPENDIX R**DECLARATION OF LOANS AND GRANTS
MADE BY THE MUNICIPALITY**

Dr Beyers Naudé Municipality made the following donations/grants during the 2020/21 financial year :

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY : 2020/21

Organisation or Person in receipt of Loans* / Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years

* Loans / Grants - whether in cash or in kind

T R

APPENDIX S**NATIONAL AND PROVINCIAL OUTCOMES
FOR LOCAL GOVERNMENT****NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT 2020/21**

Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i>		<i>T S</i>

ANNEXURE 1 : ANNUAL FINANCIAL STATEMENTS

The 2020/21 Annual Financial Statements are attached hereto.

ANNEXURE 2 : AUDITOR-GENERAL REPORT

The 2020/21 Auditor-General's Report is attached hereto.

ANNEXURE 3 : AUDIT ACTION PLAN

The 2020/21 Audit Action Plan (in response to 2019/20 Audit Outcome) is attached hereto.

ANNEXURE 4 : ANNUAL PERFORMANCE REPORT

The 2020/21 Annual Performance Report is attached hereto.



Dr. Beyers Naudé

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ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

AUDITED

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

INDEX

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

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ASB	Accounting Standards Board
MPAC	Municipal Public Accounts Committee
PAYE	Pay As You Earn
SALGA	South African Local Government Association
GRAP	Generally Recognised Accounting Practice
SARS	South African Revenue Services
SDL	Skills Development Levy
IAS	International Accounting Standards
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
mSCOA	Municipal Standard Chart of Accounts

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

GENERAL INFORMATION

Legal form of entity	The entity functions as local municipality, established under Paragraph 151 of the Constitution of the Republic of South Africa, 1996, as amended.	
Nature of business and activities	Dr Beyers Naude Local Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act No. 117 of 1998). The Municipality's operations are governed by: Municipal Finance Management Act 56 of 2003, Municipal Structure Act 117 of 1998, Municipal Systems Act 32 of 2000 and various other Acts and regulations.	
Mayoral committee		
Executive Mayor	Cllr D.W.S De Vos	
Speaker	Cllr T.L Nonnies	
Executive Committee	Cllr P.W Koeberg Cllr E.A Ruiters	Cllr N.P Vanda Cllr E.L Loock
Councillors	Cllr D Williams Cllr R.L Smith Cllr W.Z Le Grange Cllr A. Mboneni Cllr E.A Carolus Cllr A Booysen Cllr H Booysen Cllr B.W Seekoei Cllr W.J Safers (MPAC Chair Cllr A.L Nortje Cllr K Hoffman	Cllr X.N Galada Cllr G.C Mackelina Cllr T.M Tshona Cllr R.B Jacobs Cllr P Bees Cllr L.L Langeveldt Cllr A Arries Cllr D.J Bezuidenhout Cllr E.V.R Rossouw Cllr J.J Williams
Grading of local authority	Grade Three (3)	
Accounting Officer	Dr. E.M Rankwana	
Acting Chief Finance Officer	D. Thorne	
Registered office	PO Box 71 Graaff Reinet 6280	
Business address	12 - 14 Caledon Street Graaff Reinet 6280	
Auditors	Office of the Auditor General (East London) 69 Frere Road Vincent East London	
Primary banker	Standard Bank	

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 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 annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

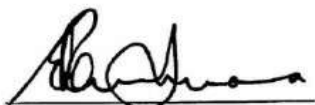
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting 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 municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2021 and he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The councillors are remunerated within the upper limits of the framework envisaged in Section 219 of the Constitution, as required by the MFMA, section 124(1)(a).

The annual financial statements set out on pages 5 to 82, which have been prepared on the going concern basis, were approved by the accounting officer on 31 AUGUST 2021 and were signed by him:



Dr E.M RANKWANA
MUNICIPAL MANAGER
31 AUGUST 2021

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

Figures in Rand	Notes	2021	2020 Restated*
ASSETS			
Current Assets			
VAT Receivable	3	9 832 247	4 669 731
Inventories	4	3 562 051	4 199 631
Other Receivables	5	6 312 535	5 051 390
Receivables from Non-exchange Transactions	6	3 728 445	3 644 772
Receivables from Exchange Transactions	7	17 128 869	13 840 782
Cash and Cash Equivalents	8	2 634 445	2 277 537
		43 198 591	33 683 843
Non-Current Assets			
Investment Property	9	27 416 862	27 458 228
Property, Plant and Equipment	10	1 071 271 265	1 090 930 606
Intangible Assets	11	8 724	31 447
Heritage Assets	12	11 097 671	11 097 671
		1 109 794 521	1 129 517 951
Total Assets		1 152 993 113	1 163 201 794
LIABILITIES			
Current Liabilities			
Other financial liabilities	13	10 240 951	11 755 461
Payables from Exchange Transactions	14	349 161 017	248 072 592
Payables from Non-exchange Transactions	15	4 537 324	2 915 504
Consumer Deposits	16	3 576 776	3 454 715
Unspent Conditional Grants and Receipts	17	-	2 079 868
Provisions	18	65 000	9 834 320
Employee benefit obligation	19	2 626 746	2 869 000
		370 207 814	280 981 460
Non-Current Liabilities			
Other financial liabilities	13	7 373 669	-
Provisions	18	18 570 200	21 666 000
Employee benefit obligation	19	46 732 653	43 834 000
		72 676 522	65 500 000
Total Liabilities		442 884 336	346 481 460
Net Assets		710 108 777	816 720 335
NET ASSETS			
Accumulated Surplus		710 108 777	816 720 335

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand	Notes	2021	2020 Restated*
REVENUE			
Revenue from Exchange Transactions			
Service charges	20	184 078 559	172 245 308
Agency services	21	2 372 921	2 114 561
Interest earned	22	9 044 010	5 705 111
Interest earned - Investments	22	168 665	441 627
Rental of facilities and equipment	23	810 706	702 347
Other revenue	24	2 816 215	1 537 733
Licences and permits	25	932 026	309 585
Gains on disposal of assets and liabilities	38	-	6 714 891
		200 223 103	189 771 164
Revenue from Non-exchange Transactions			
Taxation revenue			
Property Rates	26	36 899 140	34 909 280
Transfer revenue			
Fines, penalties and forfeits	27	79 611	30 627
Government grants and subsidies	28	159 834 547	166 267 563
Public contributions and donations	29	2 238 225	1 049 503
		199 051 523	202 256 973
Total Revenue		399 274 626	392 028 137
EXPENDITURE			
Employee related costs	30	(170 943 455)	(164 630 936)
Remuneration of councillors	31	(10 189 108)	(9 649 468)
Debt impairment	32	(45 440 053)	(47 249 533)
Depreciation and amortisation	33	(59 728 518)	(54 351 634)
Finance cost	34	(22 131 990)	(13 224 161)
Bulk purchases	35	(99 081 752)	(93 023 855)
Operational Cost	36	(43 362 884)	(45 940 907)
Contracted Services	37	(50 934 502)	(25 073 650)
Operating Leases	39	(4 158 029)	(7 619 967)
Loss on disposal of assets and liabilities	38	(1 271 495)	-
Total Expenditure		(507 241 785)	(460 764 112)
Deficit before actuarial gains and release from obligation		(107 967 159)	(68 735 975)
Actuarial gain and release from obligation	40	1 355 601	8 540 000
DEFICIT FOR THE YEAR		(106 611 558)	(60 195 975)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand	Accumulated Surplus	Total of Net Assets
Opening balance as previously reported	917 785 137	917 785 137
Adjustments for correction of errors		
Receivables from exchange transactions	(3 899 001)	(3 899 001)
Investment Property	(36 904 938)	(36 904 938)
Property, Plant and Equipment	(94 602)	(94 602)
Payables from Exchange Transactions	(1 423 692)	(1 423 692)
Unspent conditional grants (DWA and RRU)	1 586 724	1 586 724
Heritage assets	(168 790)	(168 790)
Payables from exchange transactions	35 471	35 471
Balance at 01 July 2019 as restated*	876 916 310	876 916 310
Changes in net assets		
Deficit for the year	(60 195 975)	(60 195 975)
Balance at 01 July 2020 as restated*	816 720 335	816 720 335
Changes in net assets		
Deficit for the year	(106 611 558)	(106 611 558)
Balance at 30 June 2021	710 108 777	710 108 777

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand		2021	2020 Restated*
Cash flow from operating activities			
Receipts			
Rates and services		184 509 609	174 366 531
Government grants and subsidies		157 754 679	144 209 668
Interest - investment		168 665	441 627
		342 432 953	319 017 826
Payments			
Employee cost		(169 874 222)	(156 276 496)
Suppliers		(136 784 403)	(124 374 411)
		(306 658 625)	(280 650 907)
Net cash flow from operating activities	41	35 774 328	38 366 919
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(41 557 663)	(59 816 565)
Proceeds from sale of property, plant and equipment		281 084	7 658 820
Net cash flow from investing activities		(41 276 579)	(52 157 745)
Cash flow from financing activities			
Movement in financial liabilities		5 859 159	(8 244 539)
Net cash flow from financing activities		5 859 159	(8 244 539)
Net increase/(decrease) in cash and cash equivalents		356 908	(22 035 365)
Cash and cash equivalents at the beginning of the year		2 277 537	24 312 902
Cash and cash equivalents at the end of the year	8	2 634 445	2 277 537

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REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand

The municipality prepares and presents the financial statements under the accrual basis of accounting and therefore similarly applies accrual basis of accounting in the presentation of segment information.

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

The three key business units comprise of:

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

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

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

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REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand

Segment Revenue	30 JUNE 2021			Unallocated	TOTAL
	Community and Public Safety	Economic and Environment	Trading Services		
External revenue from non-exchange transactions	4 918 000	26 508 611	14 408 541	153 216 371	199 051 523
External revenue from exchange transactions	519 379	3 983 647	213 208 854	(26 532 788)	191 179 093
Interest earned	-	-	-	9 044 010	9 044 010
	5 437 379	30 492 258	227 617 396	135 727 593	399 274 626
Segment Expenses					
Other segment expenses	-	-	(124 810 886)	(31 171 521)	(155 982 407)
Employee related cost	(28 228 999)	(29 925 517)	(48 677 204)	(64 111 735)	(170 943 455)
Depreciation and amortisation	(525 419)	(8 566 107)	(47 394 590)	(3 242 402)	(59 728 518)
Finance cost	-	-	-	(22 131 990)	(22 131 990)
Contracted Services	(3 280 169)	-	(43 683 574)	(3 970 759)	(50 934 502)
Operational Cost	(5 049 492)	(5 126 131)	(29 111 633)	(4 075 628)	(43 362 884)
Operating Leases	-	-	-	(4 158 029)	(4 158 029)
	(37 084 079)	(43 617 755)	(293 677 886)	(132 862 065)	(507 241 785)
Operating deficit	(31 646 700)	(13 125 497)	(66 060 491)	2 865 529	(107 967 159)
Other information					
Additions to non-current assets	378 623	3 575 973	35 583 567	2 019 499	41 557 662

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REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

Figures in Rand

Segment Revenue	30 JUNE 2020			Unallocated	TOTAL
	Community and Public Safety	Economic and Environment	Trading Services		
External revenue from non-exchange transactions	4 287 597	11 707 663	54 992 818	131 268 894	202 256 972
External revenue from exchange transactions	175 607	3 021 058	190 958 235	(10 088 847)	184 066 053
Interest earned	-	-	-	5 705 111	5 705 111
	4 463 204	14 728 721	245 951 054	126 885 157	392 028 137
Segment Expenses					
Other segment expenses	-	-	(111 401 042)	(38 521 814)	(149 922 856)
Employee related cost	(27 503 599)	(27 203 639)	(47 614 672)	(62 309 027)	(164 630 936)
Depreciation and amortisation	-	-	(36 726 844)	(17 624 790)	(54 351 634)
Finance cost	-	-	-	(13 224 161)	(13 224 161)
Contracted Services	(1 662 643)	-	(15 306 233)	(8 104 773)	(25 073 650)
Operational Cost	(3 596 909)	(4 168 492)	(18 382 228)	(19 793 278)	(45 940 907)
Operating Leases		(61 814)	(12 189)	(7 545 965)	(7 619 967)
	(32 763 150)	(31 433 944)	(229 443 209)	(167 123 807)	(460 764 111)
Operating deficit	(28 299 946)	(16 705 223)	16 507 845	(40 238 649)	(68 735 974)
Other information					
Additions to non-current assets	-	4 337 087	37 898 275	17 312 919	59 548 281

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Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Budget on cash basis							
Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	Ref
Statement of financial performance							
Revenue from Exchange Transactions							
Service charges	251 532 294	(36 005 000)	215 527 294	184 078 559	31 448 735	15%	N1
Agency services	3 512 348	-	3 512 348	2 372 921	1 139 427	32%	N2
Interest earned	8 165 626	-	8 165 626	9 044 010	(878 384)	-11%	N3
Interest earned - Investments	3 660 337	-	3 660 337	168 665	3 491 672	95%	N4
Rental of facilities and equipmen	1 014 254	-	1 014 254	810 706	203 548	20%	N5
Other revenue	2 638 237	(5 000)	2 633 237	2 816 215	(182 978)	-7%	N6
Licences and permits	2 200 811	-	2 200 811	932 026	1 268 785	58%	N7
Gains/(Loss) on disposal of assets and liabilities	10 800 108	187 236 000	198 036 108	-	198 036 108	100%	N8
	283 524 015	151 226 000	434 750 015	200 223 103	234 526 912		
Revenue from Non-exchange Transactions							
Taxation revenue							
Property Rates	51 603 265	(3 200 000)	48 403 265	36 899 140	11 504 125	24%	N9
Transfer revenue							
Fines, penalties and forfeits	32 400	-	32 400	79 611	(47 211)	-146%	
Government grants and subsidies	165 907 815	(5 380 424)	160 527 391	159 834 547	692 844	0%	N10
Public contributions and donations	-	-	-	2 238 225	(2 238 225)	100%	N11
	217 543 480	(8 580 424)	208 963 056	199 051 523	9 911 533		
Total Revenue	501 067 495	142 645 576	643 713 071	399 274 626	244 438 445		
EXPENDITURE							
Employee related costs	170 586 441	2 234 750	172 821 191	170 943 455	1 877 736	1%	N12
Remuneration of councillors	10 103 806	-	10 103 806	10 189 108	(85 302)	-1%	N13
Debt impairment	10 146 111	-	10 146 111	45 440 053	(35 293 942)	-348%	N14
Depreciation and amortisation	46 093 994	(850 905)	45 243 089	59 728 518	(14 485 429)	-32%	N15
Finance cost	4 213 773	-	4 213 773	22 131 990	(17 918 217)	-425%	N16
Bulk purchases	109 124 917	-	109 124 917	99 081 752	10 043 165	9%	N17
Contracted Services	8 148 672	30 460 474	38 609 146	43 362 884	(4 753 738)	-12%	N18
Operational Cost	77 916 128	7 543 188	85 459 316	50 934 502	34 524 815	40%	N19
Operating Leases	376 139	4 822 949	5 199 088	4 158 029	1 041 059	20%	N20
Gains/(Loss) on disposal of assets and liabilities	-	-	-	1 271 495	(1 271 495)	100%	N8
Total Expenditure	436 709 981	44 210 456	480 920 437	507 241 785	(26 321 348)		
Operating deficit	64 357 514	98 435 120	162 792 634	(107 967 159)	270 759 793		

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Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Budget on cash basis						
Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%
Statement of financial position						
Current Assets						
Inventories	6 300 000	-	6 300 000	3 562 051	2 737 949	43% N21
Other Receivables	7 200 000	-	7 200 000	16 144 782	(8 944 782)	-124% N22
Consumer Debtors	61 244 435	-	61 244 435	20 857 314	40 387 121	66% N23
Cash and Cash Equivalents	463 288 063	200 719 165	664 007 228	2 634 445	661 372 783	100% N24
	538 032 498	200 719 165	738 751 663	43 198 591	695 553 072	
Non Current Assets						
Property, Plant and Equipment	1 195 982 303	(15 140 000)	1 180 842 303	1 109 794 521	71 047 782	6% N25
	1 195 982 303	(15 140 000)	1 180 842 303	1 109 794 521	71 047 782	
TOTAL ASSETS	1 734 014 801	185 579 165	1 919 593 966	1 152 993 113	766 600 853	
Current Liabilities						
Borrowings	(4 213 773)	-	(4 213 773)	10 240 951	(14 454 724)	343% N26
Trade and other payables	140 315 806	-	140 315 806	353 698 341	(213 382 535)	-152% N27
Consumer Deposits	3 316 576	-	3 316 576	3 576 776	(260 200)	-8% N28
Provisions	7 031 436	-	7 031 436	2 691 746	4 339 690	62% N29
Total Current Liabilities	146 450 045	-	146 450 045	370 207 814	(223 757 769)	
Non Current Liabilities						
Borrowings	10 000 000	-	10 000 000	7 373 669	2 626 331	26% N26
Provisions	35 002 542	-	35 002 542	65 302 853	(30 300 311)	-87% N30
Total Non Current Liabilities	45 002 542	-	45 002 542	72 676 522	(27 673 980)	
TOTAL LIABILITIES	191 452 587	-	191 452 587	442 884 336	(251 431 749)	
NET ASSETS	1 542 562 214	185 579 165	1 728 141 379	710 108 776	1 018 032 603	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Financial Performance

- N1** The municipality has been experiencing severe drought during the financial year which had left some areas within the municipality without water supply, thus consumption and billing was negatively affected. The lockdown due to the Covid-19 pandemic resulted in the municipal closing offices which had an adverse effect on debt collection.
- N2** Restrictions during level 4 of lockdown resulted in the traffic office being unable to operate. Extended validity of licences for licences expiring between the lockdown period which adversely impacts on collections.
- N3** Slow payment of accounts by debtors have resulted in more interest charge than anticipated. The debtors values are increasing mostly due inability of consumers to pay their accounts as a result of the economic situation and covid lockdowns.
- N4** Investments could not take place due to the inability to materialize the sale of assets resolved by council. Interest came in under performance as a result.
- N5** Under performance is mainly due to closure of facilities due to lockdown as a result of the covid-19 pandemic
- N6** Over performance related to the insurance proceeds for claims instituted
- N7** The traffic departments Vehicle testing centre was adversely affected due to resignations of key personell for a significant part of the financial year
- N8** Anticipated proceeds from sale of property not realised for unexpected reasons. The loss relates to scrapping of redundant and replaced items
- N9** The budget is based on the valuation roll with actuals including the impact of the subsidy and rebates applied for due to covid lockdown
- N10** INEP grant of R966,000 budgeted for however this is an indirect grant not received through the books of the municipality
- N11** Donated assets received from SBDM
- N12** Budget considered all positions vacant being filled and anticipated increased employee related expenditure
- N13** Low variance from actual. Budget is in line with the upper limits regulations
- N14** Significant write-off that took place during the 2020/21 financial year as covid lockdown relief to the poor
- N15** Estimated depreciation was inadequate due to a large number of completed projects in the current year
- N16** Estimated interest servely affected by non payment of creditors within legislated 30 days period due to sever cashflow constraints
- N17** Cut off entry in the accounting system to eliminate bulk purchases accrued for in the 2020 financial year
- N18** Significant increase in contracted services
- N19** Financial position has resulted in significant reduction of expenditure. Repairs reduction and delay in performing projects due to covid restrictions
- N20** Reduction of vehicles leases since new vehicles were purchased

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Financial Position

- N21** Estimated inventory procurement was severely impacted by drought and covid-19 pandemic, which resulted in a diversion of funds to procure PPE. Shortages also resulting from stock inavailability and high turnaround times.
- N22** Other receivables line item includes VAT receivables balance. High growth in VAT suspense due to the inability of the municipality to pay major VAT creditors
- N23** Large increase in the provision for bad debts resulting in lower than budgeted balance. Covid and lockdown impact which has reduced payability of consumer debtors. Council also resolved to write off R27m during the year
- N24** The failure to materialize the planned land sales resulting in below budget
- N25** Under performance because of RBIG projects which were delayed by covid-19 pandemic
- N26** An additional security deposit of R20m was obtained during the financial year. Security debt repayments were not made in line with the signed agreement
- N27** Reduction of creditors were expected with the land sales which did not materialize
- N28** Increased accounts being opened for water and electricity
- N29** Settlement of major provision in prior year resulted in the much lower provision amount (current)
- N30** Under budget of employee benefits liability and rehabilitation provision reduction

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Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All amounts are rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Budget information

Budget information is in accordance with GRAP 1 and 24, has been provided in the Statement of comparison of budget and actual amounts.

1.4 Comparative figures

When the presentation or classification of items in the financial statements is amended, prior year comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior years.

The nature and reasons for the reclassifications and restatements are disclosed in note 43 to the financial

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Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.5 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.6 Significant judgements and sources of estimation uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future period.

Judgements

In the process of applying these accounting policies, management has made the following judgement that may have a significant effect on the amounts recognised in the annual financial statements.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies, the following estimates were made:

Receivables

The municipality assesses its receivables from impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial

The impairment for Trade receivables is calculated based on the grading of category of debtors according to their payment history. An accumulation of arrear balances is an indicator of debtor delinquency. Such debtors are provided for as they are considered to be impaired due to uncertainty surrounding the recoverability of the outstanding

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amount that will be required in future to settle the provision, management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.6 Significant judgements and sources of estimation uncertainty (continued)

Pension and other 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, future salary increase, mortality rates and future medical increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Effective interest rate

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

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles, so that the effect of any impairment on a group of receivables would not differ materially from the impairment, that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about probability of recovery of the debtors based on their past payment history and risk profile.

Provision for rehabilitation of refuse landfill sites

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size/ extent of the land to be rehabilitated, the rehabilitation cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and the discounted to their present value using an appropriate discount rate, representing the time value of money.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir.

The value of water inventory is calculated by considering the quantity of water in the pipes and is estimated based on the dimensions/ measurements of the pipes and the average cost per KL.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.7 Investment property

Initial recognition

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

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

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

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

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

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

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

Subsequent Measurement - Cost Model

Subsequent to the initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation recognised on investment property is determined with reference to the useful lives and residual values of the underlying items. Depreciation is provided to write down cost, less estimated residual value by equal instalments over the useful life of the property.

The useful lives of items of investment property have been assessed as follows:

Item	Depreciation method	Average useful life
Items useful life:		
Land	None	Indefinite
Buildings	Straight line	30 - 100 years

Land is not depreciated as it is considered to have an indefinite useful life.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.7 Investment property (continued)

Impairments

The entity test for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an investment property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Derecognition

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial performance in the period of retirement or disposal.

1.8 Property, plant and equipment

Initial recognition

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.8 Property, plant and equipment (continued)

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

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

Major spare parts and stand-by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand-by equipment which can only be used in connection with an items of property, plant and equipment are accounted for as 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.

Subsequent measurement - Cost model

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life. Subsequent expenditure Where the municipality replaces part of an asset, it derecognises that part of the asset being replaced and capitalises the new component.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.8 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight line	30 - 100 years
Infrastructure		
Roads and paving	Straight line	50 years
Water	Straight line	15 - 20 years
Electricity	Straight line	20 - 30 years
Sewerage	Straight line	15 - 20 years
Landfill sites	Straight line	30 years
Community		
Recreational facilities	Straight line	20 - 50 years
Museums and art galleries	Straight line	20 - 50 years
Security measures	Straight line	5 years
Cemeteries	Straight line	25 - 30 years
Community halls	Straight line	30 - 100 years
Transport assets		
Specialised vehicles	Straight line	10 years
Other vehicles	Straight line	5 years
Other property, plant and equipment		
Office equipment	Straight line	3 - 7 years
Furniture and fittings	Straight line	7 - 20 years
Bins and Containers	Straight line	5 years
Emergency equipment	Straight line	5 years
Plant and equipment	Straight line	2 - 5 years
Airports	Straight line	15 years
Computer equipments	Straight line	3 - 7 years

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

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 municipality. 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.

The municipality assesses at each reporting date whether there is any indication that the municipality 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 municipality 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.

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1.8 Property, plant and equipment (continued)

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.

Derecognition

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

Library books

Library books are held to provide a service to the community. The books are fully depreciated in the year of acquisition due its individual and aggregate immaterial value. Library books are expected to be used over more than one reporting period and are therefore classified as property, plant and equipment. A register of the library books is maintained by the municipality. Using the principles in GRAP 1 and GRAP 3, the number of books on hand at year-end are disclosed as narrative in the note on property, plant and equipment.

1.9 Intangible assets

Initial recognition

An Intangible asset is an identifiable non-monetary asset without physical existence. An intangible asset is identifiable if it either:

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

A binding arrangement describes an arrangement that confers similar rights and obligations onto 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 are attributable to the asset will flow to the municipality; and
- ☐ the cost or fair value of the asset can be measured reliably.

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1.9 Intangible assets

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

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

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

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

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

Subsequent measurement - Cost model

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

Amortization

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible asset with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset. The residual value of an intangible asset with a finite useful life is considered to be zero.

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.

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1.9 Intangible assets (continued)

Internally generated goodwill is not recognised as an intangible asset.

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

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

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (Note 11).

Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.10 Financial instruments

Initial recognition

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.

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

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 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.

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1.10 Financial instruments (continued)

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

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

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1.10 Financial instruments (continued)

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:

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

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

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

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

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

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

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

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1.11 Inventories

Initial recognition

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

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

Subsequent measurement

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

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

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

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

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

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

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

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

1.12 Employee benefits

Short-term employee benefits

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

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

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1.12 Employee benefits (continued)

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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1.13 Provisions and contingencies (continued)

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.

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 54.

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

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

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

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1.13 Provisions and contingencies (continued)

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement.

Indications that an outflow of resources may be probable are:

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

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

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

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

- ☐ the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- ☐ the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- ☐ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.14 Revenue from exchange transactions (continued)

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

1.15 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.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised 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
- ☐ there has been compliance with the relevant legal requirements.

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1.15 Revenue from non-exchange transactions (continued)

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines 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.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

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 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.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

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1.15 Revenue from non-exchange transactions (continued)

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.

1.16 Borrowing costs

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

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

1.17 Unauthorised expenditure

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

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.

1.18 Fruitless and wasteful expenditure

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

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

1.19 Irregular expenditure

Irregular Expenditure 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), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

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1.20 Related parties

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

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

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

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

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

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

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

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

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

1.21 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements. The following classes of heritage assets exists:

- ☐ Antique/Art/Jewelry
- ☐ Historical buildings
- ☐ Monuments

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1.21 Heritage assets (continued)

Initial recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

The municipality applies the cost model to all classes of heritage assets.

After recognition as an asset, a class of heritage assets is carried at cost less any accumulated impairment losses.

Impairment

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. Derecognition
The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Derecognition

The carrying amount of a heritage asset shall be derecognised: (a) on disposal (including disposal through a non-exchange transaction); or (b) when no future economic benefits or service potential are expected from its use or disposal.

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

1.22 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.

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1.22 Statutory receivables (continued)

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 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 municipality 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 municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality 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);
- ☐ impairment losses; and
- ☐ amounts derecognised

Accrued interest

Where the municipality 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.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

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1.22 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- ☐ Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- ☐ It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- ☐ A breach of the terms of the transaction, such as default or delinquency in principal or interest payments.
- ☐ Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- ☐ the rights to the cash flows from the receivable are settled, expire or are waived;
- ☐ the municipality transfers to another party substantially all of the risks/rewards of ownership of the receivable;
- ☐ the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable 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 receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

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1.23 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.

1.24 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 - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

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.

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1.25 Events after reporting date

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

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

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

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

1.26 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 municipality; or
- ☐ the number of production or similar units expected to be obtained from the asset by the municipality.

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1.26 Impairment of cash-generating assets (continued)

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- ☐ its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- ☐ the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

Irrespective of whether there is any indication of impairment, the municipality 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 municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

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 municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

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1.26 Impairment of cash-generating assets (continued)

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 municipality 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.

1.27 Value added Tax (VAT)

The municipality accounts for VAT on the accrual basis of accounting. The municipality is liable to for VAT at the standard rate (15%) in terms of section 7(1)(a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act.

Where Input VAT exceeds output VAT the municipality recognises a receivables for VAT. Where output VAT exceeds input VAT the municipality recognises a payable for VAT.

The municipality is registered for VAT on the payment basis. VAT is claimed from/paid to SARS only once payment is made to supplier or cash is collected on vat-able suppliers.

1.28 Investment income

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.29 Consumer deposits

Consumer deposits are disclosed as a current liability and carried at amortised cost which is the amount at which the liability is measured at initial recognition minus principal repayments.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.30 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.31 Living and Non-living resources

Living resources are those resources, other than Biological Assets that form part of an agricultural activity, that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality.

The municipality does not have any living resources

The municipality extracts water from various boreholes across the municipality to sustain the demand. The Nqweba dam that is a natural resource has been experiencing severe pressure and has been dry for long periods. However the only water source subject to our control is the boreholes as the Nqweba dam is the ownership of the department of water and sanitation as it was handed to for major maintenance to be performed.

For each borehole we have a water use licence that stipulates the abstraction rate. No rehabilitation is done, the idea is to manage the abstraction to prevent the borehole from drying up.

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2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

GRAP 18 : Segment Reporting

The objective of this Standard is to establish principles for reporting financial information by segments. The disclosure of this information will:

- ☐ enable users of the financial statements to better understand the entity's past performance, to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates;
- ☐ identify the resources allocated to support the major activities of the entity and assist in making decisions about the allocation of resources; and
- ☐ enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the presentation of segment information.

This standard requires disclosure of information about reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement and a reconciliation of the totals per segment to the corresponding entity amounts

An entity shall disclose the following general information:

- ☐ factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in goods and/or services, geographical areas, regulatory environments, or a combination of factors);
- ☐ whether segments have been aggregated and the basis of the aggregation; and
- ☐ types of goods and/or services delivered by each segment.

The entity has adopted the standard for the first time in the 2020/2021 annual financial statements.

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2.1 Standards and interpretations effective and adopted in the current year (continued)

GRAP 110 : Living and Non-Living Resources

The objective of this Standard is to prescribe the: recognition, measurement, presentation and disclosure requirements for living resources; and disclosure requirements for non-living resources.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to the:

- ☐ recognition, measurement, presentation and disclosure of living resources except those living resources that are:
 - biological assets related to agricultural activity other than bearer plants (see the Standard of GRAP on Agriculture (GRAP 27))
 - bearer plants related to agricultural activity (see the Standard of GRAP on Property, Plant and Equipment (GRAP 17)); or
 - inventory (see the Standard of GRAP on Inventories (GRAP 12)); and
- ☐ disclosure of non-living resources, except:
 - land, that shall be accounted for in accordance with GRAP 12, GRAP 17 and the Standards of GRAP on Investment Property (GRAP 16), and Heritage Assets (GRAP 103); or
 - water and minerals, oils and gas, and other non-regenerative resources that meet the definition of inventory (see GRAP 12).

The entity has adopted the standard for the first time in the 2020/2021 annual financial statements.

2.2 Standards and interpretations issued, but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- ☐ GRAP 20 Related parties
- ☐ GRAP 32: Service Concession Arrangements: Grantor
- ☐ GRAP 108: Statutory Receivables
- ☐ GRAP 109: Accounting by Principals and Agents

All the other listed standards as listed above will only be effective when a date is announced by the Minister of Finance.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet effective, the municipality may elect to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

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2.2 Standards and interpretations issued, but not yet effective (continued)

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- ☐ identifying related party relationships and transactions;
- ☐ identifying outstanding balances, including commitments, between an entity and its related parties;
- ☐ identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- ☐ determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- ☐ A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- ☐ An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party; - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that 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.

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2.2 Standards and interpretations issued, but not yet effective (continued)

The standard elaborates on the definitions and identification of:

- ☐ Close member of the family of a person;
- ☐ Management;
- ☐ Related parties;
- ☐ Remuneration; and
- ☐ Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- ☐ Control;
- ☐ Related party transactions; and
- ☐ Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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2.2 Standards and interpretations issued, but not yet effective (continued)

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
3. VAT RECEIVABLE		
VAT	9 832 247	4 669 731

Dr Beyers Naude Municipality is registered for VAT on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

4. INVENTORIES

Consumable stores	2 946 440	3 456 002
Water	615 611	743 629
	3 562 051	4 199 631

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

Inventory to the value of R139,267 (2020: R152,943) was written off during the year.

No Inventories have been pledged as collateral for Liabilities of the municipality.

5. OTHER RECEIVABLES

Sundry deposits	320 900	290 900
Sundry debtors	609 170	496 305
Meter readings not yet billed	5 382 465	4 264 185
	6 312 535	5 051 390

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Consumer debtors - Rates	3 728 445	3 644 772
Rates	25 208 671	23 304 808
Less: Allowance for impairment	(21 480 227)	(19 660 036)
Net Balance	3 728 445	3 644 772

Ageing

Current (0-30 days)	1 324 933	967 329
31 - 60 days	480 356	427 557
61 - 90 days	406 169	380 198
91 - 120 days	376 252	466 688
121 days +	22 620 961	21 063 036
	25 208 671	23 304 808

Summary of debtors by customer classification

Residential

Current (0-30 days)	600 757	654 977
31 - 60 days	273 445	244 721
61 - 90 days	218 805	191 146
91 - 120 days	198 254	250 887
121 days +	9 289 890	9 253 938
	10 581 151	10 595 668

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (Continued)		
Summary of debtors by customer classification (Continued)		
Industrial/commercial		
Current (0-30 days)	368 064	336 055
31 - 60 days	205 602	181 969
61 - 90 days	186 424	188 081
91 - 120 days	177 059	214 935
121 days +	11 063 068	9 328 333
	12 000 218	10 249 371
National and provincial government		
Current (0-30 days)	356 112	(23 702)
31 - 60 days	1 308	867
61 - 90 days	940	971
91 - 120 days	940	867
121 days +	2 268 003	2 480 766
	2 627 303	2 459 769
Total		
Current (0-30 days)	1 324 933	967 329
31 - 60 days	480 356	427 557
61 - 90 days	406 169	380 198
91 - 120 days	376 252	466 688
121 days +	22 620 961	21 063 036
Less: Impairment	(21 480 227)	(19 660 036)
	3 728 445	3 644 772
Total debtors past due but not impaired		
61 - 90 days	66 111	124 733
91 - 120 days	30 312	93 189
121 days +	2 544 573	2 726 038
Reconciliation of allowance for impairment		
Balance at beginning of the year	(19 660 036)	(12 926 739)
Bad debts written off against allowance	793 382	347 241
Current year's impairment	(2 613 572)	(7 080 539)
	(21 480 227)	(19 660 036)

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. Property Rates arise from the MUNICIPAL PROPERTY RATES ACT NO. 6 OF 2004 as amended by Municipal Property Rates Amendment Act, No. 29 of 2014. This should be read together with Government Gazette 32061, updated by Government Gazette 38259 dated 28 November 2014. Statutory receivables transaction amounts is determined via the municipalities approved rates policy.

Impairment of Statutory receivables are assessing based on indicators that exist at each reporting date. These include but not limited to payment history and the customers overall profile.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Gross balances		
Electricity	13 676 822	10 316 904
Water	42 966 300	41 427 424
Sewerage	23 333 928	18 588 006
Refuse	33 733 145	24 695 708
Housing	159 090	178 790
Sundry	4 162 187	3 514 713
	118 031 473	98 721 545
Less: Allowance for impairment		
Electricity	(4 607 622)	(3 155 319)
Water	(39 895 805)	(38 751 964)
Sewerage	(22 244 612)	(17 537 424)
Refuse	(30 491 053)	(22 351 925)
Housing	(158 990)	(178 692)
Sundry	(3 504 523)	(2 905 439)
	(100 902 604)	(84 880 764)
Net balance		
Electricity	9 069 200	7 161 584
Water	3 070 495	2 675 461
Sewerage	1 089 317	1 050 582
Refuse	3 242 093	2 343 783
Housing	100	97
Sundry	657 665	609 274
	17 128 869	13 840 782
Electricity		
Current (0-30 days)	6 778 400	4 133 344
31 - 60 days	1 228 206	1 529 727
61 - 90 days	899 988	887 090
91 - 120 days	745 373	462 108
121 days +	4 024 855	3 304 635
	13 676 822	10 316 904
Water		
Current (0-30 days)	3 131 821	2 839 241
31 - 60 days	2 513 852	2 087 075
61 - 90 days	2 188 879	2 018 675
91 - 120 days	2 196 349	1 806 597
121 days +	32 935 399	32 675 838
	42 966 300	41 427 424
Sewerage		
Current (0-30 days)	1 322 425	1 025 515
31 - 60 days	918 397	773 351
61 - 90 days	863 458	742 607
91 - 120 days	815 375	819 701
121 days +	19 414 273	15 226 832
	23 333 928	18 588 006

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Refuse		
Current (0-30 days)	1 766 629	1 334 053
31 - 60 days	1 371 694	1 076 931
61 - 90 days	1 297 236	1 026 079
91 - 120 days	1 226 988	1 147 753
121 days +	28 070 598	20 110 893
	33 733 145	24 695 708
Housing rental		
Current (0-30 days)	295	-
31 - 60 days	295	-
61 - 90 days	295	-
91 - 120 days	295	431
121 days +	157 909	178 359
	159 090	178 790
Sundry		
Current (0-30 days)	142 362	117 370
31 - 60 days	88 231	38 863
61 - 90 days	87 094	33 986
91 - 120 days	89 160	73 502
121 days +	3 755 340	3 250 992
	4 162 187	3 514 713
Summary of debtors by customer classification		
Residential		
Current (0-30 days)	6 829 317	5 429 723
31 - 60 days	4 673 170	3 709 560
61 - 90 days	4 164 281	3 553 717
91 - 120 days	4 101 413	3 610 578
121 days +	75 380 992	64 908 979
	95 149 173	81 212 557
Industrial/commercial		
Current (0-30 days)	4 662 854	3 130 728
31 - 60 days	819 251	876 321
61 - 90 days	594 478	541 785
91 - 120 days	516 405	412 457
121 days +	8 913 335	6 532 937
	15 506 322	11 494 227
National and provincial government		
Current (0-30 days)	1 649 760	889 071
31 - 60 days	628 254	920 065
61 - 90 days	578 192	612 935
91 - 120 days	455 723	287 057
121 days +	4 064 046	3 305 632
	7 375 976	6 014 760

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	2021	2020		
	R	Restated* R		
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)				
Total				
Current (0-30 days)	13 141 931	9 449 522		
31 - 60 days	6 120 676	5 505 946		
61 - 90 days	5 336 951	4 708 437		
91 - 120 days	5 073 541	4 310 092		
121 days +	88 358 373	74 747 549		
Less: Impairment	(100 902 604)	(84 880 764)		
	<u>17 128 868</u>	<u>13 840 782</u>		
Impairment:	<u>(100 902 604)</u>	<u>(84 880 764)</u>		
Total debtors past due but not impaired				
61 - 90 days	1 036 278	1 437 989		
91 - 120 days	650 682	827 187		
121 days +	4 728 991	4 365 075		
Reconciliation of allowance for impairment				
Balance at beginning of the year	(84 880 764)	(47 067 153)		
Bad debts written off against allowance	26 804 641	2 355 384		
Current year's impairment	(42 826 481)	(40 168 995)		
	<u>(100 902 604)</u>	<u>(84 880 764)</u>		
8. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	5 005	5 005		
Bank Accounts	1 673 256	1 238 875		
Current Investments	956 184	1 033 657		
Total Bank, Cash and Cash Equivalents	<u>2 634 445</u>	<u>2 277 537</u>		
The municipality had the following bank accounts				
Account number / description	Bank statement balances		Cash book balances	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
FNB - 52300007898	84 681	220 391	-	-
FNB - Call account - 62374218503	-	-	-	298
ABSA - Cheque Account - 4053623514	4 581	19 787	-	-
Standard Bank - Cheque Account - Prim	1 524 272	942 697	1 642 568	1 168 343
Standard Bank - Cheque Account - 03321C	21 678	59 209	30 689	70 532
ABSA Investments - 9257114251	28 231	27 096	28 231	27 096
FNB Investments - 74374220066	1 221	991 261	1 221	991 261
Investec - 1100458805501	2 938	2 938	2 938	2 938
Call deposit - 38003651247	-	-	-	3 894
Standard bank - FMG Call account - /002	1 754	1 620	1 754	1 620
Standard bank - FMG Call account - /003	2 986	2 970	2 986	2 970
Standard bank - FMG Call account - /004	33 282	3 581	33 282	3 581
Standard bank - FMG Call account - /006	885 771	-	885 771	-
	<u>2 591 395</u>	<u>2 271 548</u>	<u>2 629 440</u>	<u>2 272 532</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021			2020 Restated* R		
	R					
9. INVESTMENT PROPERTY						
	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	28 951 841	(1 534 979)	27 416 862	28 951 841	(1 493 613)	27 458 228

Reconciliation of investment property - 2021

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	553 025	(41 366)	511 660
	27 458 228	(41 366)	27 416 862

Reconciliation of investment property - 2020

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	594 505	(41 479)	553 025
	27 499 707	(41 479)	27 458 228

The investment property balance has been significantly restated. Refer to prior period errors note for information

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.

All of the municipality's investment property is held under freehold interest and no investment property has been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal. There are no contractual obligations on investment property.

10. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	121 266 060	-	121 266 060	121 266 060	-	121 266 060
Buildings	54 830 177	(15 536 533)	39 293 644	54 765 177	(12 801 787)	41 963 389
Infrastructure	1 088 189 663	(258 840 461)	829 349 202	944 043 514	(207 301 792)	736 741 722
Community	21 941 133	(3 849 129)	18 092 003	21 941 133	(3 053 424)	18 887 709
Work-in-progress	25 313 488	-	25 313 488	137 957 395	-	137 957 395
Landfill sites	17 221 161	(2 634 863)	14 586 298	15 289 601	(2 065 413)	13 224 188
Transport assets	18 199 312	(8 027 200)	10 172 112	14 914 485	(6 606 682)	8 307 803
Other assets	21 569 201	(8 370 743)	13 198 458	19 645 896	(7 063 555)	12 582 340
Total	1 368 530 194	(297 258 929)	1 071 271 265	1 329 823 260	(238 892 654)	1 090 930 606

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

					2021 R	2020 Restated* R
10. PROPERTY, PLANT AND EQUIPMENT (Continued)						
Reconciliation of property, plant and equipment - 2021						
	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation	Total
Land	121 266 060	-	-	-	-	121 266 060
Buildings	41 963 389	65 000	-	-	(2 734 745)	39 293 644
Infrastructure	736 741 721	21 874 575	(1 549 489)	125 113 117	(52 830 722)	829 349 203
Community	18 887 708	-	-	-	(795 705)	18 092 003
Work-in-progress	137 957 395	14 400 770	-	(127 044 677)	-	25 313 488
Landfill sites	13 224 188	-	-	1 931 560	(569 450)	14 586 298
Transport assets	8 307 803	3 294 011	(3 084)	-	(1 426 619)	10 172 111
Other assets	12 582 340	1 923 306	-	-	(1 307 188)	13 198 458
	1 090 930 606	41 557 662	(1 552 573)	-	(59 664 429)	1 071 271 265

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation	Total
Land	121 830 461	-	(564 400)	-	-	121 266 060
Buildings	44 698 363	-	-	-	(2 734 973)	41 963 389
Infrastructure	773 480 642	10 066 233	-	-	(46 805 154)	736 741 721
Community	15 345 087	4 337 639	-	-	(795 018)	18 887 708
Work-in-progress	94 199 556	53 116 370	-	(9 358 531)	-	137 957 395
Landfill sites	13 793 426	-	-	-	(569 238)	13 224 188
Transport assets	9 417 762	1 049 503	(373 987)	-	(1 785 475)	8 307 803
Other assets	13 814 129	337 067	(5 546)	-	(1 563 310)	12 582 340
	1 086 579 426	68 906 812	(943 933)	(9 358 531)	(54 253 168)	1 090 930 606

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

The municipality only transfers ownership or otherwise disposes of capital assets after the council, in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

The municipality has 12 libraries within the geographical area. The library books controlled on behalf of the Province are all individually and in aggregate immaterial and most of the books are not in a good condition. The cost of the library books is recorded in asset listings but are depreciated in full in the year of acquisition. The recording in the asset listings is necessary in order that control can be exercised over the books.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021			2020 Restated*		
	R			R		
11. INTANGIBLE ASSETS						
	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	362 563	(353 839)	8 724	362 563	(331 116)	31 447

Reconciliation of intangible assets - 2021

	Opening balance	Amortization	Total
Computer software	31 447	(22 723)	8 724
Total Cost of intangible assets	31 447	(22 723)	8 724

Reconciliation of intangible assets - 2020

	Opening balance	Amortization	Total
Computer software	88 434	(56 987)	31 447
Total Cost of intangible assets	88 434	(56 987)	31 447

12. HERITAGE ASSETS

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical buildings	2 768 000	-	2 768 000	2 768 000	-	2 768 000
Antique/Art/Jewelry	1 215 950	-	1 215 950	1 215 950	-	1 215 950
Monuments	7 113 720	-	7 113 720	7 113 720	-	7 113 720
Total Heritage Assets	11 097 671	-	11 097 671	11 097 671	-	11 097 671

Reconciliation of heritage assets - 2021

	Opening balance	Total
Historical buildings	2 768 000	2 768 000
Antique/Art/Jewelry	1 215 950	1 215 950
Monuments	7 113 720	7 113 720
Total Cost of heritage assets	11 097 671	11 097 671

Reconciliation of heritage assets - 2020

	Opening balance	Total
Historical buildings	2 768 000	2 768 000
Antique/Art/Jewelry	1 215 950	1 215 950
Monuments	7 113 720	7 113 720
Total Cost of heritage assets	11 097 671	11 097 671

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
13. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Performance security deposit- Utilities world	17 614 620	11 755 461
Total other financial liabilities	17 614 620	11 755 461
An additional amendment performance security deposit is repayable over a period of 24 months from January 2021 to December 2023 at an interest rate of 20% per annum. The original performance security was interest free and settled in February 2021.		
Non-current liabilities		
At amortised cost	7 373 669	-
Current liabilities		
At amortised cost	10 240 951	11 755 461
14. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables and other accruals	284 847 707	195 288 967
Retentions	2 066 114	1 976 744
Leave pay accrual	11 715 694	11 088 971
Bonus accrual	5 523 218	5 065 807
Debtors with credit balances	2 922 640	3 149 667
Statutory and non-statutory deductions	42 085 644	31 502 437
Total Payables	349 161 017	248 072 592
15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Prepayment of electricity	165 193	165 193
Unallocated receipts	3 503 557	1 944 854
Debtors with credit balances	868 574	805 457
Total Payables	4 537 324	2 915 504
16. CONSUMER DEPOSITS		
Electricity	2 404 070	2 326 208
Water	1 147 026	1 102 826
Other sundry deposits	25 681	25 681
	3 576 776	3 454 715

No interest accrues on consumer deposits as Dr Beyers Naude Local Municipality is not a deposit taking entity in terms of the banking Act.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Unspent conditional grants and receipts comprises of:		
Municipal infrastructure grant - DORA	-	1 214 033
Municipal Disaster Relief grant	-	865 835
Total Unspent Conditional Grants	-	2 079 868
Movement during the year		
Balance at the beginning of the year	2 079 868	2 726 167
Repayment of unspent grant	(1 214 033)	(69 844)
Additions during the year	42 971 706	47 015 289
Income recognition during the year	(43 837 541)	(47 591 744)
Balance at the end of the year	-	2 079 868

Amounts withheld back by National Treasury during the 2021 financial period amount to R1 214 033.

See note 28 for reconciliation of grants from National/Provincial Government.

18. PROVISIONS

Reconciliation of provisions - 2021	Opening balance	Additions	Total
Legal proceedings	9 834 320	(9 769 320)	65 000
Rehabilitation of landfill sites	21 666 000	(3 095 800)	18 570 200
Total Provisions	31 500 320	(12 865 120)	18 635 200
Reconciliation of provisions - 2020	Opening balance	Additions	Total
Legal proceedings	8 674 076	1 160 244	9 834 320
Rehabilitation of landfill sites	22 615 000	(949 000)	21 666 000
Total Provisions	31 289 076	211 244	31 500 320
Non-current liabilities		18 570 200	21 666 000
Current liabilities		65 000	9 834 320
		18 635 200	31 500 320

Rehabilitation of landfill sites

The obligation for the environmental rehabilitation results from the onus imposed by the Environmental Conservation Act no.73 of 1989 to rehabilitate landfill sites after use. Some of the sites are expected to be closed in 2041, after which rehabilitation will take place over the course of the next 20 years after which the site is expected to be fully rehabilitated. The following assumption were used when calculating the provision for landfill Site rehabilitation: - The CPIX was used to adjust the cost as it is the only determining factor year on year.

The landfill sites are nearing the end of their useful lives, the ground and ground water on the entire site are thus considered to be contaminated and not just the portion in use, i.e. the provision provides for the cost of rehabilitating the entire site and not just the portion used up to financial year end. The entire site would need to be rehabilitated due to waste distributed across the entire site over the years since opening thereof. Thus, as provided in GRAP 19 where it states that the provision should only be raised to the extent that the costs would need to be incurred, it is considered that the full cost of rehabilitation would need to be incurred to rehabilitate the sites.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
18. PROVISIONS (Continued)		
The following are the landfill sites of the Dr Beyers Naude LM:		
Sites	Remaining useful life	
Jansenville	5 years remaining	
Klipplaat	8 years remaining	
Steytlerville	10 years remaining	
Willowmore	8 years remaining	
Rietbron	7 years remaining	
Aberdeen	20 years remaining	
Graaff-Reinet	15 years remaining	
Nieu-Bethesda	4 year remaining	
19. EMPLOYEE BENEFIT OBLIGATIONS		
Defined benefit plan		
The plan is a post employment medical benefit plan		
Post retirement medical aid plan and Long service award		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(37 654 853)	(35 878 000)
Present value of long service award	(11 704 546)	(10 825 000)
	(49 359 399)	(46 703 000)
Non-current liabilities	(46 732 653)	(43 834 000)
Current liabilities	(2 626 746)	(2 869 000)
	(49 359 399)	(46 703 000)
Changes in the present value of the employee benefit obligation are as follows:		
Opening balance	(46 703 000)	(50 819 000)
Benefits paid	2 869 000	2 991 000
Net expense recognised in the statement of financial performance	(5 525 399)	1 125 000
Balance at end of Year	(49 359 399)	(46 703 000)
Net expense recognised in the statement of financial performance		
Current service cost	(2 460 000)	(2 860 000)
Interest cost	(4 421 000)	(4 555 000)
Actuarial gains/(losses)	1 355 601	8 540 000
	(5 525 399)	1 125 000
Key assumptions used		
Assumptions used at the reporting date:		
Discount Rate used	12.35%	10.50%
Health Care Cost Inflation Rate	9.08%	6.54%
Net Discount Rate used	3.00%	3.72%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
19. EMPLOYEE BENEFIT OBLIGATIONS (Continued)		
The PA 90-1 post-retirement mortality table used for pensioners and SA85-90 (Normal) for active employees.		
Proportion married for active employees 60% of married and 90% of single in-service members and for pensioners the actual marital status is used.		
Average age of Continuation pensioners at 30 June 2021 was 69.97, with an average employer monthly contribution of R3,293.		
Number of active employees: 222		
Average age of active employees as at 30 June 2021 was 44.40, with an average employer monthly contribution of R3,302.		
Defined contribution plan		
The obligation in respect of medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was performed on 30 June 2021 by One Pangaea expertise & solutions using the Projected Unit Credit Method.		
Long Service Award Provision		
The Long Service Award is payable after every 5, 10, 15, 20, 25, 30, 35, 40 and 45 years of continuous service. The provision is an estimate of the amounts likely to be paid based on an actuarial valuation performed at the reporting date.		
The actuarial valuation of the long service awards accrued liability was carried out by One Pangaea expertise & solutions. The assumptions used in the valuation are outlined below:		
Key Assumptions:		
1. Salary increase rate at 6.12% (2020 - 3,86%)		
2. The mortality rate of SA 85 - 90.		
3. Normal retirement age of 65 years.		
4. Assumed retirement age is 62 years.		
5. CPI rate is 5.12% (2020 - 3,86%)		
6. Discount rate used 8.17% (2020 - 7,19%).		
7. Net Discount rate used 3.21% (2020 - 3,21%)		
20. SERVICE CHARGES		
Sale of Electricity	110 657 507	105 071 850
Sale of Water	37 835 856	35 446 792
Sewerage and Sanitation Charges	15 941 253	14 651 835
Refuse Removal	19 643 943	17 074 831
Total Service Charges	184 078 559	172 245 308
21. AGENCY SERVICES		
eNatis commission	2 372 921	2 114 561

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	2021 R	2020 Restated* R
22. INTEREST EARNED		
Outstanding Debtors:		
Outstanding Billing Debtors	<u>9 044 010</u>	<u>5 705 111</u>
External Investments:		
Bank Account	29 464	178 162
Investments	<u>139 201</u>	<u>263 465</u>
	<u>168 665</u>	<u>441 627</u>
Total Interest Earned	<u>9 212 675</u>	<u>6 146 738</u>
23. RENTAL OF FACILITIES AND EQUIPMENT		
Premises		
Rental of Facilities and Equipment	<u>810 706</u>	<u>702 347</u>
24. OTHER REVENUE		
Administrative charge	208 506	88 929
Building plan fees	525 994	162 525
Commission received	258 084	255 286
Tender deposits	87 603	93 830
Connections - Electricity	353 474	224 018
Cost recoveries	145 926	173 444
Burial and cemetery fees	95 144	89 224
Insurance proceeds	391 254	16 643
Library fees	2 565	15 791
Valuation certificates	327 283	246 096
Sundry income	420 381	171 947
Total Other Revenue	<u>2 816 215</u>	<u>1 537 733</u>
25. LICENCES AND PERMITS		
Licences and permits	<u>932 026</u>	<u>309 585</u>
Included above are Drivers licence fees and learners licence fees.		
26. PROPERTY RATES		
Rates received		
Residential	12 885 653	11 505 115
Commercial	9 418 841	8 197 498
State	8 800 208	6 899 034
Small holdings and farms	<u>5 794 438</u>	<u>8 307 633</u>
	<u>36 899 140</u>	<u>34 909 280</u>

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	2021 R	2020 Restated* R
26. PROPERTY RATES (Continued)		
Valuations		
Residential	2 412 069 650	2 400 134 950
Commercial	740 596 810	720 034 640
State	658 948 960	658 929 460
Municipal	320 317 360	328 395 560
Agricultural	8 545 690 300	8 545 728 100
Exempt	255 893 200	248 852 700
Industrial	62 342 800	61 909 800
Multiple	19 142 000	19 946 000
Total Property Rates	13 015 001 080	12 983 931 210

The Dr Beyers Naude Local Municipality has been established in terms of section 12 of the Local Government Municipal Structures Act of 199 (Act 117 of 1998), Government Gazette No.3717. Section 7 relating to the Valuation and Supplementary rolls states that the newly established municipality must continue to apply the valuation roll, supplementary roll, property rates policy, property rates By-laws and property rates tariffs that were in force in the former areas of the merging municipalities until it adopts a new general valuation roll in terms of section 30 of the Local Government Municipality Property Act, 2004 (Act 6 of 2004).

27. FINES, PENALTIES AND FORFEITS

Traffic fines	79 611	30 627
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28. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants		
Equitable Share	110 935 033	90 875 845
Sarah Baartman - fire grant	1 600 000	519 320
DSRAC Library Grant	2 308 000	2 308 000
EPWP integrated grant	1 186 000	1 251 000
Finance management grant	3 000 000	4 000 000
SETA Training Grant	143 973	434 270
Environmental affairs grant	1 010 000	1 429 650
Municipal Disaster Relief Grant	865 835	266 165
Drought relief grant	-	24 067 917
OTP grant	-	4 209 676
	121 048 841	129 361 842
Capital grants		
Municipal infrastructure grant	25 243 000	19 393 967
COGTA Grant	-	6 388 392
Water conservation and demand grant	7 000 000	7 000 000
Regional bulk infrastructure grant	6 542 706	4 123 361
	38 785 706	36 905 721
Total Government Grants and Subsidies	159 834 547	166 267 563

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	2021 R	2020 Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
National: Equitable Share		
Current year receipts	110 935 033	90 875 845
Transferred to Revenue	(110 935 033)	(90 875 845)
	<u>-</u>	<u>-</u>

In terms of Section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it.

The Equitable Share grant also provides funding for the municipality to deliver free basic services to poor households and subsidise the cost of administration and other core services for the municipality.

Municipal infrastructure grant

Balance unspent at beginning of year	1 214 033	14 846
Repayment of unspent grant	(1 214 033)	(14 846)
Current year receipts	25 243 000	20 608 000
Conditions met - transferred to Revenue	(25 243 000)	(19 393 967)
Conditions still to be met - remain liabilities (see note 17).	<u>-</u>	<u>1 214 033</u>

Municipal infrastructure grant

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. No funds have been withheld.

DSRAC libraries grant

Current year receipts	2 308 000	2 308 000
Transferred to revenue	(2 308 000)	(2 308 000)
	<u>-</u>	<u>-</u>

This grant was received from the Department of Sport, Recreation, Arts and Culture. This grant is used to support the maintenance of the library.

Regional Bulk Infrastructure Grant

Current year receipts	6 542 706	4 123 361
Conditions met - transferred to Revenue	(6 542 706)	(4 123 361)
	<u>-</u>	<u>-</u>

RBIG allocation is received from the department of water and sanitation to assist with drought alleviation in the municipality.

SETA Training Grant

Current year receipts	143 973	434 270
Conditions met - transferred to Revenue	(143 973)	(434 270)
	<u>-</u>	<u>-</u>

SETA grant is a mandatory funding received from MICT SETA derived from the skills levy paid by the municipality

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Finance Management Grant		
Current year receipts	3 000 000	4 000 000
Conditions met - transferred to Revenue	(3 000 000)	(4 000 000)
	-	-
The municipality utilised the grant for the employment of Financial Interns, training in line with competencies and the compilation of annual financial statements, audit improvement and mSCOA implementations.		
Sarah Baartman district - Fire services Grant		
Current year receipts	1 600 000	519 320
Transferred to Revenue	(1 600 000)	(519 320)
	-	-
Received from Sarah Baartman DM to part fund the municipality carrying out the district mandate for fire services.		
MSIG		
Balance unspent at beginning of year	-	54 998
Repayment of unspent grant	-	(54 998)
	-	-
Expanded Public Works Programme Integrated Grant		
Current year receipts	1 186 000	1 251 000
Transferred to Revenue	(1 186 000)	(1 251 000)
	-	-
This grant is used pay stipends for unemployed youths through the EPWP programme.		
Environmental Health grant		
Current year receipts	1 010 000	1 429 650
Transferred to Revenue	(1 010 000)	(1 429 650)
	-	-
This grant subsidizes the environmental health function, a mandate of the district municipality performed by the municipality		
OTP Grant		
Current year receipts	-	4 209 676
Transferred to Revenue	-	(4 209 676)
	-	-
Water service infrastructure Grant		
Current year receipts	7 000 000	7 000 000
Reclassification from Drought	-	(816 877)
Conditions met - transferred to Revenue	(7 000 000)	(6 183 123)
	-	-

The water services infrastructure grant is allocated to the municipality to assist in drought relief

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	2021 R	2020 Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Drought Relief Grant		
Balance unspent at beginning of year	-	2 656 335
Reclassification to Water Conservation and Demand Grant	-	816 877
Conditions met - transferred to Revenue	-	(3 473 212)
	<u>-</u>	<u>-</u>
COGTA Grant		
Current year receipts	-	6 388 392
Conditions met - transferred to Revenue	-	(6 388 392)
	<u>-</u>	<u>-</u>
Municipal Disaster Relief Grant		
Balance unspent at beginning of year	865 835	-
Current year receipts	-	1 132 000
Conditions met - transferred to Revenue	(865 835)	(266 165)
Conditions still to be met - remain liabilities (see note 17).	<u>-</u>	<u>865 835</u>
Relief grant for the acquisition of cleaning material and PPE for covid related expenditure		
29. PUBLIC CONTRIBUTIONS AND DONATIONS		
Public Contributions and Donations	<u>2 238 225</u>	<u>1 049 503</u>
The Sarah Baartman District Municipality donated two fire fighting equipment capitalized to the value of R126,793. An amount of R2,111,431 is attributable to the 1% donation from the AGSA		
30. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	121 209 476	117 362 082
Bonus	9 389 444	8 541 994
Medical aid - company contributions	6 886 765	6 391 388
Unemployment insurance fund	873 775	867 192
Skills Development Levy	1 482 924	1 324 298
Pension fund contributions	19 844 331	19 755 711
Travel, Motor Car, Accommodation, Subsistence allowance	2 286 810	2 194 752
Overtime Payments	7 151 056	7 590 565
Housing Benefits and Allowances	602 250	602 953
Other allowances	1 216 625	-
Total Employee Related Costs	<u>170 943 455</u>	<u>164 630 936</u>
Remuneration of Municipal Manager		
Annual Remuneration	1 112 164	969 193
Contributions to UIF, Medical and Pension Funds	161 428	135 276
Allowances	184 800	169 400
	<u>1 458 391</u>	<u>1 273 870</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
30. EMPLOYEE RELATED COSTS (Continued)		
Remuneration of Chief Financial Officer		
Annual Remuneration	1 162 433	1 100 706
Contributions to UIF, Medical and Pension Funds	11 673	1 896
Allowances	40 800	40 800
	1 214 906	1 143 403

Appointed Chief Financial Officer is suspended from November 2019. An acting chief financial officer has been appointed for the duration of the suspension period. An acting allowance for the 2021 financial year amounted to R197,426

Remuneration of Acting Director - Corporate Services		
Annual Remuneration	764 198	600 060
Contributions to UIF, Medical and Pension Funds	155 454	112 052
Allowances	305 799	141 246
	1 225 451	853 359

Appointed in August 2020. Figures for 30 June 2020 are related to the same incumbent during the acting period

Remuneration of the Director - Planning and Engineering		
Annual Remuneration	1 018 086	861 514
Contributions to UIF, Medical and Pension Funds	12 307	1 738
Allowances	301 099	147 400
	1 331 492	1 010 652

Appointed in August 2020. Figures for 30 June 2020 are related to the same incumbent during the acting period

Remuneration of Director - Community Services		
Annual Remuneration	872 263	816 809
Contributions to UIF, Medical and Pension Funds	11 876	158
Allowances	275 131	15 400
	1 159 269	832 367

Appointed in August 2020. Figures for 30 June 2020 are related to the information for a different person during the acting period

31. REMUNERATION OF COUNCILLORS

Councillor remuneration and allowances	10 189 108	9 649 468
	10 189 108	9 649 468

Councillor	Remuneration	Allowances	Total 2021
Mayor - Cllr D.W.S De Vos	877 623	44 400	922 023
Speaker - Cllr T.L Nonnies	658 635	44 400	703 035
Executive committee - Cllr P.W Koeberg	371 911	44 400	416 311
Executive committee - Cllr N.P Vanda	371 911	44 400	416 311
Executive committee - Cllr E.L Looock	371 911	44 400	416 311
Executive committee - Cllr E.A Ruiters	371 222	44 400	415 622
MPAC chairperson - Cllr W.J Safers	360 974	44 400	405 374
Cllr D Williams	281 152	44 400	325 552
Cllr W.Z Le Grange	281 152	44 400	325 552
Cllr A. Mboneni	281 152	44 400	325 552

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	2021	2020
	R	Restated* R
31. REMUNERATION OF COUNCILLORS (Continued)		
	Remuneration	Allowances
Councillor		Total 2021
Cllr E.A Carolus	281 152	44 400
Cllr A Booysen	281 152	44 400
Cllr H Booysen	281 152	44 400
Cllr B.W Seekoei	281 152	44 400
Cllr K Hoffman	281 152	44 400
Cllr X.N Galada	281 152	44 400
Cllr G.C Mackelina	281 152	44 400
Cllr T.M Tshona	281 152	44 400
Cllr R.B Jacobs	281 152	44 400
Cllr P Bees	281 152	44 400
Cllr L.L Langeveldt	281 152	44 400
Cllr A Arries	281 152	44 400
Cllr D.J Bezuidenhout	281 152	44 400
Cllr E.V.R Rossouw	281 152	44 400
Cllr J.J Williams	281 152	44 400
Cllr R.L Smith	281 152	44 400
Cllr A.L Nortje	264 235	44 400
	8 990 308	1 198 800
		10 189 108
	Remuneration	Allowances
Councillor		Total 2020
Mayor - Cllr D.W.S De Vos	828 432	44 400
Speaker - Cllr T.L Nonnies	661 485	44 400
Executive committee - Cllr P.W Koeberg	346 017	44 400
Executive committee - Cllr N.P Vanda	346 711	44 400
Executive committee - Cllr E.L Looock	346 883	44 400
Executive committee - Cllr E.A Ruiters	332 148	44 400
MPAC chairperson - Cllr W.J Safers	336 488	44 400
Cllr D Williams	262 472	44 400
Cllr W.Z Le Grange	261 946	44 400
Cllr A. Mboneni	262 472	44 400
Cllr E.A Carolus	262 340	44 400
Cllr A Booysen	261 491	44 400
Cllr H Booysen	262 472	44 400
Cllr B.W Seekoei	262 472	44 400
Cllr K Hoffman	261 620	44 400
Cllr X.N Galada	261 946	44 400
Cllr G.C Mackelina	261 946	44 400
Cllr T.M Tshona	262 472	44 400
Cllr R.B Jacobs	262 472	44 400
Cllr P Bees	261 946	44 400
Cllr L.L Langeveldt	262 472	44 400
Cllr A Arries	261 946	44 400
Cllr D.J Bezuidenhout	262 472	44 400
Cllr E.V.R Rossouw	261 946	44 400
Cllr J.J Williams	261 620	44 400
Cllr R.L Smith	261 946	44 400
Cllr A.L Nortje (appointed July 2019)	272 036	44 400
	8 450 668	1 198 800
		9 649 468

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
31. REMUNERATION OF COUNCILLORS (Continued)		
The Remuneration of Councillors is based on the upper limit as per the Government Gazette.		
No in-kind benefits have been received by council		
32. DEBT IMPAIRMENT		
Debt impairment	17 842 031	44 546 908
Bad debts written off	27 598 022	2 702 625
	45 440 053	47 249 533
Debt impairment is an assessment of the amounts that will not be recovered from the debtors, based on the municipality's policy.		
33. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	59 664 429	54 253 168
Amortisation: Intangible Assets	22 723	56 987
Depreciation: Investment Property	41 366	41 479
Total Depreciation and Amortisation	59 728 518	54 351 634
34. FINANCE COST		
Long service award	728 000	791 000
Post retirement medical benefit	3 693 000	3 764 000
Trade and other payables	17 710 990	8 669 161
	22 131 990	13 224 161
35. BULK PURCHASES		
Electricity	99 081 752	93 023 855
Total Bulk Purchases	99 081 752	93 023 855

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	2021 R	2020 Restated* R
36. OPERATIONAL COST		
Adjustment for provision of landfill sites obligation	(3 095 800)	(949 000)
Advertising, Publicity and Marketing	496 041	225 812
Audit Fees - External	6 140 888	5 945 875
Bank Charges	843 428	783 750
Cash Shortage	55 597	2 343
Chemicals	1 177 161	1 104 333
Commissions	1 496 280	-
Communication	3 558 849	4 309 721
Consumables	8 013 447	6 059 187
Cost recoveries	68 390	116 416
Courier and Delivery Services	657 660	824 374
External Computer Services	2 280 653	823 467
Grants and Donations Made	18 000	18 000
Insurance underwriting	2 419 750	1 498 662
Inventories losses/write-downs	139 267	152 943
Settlement fees cost	536 304	1 044 000
Levies	521 511	342 964
Motor vehicle expenses	5 228 947	5 006 957
Municipal service charges	7 197 729	12 966 958
Professional Bodies, Membership and Subscription	1 901 451	2 038 000
Remuneration to Ward Committees	714 950	700 468
Training and Seminars	252 004	54 346
Travel and subsistence	2 740 377	2 871 332
Total Operational Cost	43 362 884	45 940 907
37. CONTRACTED SERVICES		
Consultants and professional services	1 566 120	1 736 092
Contractors	-	4 367 452
Outsourced services	49 368 382	18 970 105
Total Contracted Services	50 934 502	25 073 650
38. (LOSS)/GAIN ON DISPOSAL OF ASSETS AND LIABILITIES		
(Loss)/Gain on disposal of property, plant and equipment	(1 271 495)	6 714 891

The municipality only transfers ownership or otherwise disposes of capital assets after the council, in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
39. OPERATING LEASES		
Furniture and Office Equipment	715 347	656 462
Transport Assets	3 442 682	6 963 505
Total Operating Leases	4 158 029	7 619 967
<u>Lease of photocopiers</u>		
The Municipality is a lessee as it has entered into operating leases for the use of photocopiers and office equipment with Sky Metro Equipment (Pty) Ltd. These leases were negotiated for a three year term from 1 January 2020 to 31 December 2022, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.		
The minimum lease payments due under the above lease are as follows: within one year: R210 294 (2020: R753 616) 2 – 5 years inclusive: R0 (2020: R1 130 424) over 5 years: R0 (2020: R0)		
<u>Lease of vehicles</u>		
The Municipality is a lessee as it has entered into operating leases for the use of vehicles with Sky Metro. These leases were negotiated for varying terms all ending at 31 August 2021, with no renewal clauses, purchase options or contingent rent or subleases. The lease payments do not carry any escalations per annum; therefore, the Municipality is required to straight line the lease payments.		
The minimum lease payments due under the above lease are as follows: within one year: R889 199 (2020: R0).		
At the Reporting Date the following minimum lease payments were payable under Non-cancellable operating leases for Property, Plant and Equipment, which are payable as follows:		
Payable within 1 year	1 099 493	753 616
Payable within 2 to 5 years	-	1 130 424
Payable after 5 years	-	-
	1 099 493	1 884 040
40. ACTUARIAL GAIN / (LOSS) AND RELEASE FROM OBLIGATION		
Actuarial gain	1 355 601	8 540 000
	1 355 601	8 540 000
41. CASH GENERATED BY OPERATIONS		
Deficit for the Year	(106 611 558)	(60 195 975)
Adjustment for:		
Depreciation and Amortisation	59 728 518	54 351 634
Losses / (Gains) on Disposal of Property, Plant and Equipment	1 271 495	(6 714 891)
Provision	(12 865 120)	211 244
Operating surplus before working capital changes	(58 476 665)	(12 347 988)
Changes in working capital:		
Decrease/(Increase) in Inventories	637 580	(22 438)
Decrease/(Increase) in Receivables Exchange	(3 288 087)	(1 443 767)
Decrease/(Increase) in Receivables Non Exchange	(83 673)	211 807
Decrease/(Increase) in Other receivables	(1 261 145)	(461 423)
Increase/(Decrease) in Payables Exchange	101 088 426	73 248 162
Increase/(Decrease) in Payables Non Exchange	1 621 820	(20 039 491)
Decrease/(Increase) in VAT	(5 162 516)	3 846 215

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
41. CASH GENERATED BY OPERATIONS (Continued)		
Increase/(Decrease) in Unspent conditional grants Liability	(2 079 868)	(646 299)
Increase/(Decrease) in Consumer Deposits	122 061	138 139
Increase/(Decrease) in Employee Benefit Obligations	2 656 399	(4 116 000)
Cash generated by / (utilised in) Operations	35 774 332	38 366 918

42. PRIOR PERIOD ERRORS

During the year the following errors were discovered in both the annual financial statements submitted in the prior year and the financial accounting system. These errors have been corrected retrospectively through restatements of prior year through journals in the financial accounting system and through correcting the misrepresented prior year column on the annual financial statements.

STATEMENT OF FINANCIAL POSITION	Previously reported	Correction of error	Restated 2020
Current Assets			
VAT Receivable	4 625 778	43 953	4 669 731
Receivables from Exchange transactions	18 338 927	(4 498 145)	13 840 782
Non-Current Assets			
Investment Property	69 034 773	(41 576 546)	27 458 227
Property, Plant and Equipment	1 084 501 798	6 428 808	1 090 930 606
Heritage Assets	11 266 460	(168 790)	11 097 670
Current Liabilities			
Payables from Exchange Transactions	(239 725 641)	(8 346 951)	(248 072 592)
Unspent Conditional Grants and Receipts	(3 666 591)	1 586 724	(2 079 867)
TOTAL ASSETS	1 202 972 513	(39 770 719)	1 163 201 794
TOTAL LIABILITIES	(339 721 232)	(6 760 227)	(346 481 459)
NET ASSETS	863 251 281	(46 530 946)	816 720 335

STATEMENT OF FINANCIAL PERFORMANCE

Revenue from Exchange Transactions			
Service Charges	172 844 452	(599 144)	172 245 308
Expenditure			
Employee related costs	(163 629 214)	(1 001 723)	(164 630 937)
Depreciation and amortisation	(54 226 693)	(124 941)	(54 351 634)
Finance cost	(13 212 068)	(12 092)	(13 224 160)
Operational Cost	(45 647 884)	(293 023)	(45 940 907)
Contracted Services	(21 442 455)	(3 631 195)	(25 073 650)

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	2021	2020	
	R	Restated* R	
42. PRIOR PERIOD ERRORS (Continued)			
ACCUMULATED SURPLUS adjustments	Previously reported	Correction of error	Restated 2020
Opening balance as previously reported	917 785 138	-	917 785 138
Prior period errors impacting opening balance:			-
Receivables from exchange transactions	-	(3 899 002)	(3 899 002)
Investment Property		(36 904 938)	(36 904 938)
Property, Plant and Equipment		(94 603)	(94 603)
Heritage assets		(168 790)	(168 790)
Unspent conditional grants		1 586 724	1 586 724
Payables from exchange transactions	-	(1 388 221)	(1 388 221)
Balance at 01 July 2019 as restated	917 785 138	(40 868 829)	876 916 309
Deficit for the year	(54 533 853)	-	(54 533 853)
Prior period errors impacting deficit for the year:			
Service charges	-	(599 144)	(599 144)
Employee related costs	-	(1 001 723)	(1 001 723)
Depreciation and amortisation	-	(124 941)	(124 941)
Finance cost	-	(12 092)	(12 092)
Operational cost	-	(293 023)	(293 023)
Contracted Services	-	(3 631 195)	(3 631 195)
Balance at 01 July 2020 as restated	863 251 285	(46 530 947)	816 720 338

DISCLOSURE PRIOR PERIOD ERROR ADJUSTMENTS	Previously reported	Correction of error	Restated 2020
Irregular expenditure (note 46)	189 077 669	1 409 890	190 487 559

DESCRIPTION OF ERRORS

Receivables from Exchange Transactions

An error in the debtors system was identified where the municipal building usage was incorrectly coded on the system. The billing system processes measures usage of all meters including municipal buildings however the debtor and revenue is automatically reversed only if the customer code was correct. In this case, the code was not correct and consequently the revenue was incorrectly reflected and the debtor was showing as receivable. The balance was not considered for impairment and only therefore impacts on the receivables and revenue.

Other financial statement line items impacted by this error:

- Revenue from exchange transactions

Property, Plant and Equipment

An adjustment was made to PPE for incorrectly accounting treatment of retentions. PPE was understated by the applicable retentions amount and also the corresponding payables.

Additionally, the former Baviaans municipality previously leased vehicles on finance lease for which these assets were capitalized. Post merger, the vehicles were returned however the transaction was never recorded for "disposal" of the vehicles. The restatement is therefore removing the carrying value at 1 July 2019.

Investment property

The valuation of the investment property was redone to establish the true value of the investment property. Supporting documentation for former municipalities were not adequately kept and the auditor general could not audit the values. Some items were transferred to Property, Plant and Equipment due to incorrect classification in prior year.

Other financial statement line items impacted by this error:

- Depreciation

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	2021 R	2020 Restated* R
42. PRIOR PERIOD ERRORS (Continued)		
DESCRIPTION OF ERRORS (Continued)		
Heritage assets		
The value of the mayoral chains was reperformed for adequate audit support.		
Payables from Exchange Transactions		
A list of employees worked overtime in the last few days of June after the payroll run. Accordingly they were not remunerated on 25 June 2020 and would only be paid in the July 2020 pay run. The amount however was supposed to have been raised as an expense and an accrual. This correction of error seeks to restate the prior year information to appropriately account for it. 2 minor old payables that does not exist was also removed from payables balance. The amounts are coming from the merger.		
Other financial statement line items impacted by this error:		
- Employee related cost		
The invoices for the department of water and sanitation were in dispute for payment however the invoices remain unpaid and outstanding and required restatement to adequately account for the opening balance and subsequent movement in interest, levy and vat.		
Other financial statement line items impacted by this error:		
- VAT receivable		
- Finance cost		
- Operational cost		
Invoices related to a service provider for contracted services was not recorded in the prior year and accordingly misstated and required correction due to material nature		
Other financial statement line items impacted by this error:		
- Contracted services		
Unspent conditional grants		
The municipality has been carrying two grants since the formation of the new municipality in the books. Upon enquiry by the AG in the 2020 audit, management set out to obtain information on this balance. After having approached all internal staff members, the similar enquiry took place with external possible champions and departments. No information was obtained and no requests further for repayment of such was received. Accordingly the assumption is that the grant was inappropriately accounted for as conditional grants and therefore reversed.		
Restatement of disclosure in the notes		
<u>Irregular expenditure:</u> The restatement in the 2019 and 2020 closing balance is due to the incorrect measurement of irregular expenditure balances including vat. The vat portion has been removed. Also, a completeness exercise was done to ensure that the municipality recognizes all payments classified as irregular expenditure is included appropriately.		

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	2021 R	2020 Restated* R
43. COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	51 598 441	64 997 068
Total Capital Commitments	51 598 441	64 997 068
The committed expenditure relates to Infrastructure and will be financed by Government Grants and own resources		
44. UNAUTHORISED EXPENDITURE		
Reconciliation of Unauthorised Expenditure:		
Opening balance	411 804 962	328 566 525
Add: Unauthorised Expenditure current year	44 076 203	83 238 437
Unauthorised Expenditure awaiting authorisation	455 881 165	411 804 962
The unauthorised expenditure additions are primarily related to the overspending of budget votes as defined in the MFMA:		
Budgeted votes exceeded:-	Amount	Status
VOTE 6: FINANCIAL SERVICES	14 904 629	To be investigated and considered by council
VOTE 7: TECHNICAL SERVICES: ENGINEERING	29 171 574	To be investigated and considered by council
	44 076 203	
45. FRUITLESS AND WASTEFUL EXPENDITURE		
Reconciliation of Fruitless and Wasteful expenditure:		
Opening balance	24 736 461	16 245 220
Add: Fruitless and Wasteful Expenditure current year	17 710 990	8 491 241
Fruitless and wasteful expenditure awaiting authorisation	42 447 451	24 736 461
Details of Fruitless and Wasteful Expenditure		
Interest charged by Telkom	215 630	124 519
Interest charged by Utilities World	1 944 236	-
Interest charged by Auditor General	4 971	-
Interest Charged by Eskom	11 975 879	4 166 361
SARS penalties and interest	3 332 182	3 711 989
Interest charged by the department of water and sanitation	151 077	-
Government Printing works	1 934	2 964
Interest charged by SALA Pension Fund	-	44 034
Penalties charged by Consolidated Retirement Fund	3 484	214 327
Interest charged by Gem Garage	-	104 067
Interest charged to J.R NIEUWENHUIZEN	41 486	3 993
Interest charged by Piet Viljoen Motors	-	24 596
Interest charged by SUPA Quick	-	166
Interest charged by Rural Development and Land Reform	-	102
Interest charged by other	3 005	551
Interest charged by Bytes people solution	6 989	-
Interest charged by Momentum	951	93 572
Interest charged by SAMRO	29 166	-
	17 710 990	8 491 241

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	2021 R	2020 Restated* R
46. IRREGULAR EXPENDITURE		
Reconciliation of Irregular Expenditure:		
Opening balance	190 487 559	163 221 367
Add: Irregular Expenditure current year	27 402 970	27 266 192
Irregular Expenditure awaiting authorisation	217 890 529	190 487 559

47. 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 annual financial statements.

Goods and services to the value of R32 317 524 (2020 - R19 412 072) were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Incidents

Deviations due to Emergency procurement	6 998 936	10 819 733
Deviations due to Sole supplier procurement	1 672 314	2 298 938
Deviations due to impracticality of following SCM processes	23 646 273	6 293 402
	<u>32 317 524</u>	<u>19 412 072</u>

48. RELATED PARTIES

Relationships

Mayor	Cllr D.W.S De Vos
Speaker	Cllr T.L Nonnies
Executive committee	Cllr P.W Koeberg
Executive committee	Cllr E.A Ruiters
Executive committee	Cllr N.P Vanda
Executive committee	Cllr E.L Loock
MPAC chairperson	Cllr W.J Safers
Councillor	Cllr D Williams
Councillor	Cllr E.A Ruiters
Councillor	Cllr W.Z Le Grange
Councillor	Cllr A. Mboneni
Councillor	Cllr E.A Carolus
Councillor	Cllr A Booysen
Councillor	Cllr H Booysen
Councillor	Cllr B.W Seekoei
Councillor	Cllr K Hoffman
Councillor	Cllr X.N Galada
Councillor	Cllr G.C Mackelina
Councillor	Cllr T.M Tshona
Councillor	Cllr R.B Jacobs
Councillor	Cllr P Bees
Councillor	Cllr L.L Langeveldt
Councillor	Cllr A Arries

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	2021 R	2020 Restated* R
48. RELATED PARTIES (Continued)		
Councillor	Cllr D.J Bezuidenhout	
Councillor	Cllr E.V.R Rossouw	
Councillor	Cllr J.J Williams	
Councillor	Cllr R.L Smith	
Councillor	Cllr Nortje	
Municipal manager	Dr. E.M Rankwana	
Director of engineering and planning	B Arends	
Acting Chief financial officer	D. Thorne	
Director of Corporate Services	Z. Kali	
Director of Community Services	G.W Hermanus	
District Municipality which Dr Beyers Naude Local Municipality is a part of:	Sarah Baartman District Municipality	
Piet Bees - Councillor	Wakz Tyre Trading repairs - Member	
Errol Rossouw - Councillor	Ezamampinga Construction - Member	
Clive Warner - Assistant Manager	Electrical Motor Rewinders - Son	
Ivan Japtha - Law enforcement Officer	Japtha Transport - Owner	
Logan Cudjoe - Accountant expenditure	RAC Transport - Spouse	
Simthembele Edwin Mbotya - Financial services manager	Mbotya Solutions - Owner	
Heleen Kok - Chief financial officer	JHK Plumbing - Member & Heleen Kok life coach - Owner	
Rory Boggenpoel - Manager	RBG Ithema - Owner	
Colin Abels - Health Practitioner	Welkom Yizani - Shareholder	
Cheslyn Bezuidenhout - Official	CEB Transport & CEB Harvest Foundation - Owner	
Gwynnne Hermanus - Community service director	Cyril Rose Bed & Breakfast - Owner	

The mayor and councillors only received remuneration as set out in Note 26. Rates and municipal services were in line with other customers, see note 6.

The Section 57 managers only received remuneration as set out in Note 25. Rates and municipal services were in line with other customers.

All councillors and employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

All related government entities transactions, including the district municipality, such as rates and municipal services were in line with government legislation.

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

The municipality did not have any transactions with related parties listed during the financial year

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	2021 R	2020 Restated* R
49. FINANCIAL INSTRUMENTS		
49.1 Classification		
The Municipality recognised the following financial instruments at amortised cost :		
<u>Financial Assets</u>		
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:		
Cash and Cash Equivalents	2 634 445	2 277 537
Receivables from Exchange transactions	17 128 869	13 840 782
Other receivables	6 312 535	5 051 390
Total	26 075 849	21 169 709
<u>Financial Liabilities</u>		
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:		
Other financial liabilities	17 614 620	11 755 461
Payables from exchange transactions	349 161 017	248 072 592
Total	366 775 637	259 828 053

49.2 Risk management

Liquidity risk

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

The municipality aims to maintain flexibility in funding by keeping committed credit lines available. The municipality manages a budget which is updated regularly and reported to the municipal management and the council.

The table below analyses the municipalities financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	349 161 017	-	349 161 017
Other financial liabilities	10 240 951	7 373 669	17 614 620
At 30 June 2020	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	248 072 592	-	248 072 592
Other financial liabilities	11 755 461	-	11 755 461

Liquidity risk is mainly concentrated on the Trade and other payables balance.

The municipality does not have any collateral and /or credit enhancements that aid in the mitigation of the liquidity risks.

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	2021 R	2020 Restated* R
49. FINANCIAL INSTRUMENTS (Continued)		
49.2 Risk management (Continued)		
Credit risk		
Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.		
Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Cash and cash equivalents	2 634 445	2 277 537
Receivables from exchange transactions	17 128 869	13 840 782
Market risk		
Interest rate risk		
The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Interest rate risk is managed by investing any surplus funds into high yield investments. The resultant interest earned is likely to offset interest paid, as both are linked to prime rates.		
Foreign currency risk		
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. The financial instruments of the Municipality is not directly exposed to any currency risk.		
50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
50.1 Contributions to organised local government - SALGA		
Opening Balance	6 537 373	6 980 905
Current year subscription/fee	2 070 001	1 842 245
Amount Paid - current year	(1 000 000)	(2 285 777)
Balance Unpaid (included in Creditors)	<u>7 607 374</u>	<u>6 537 373</u>
50.2 Audit Fees		
Opening Balance	5 610 713	2 703 625
Current year Audit Fee	7 055 767	9 230 284
Credit note and adjustments	(2 423 175)	(2 343 195)
Amount Paid - current year	(4 776 000)	(3 980 000)
Balance Unpaid (included in Creditors)	<u>5 467 305</u>	<u>5 610 713</u>
50.3 VAT		
The net of VAT input payables and VAT output receivables are shown in Note 3. All VAT returns have been submitted by the due date throughout the year.		

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	2021 R	2020 Restated* R	
50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)			
50.4 PAYE, Skills Development Levy and UIF			
Opening Balance	10 442 926	5 605 589	
Current year Payroll Deductions	27 299 028	20 969 614	
Amount Paid - current year	(24 903 544)	(16 132 277)	
Balance Unpaid (included in Creditors)	12 838 409	10 442 926	
50.5 Pension and Medical Aid Deductions			
Opening Balance	15 966 591	7 483 362	
Current year Payroll Deductions and Council Contributions	37 330 511	34 911 518	
Amount Paid - current year	(29 539 482)	(26 428 289)	
Balance Unpaid (included in Creditors)	23 757 620	15 966 591	
50.6 Councillor's arrear Consumer Accounts			
The following Councillors had arrear accounts outstanding for more than 90 days as at 30			
	Outstanding up to 90 days	Outstanding more than 90 days	Total
30 June 2021			
Cllr P.W Koeberg	1 289	-	1 289
Cllr E.A Carolus	-	-	-
Cllr D Williams	692	2 224	2 916
Cllr G.C Mackelina	464	-	464
Cllr W.J Safers	916	-	916
Cllr W.Z Le Grange	397	1 655	2 051
Cllr P Bees	3 311	6 159	9 470
Cllr E.V.R Rossouw	523	3 716	4 239
Cllr A.L Nortje	2 637	-	2 637
Cllr D.W.S De Vos	41	-	41
Cllr E.L Looock	4 009	-	4 009
Cllr H Booysen	260	-	260
Cllr J.J Williams	-	2 052	2 052
Cllr K Hoffman	18	-	18
Cllr T.M Tshona	1 468	17 671	19 139
	16 025	33 476	49 501
30 June 2020			
Cllr P.W Koeberg	1 776	-	1 776
Cllr E.A Carolus	313	-	313
Cllr D Williams	1 191	4 456	5 647
Cllr G.C Mackelina	1 507	1 750	3 258
Cllr W.J Safers	1 100	-	1 100
Cllr W.Z Le Grange	807	4 747	5 554
Cllr P Bees	904	3 219	4 122
Cllr E.V.R Rossouw	1 784	10 821	12 605
	9 380	24 994	34 374

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated* R
51. DISTRIBUTION LOSSES - ELECTRICITY		
Electricity units (kWh) purchased from Eskom	82 122 942	86 459 314
Electricity units (kWh) sold to customers	(68 628 984)	(64 594 724)
	13 493 958	21 864 590

Electricity losses occur due to inter alia, technical and non-technical losses. (Technical losses - Inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections).

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported. Electricity losses for the financial year is 16,43% (2020 - 25,29%) of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2021 is R16 586 786 (2020 - R13 230 728)

52. DISTRIBUTION LOSSES - WATER

Balance at the beginning of the year in reservoirs and pipes	28 783	35 131
Water Units produced	5 020 060	4 028 749
Water Units sold	(2 404 695)	(2 846 699)
Balance at the end of the year in reservoirs and pipes	(25 080)	(28 783)
Non revenue water	2 619 068	1 188 398

During the drought period and water shortages, the municipality makes use of water tankers to provide water to areas experiencing shortages. The logsheets of the tankers together with the capacity serves as controls to measure "authorised unbilling" and are thus not considered water losses. The total quantity for the 2020/21 financial year is 170 040 kilolitres and accounts for 6% of the total non revenue water.

Water losses occur due to inter alia, leakages, tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections.

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported. Water losses for the financial period amounted to 48,78% (2020 - 29,50%) of water produced. The Rand value of the water losses for the period ending 30 June 2021 is R29 809 964 (2020 - R20 173 949). The increase in value is due to drought tariff increases.

53. CONTINGENCIES

Contingencies arise from pending litigation on contractual disputes and damage claims. As the conclusion of the process is dependent on the setting of the dates by the respective courts, the timing of the economic outflow is therefore uncertain:

XV Jack - In the high court judgement of the case "Phil-Ann Erasmus vs Ikwezi Municipality (Dr Beyers Naude LM) & Xola Vincent Jack", the High Court orders determine that Mr Jack is jointly responsible for paying damages to Mrs Phil-Ann Erasmus as well as the legal costs involved. The process has been put in motion for recovery however there is significant uncertainty on the probability of the recovery and the amount therefore resulting in a contingent asset.

R Alexander - Robert Alexander instituted action out of GR magistrate court for against the municipality alleging certain damages resulted from the MVA involving a motor vehicle of the Municipality driven by an employee. The matter is unresolved

Eskom - The Municipality is in dispute with Eskom for charging much higher tariffs than allowed and for years not reimbursing the Municipality for the utilization of it's electrical network to supply Eskom customers in Municipal area. An amount was offered by Eskom however the municipality considers the amount to be much lower than the true amount which cannot be determined at this stage

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	2021 R	2020 Restated* R
53. CONTINGENCIES (Continued)		
<u>Africorp</u> - The municipality served formal demand on Africorp for outstanding rates on taxes and instituted legal action. Legal costs anticipated with uncertainty on the amount when it goes to trial		
<u>Bay Projects Coastal (Pty) Ltd</u> - Served formal demand on Bay Projects for repayment of R1,269,768. Legal costs anticipated with uncertainty on the amount when it goes to trial		
<u>JH Vermaak vs Dr Beyers Naude Local Municipality</u> - A claim by JH Vermaak claiming damages for tripping and falling and getting injured on the Municipal pavement in Jansenville.		
<u>SL Mvunelwa</u> - where a civil claim has been instituted against the municipality for damages suffered during the disciplinary and legal processes.		
<u>Aurecon</u> - A claim is being made by aurecon for engineering services provided the municipality		
<u>Internal investigation</u> - Related to the burglary at Protection Services Building. Internal investigation to determine as to whether internal controls were ignored and responsible party to recover from		
The table below summarises the potential financial impact of the law suits:		
<u>Contingent Assets</u>		
Bay Projects Coastal (Pty) Ltd	1 269 768	1 269 768
Internal investigation - Burglary protection services	100 000	100 000
	1 369 768	1 369 768
<u>Contingent Liabilities</u>		
Samro *	-	138 478
SL Mvunelwa	825 256	-
Aurecon	81 028	81 028
JH Vermaak vs Dr Beyers Naude Local Municipality	650 000	650 000
	1 556 284	869 505

* Matters which has been resolved, finalized or no longer applies

54. EVENTS AFTER REPORTING DATE

The municipality council resolved to release the services of the chief financial officer during August 2021

No additional events occurred post year end that requires specific disclosure

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2021	2020
R	Restated*
	R

55. GOING CONCERN

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

The followings elements of the financial statements are noted which casts some doubt on the ability of the municipality's going concern status

The current assets of the municipality of R43 198 591 (2020 - R33 683 843) are exceeded by the current liabilities of R370 207 814 (2020 - R280 981 460). The net current liabilities amounts to R327 009 223 (2020 - R247 297 617) and results in a current ratio of 0,12:1 (2020 - 0,12:1). The position above casts some doubt on the ability to continue as a going concern.

The municipality incurred a deficit of R106 611 558 during the 2021 financial year and is a significant increase in the deficit from the 2020 financial year of R60 195 975.

However, the ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these being the significant grants received by the municipal to execute it's legislative service to the community and the accounting officers continued efforts to procure funding for the ongoing operations for the municipality from national and provincial government. Council approved a financial recovery plan and business plan which includes the disposal of property not currently utilised by the municipality and is not important to basic service delivery to reduce the current liabilities. SALGA has been involved with the municipality upon request for support. A programme of action was developed together with the municipality on areas where external support may be provided.

Report of the auditor-general to the Eastern Cape Provincial Legislature and council on the Dr Beyers Naude Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Dr Beyers Naude Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Dr Beyers Naude Local Municipality as at 30 June 2021, and 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 qualified opinion

Receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that receivables from exchange transactions had been properly accounted for as the municipality did not have adequate internal controls to maintain records for indigent debtors, some indigent debtors were provided benefit while they did not qualify. As a result, the municipality did not bill and record certain revenue owing to it for services rendered, as required by GRAP 9, Revenue from exchange transactions. I was unable to determine the extent of the misstatement, as it was impractical to do so. Consequently, I was unable to determine whether any adjustment was necessary to receivables from exchange transactions stated at R17,1 million and service charges stated at R184,1 million as disclosed in note 7 and 20 the the financial statements.

Irregular expenditure

4. The municipality did not identify and disclose all irregular expenditure in the financial statements, as required by section 125(2)(d)(i) of the MFMA. Expenditure in contravention of supply chain management (SCM) requirements resulted in irregular expenditure of R18,5 million being identified during the audit, which was not disclosed. Additionally, the corresponding balance for irregular expenditure was misstated by R12,6 million. I was unable to determine the full extent of the irregular expenditure that should have been disclosed as it was impracticable to do so. Accordingly, I could not determine the adjustment required to the

irregular expenditure, disclosed in note 46 to the financial statement at R217,9 million (2020: R190,5 million).

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. As disclosed in note 55 to the financial statements, there are financial challenges that threaten the financial viability and going concern of the municipality. The municipality has identified certain financial risks that negatively impact its ability to sustain current levels of operations before taking government grants into account.

Emphasis of matters

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

Material allowance for impairment – receivables

11. As disclosed in note 6 to the financial statements, material allowance for impairment of receivables from non-exchange transactions of R21,5 million (2020: R19,7 million) were incurred as a result of non-payment by consumer debtors.
12. As disclosed in note 7 to the financial statements, material impairments for receivables from exchange transactions of R100,9 million (2020: R84,9 million) were incurred as a result of non-payment by trade debtors.

Restatement of corresponding figures

13. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Distribution losses – electricity

14. As disclosed in note 51 to the financial statements, material electricity losses of R16,8 million (2020: R13,2 million) were incurred, which represents 16,43% (2020: 25,29%) of total electricity purchased.

Distribution losses – water losses

15. As disclosed in note 52 to the financial statements, material water losses of R29,8 million (2020: R20,1 million) were incurred, which represents 48,78% (2020: 29,50%) of total water production.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the municipality for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
19. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

20. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
23. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
24. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priorities	Pages in the annual performance report
Development priority 1 - service delivery and infrastructure development	x – x

25. 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.
26. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:
- Development priority 1 – service delivery and infrastructure development

Other matter

27. I draw attention to the matter below.

Achievement of planned targets

28. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements and annual report

31. 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 were subsequently corrected and the supporting records were subsequently provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Revenue management

32. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was deviations not in line with SCM Regulations.
34. Reasonable steps were not taken to prevent unauthorised expenditure of R44,1 million disclosed in note 44 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the budgeted votes within the approved budget of the municipality.
35. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R42,4 million disclosed in note 45 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged by creditors due to the municipality not paying invoices on due dates.

Consequence management

36. Some irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
37. Unauthorised expenditure of R44,1 million incurred by the municipality in prior years was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Procurement and contract management

38. Some deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
39. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored monthly as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year.
40. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
46. Management did not regularly exercise its oversight responsibility for the internal controls of the municipality. This is evidenced by the significant errors in the financial statements submitted for audit.
47. Material non-compliance with key legislation and municipal policies were identified. This indicated that the audit action plan was not effective, as matters communicated to management in the prior year were not addressed in the current reporting period.

Material irregularities

48. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

49. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in the next year's auditor's report.

Other reports

50. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

51. The Directorate for Priority Crime Investigation (Hawks) is investigating alleged irregularities regarding the provision of printing equipment. At the date of reporting, the investigation was still in progress.

Auditor General

East London

31 January 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters

that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Nr	Audit Finding	Prior Year	Underlying Issue	Root cause	Audit Action Plan	Responsible Designation and Official	Target Date
1	- Limitation of scope for invalid IGG register and application forms not submitted/available - Inability to prove that indigent debtors qualify for the benefit	Yes	Invalid IGG register maintained with inadequate information (invalid ID, deceased ID etc). Applications not found dating back to early 2000's	Poor implementation of policy for exit and renewal of applications.	1. 100% review of the indigent register before 30 June 2022 2. Ensure valid ID numbers and other details in line with the policy are maintained on the IGG register	Manager: Revenue	31/06/2022
2	- Certain items of irregular expenditure not included on the irregular expenditure listings (including opening balance) - Items included at incorrect amounts	Yes	- Irregular expenditure is being recognized on payment as opposed to GRAP requirements - Which includes the items which should be disclosed exclusive of VAT	Fundamental misunderstanding of the reporting requirements and what must be listed.	Review all the management reports of the AG from 2016/17 to 2020/21 to ensure that all irregular expenditure items are accounted for correctly. Any write-off has followed the adequate process in terms of the legislation	Manager: SCM	30/04/2022
3	Completeness of traffic fines revenue. Traffic fines are recorded on a cash receipts basis and not in line with the accrual accounting principle. Understatement of revenue / fines	Yes	The accrual principle of GRAP not implemented as fines are only recognized on payment	Inadequate controls around issuance of fine books and records thereof. No monthly register is maintained of fines issued.	1. Compile register of all fine books held, which is being used, which is in storage etc 2. Maintain monthly register of all fines issued for the month	Manager: Traffic	31/06/2022
4	Lease agreements were not submitted for audit purposes	Yes	Request for information was not submitted in line with the formal request and signed agreement / scope letter by the MM	Poor records management. Outdated leases are going on a month-to-month	Cancellation of all month-to-month leases. Reconciliation to be done on the leases together with the amounts being charged on invoices and records to be kept ready for audit	Manager: SCM	31/03/2022
5	Interest on arrears rate and surcharge rate not reviewed and approved by the council	No	Inadequate consideration given to interest rates coming from ages	No review or tabling of interest rates for the new council	Review and update Credit Control and Debt Collection policy to ensure that the interest rate be approved as part of the budget approval process and ensure a Council Resolution is in place for this	Manager: Revenue	31/05/2022
6	No proof of satisfactory receipt of goods/services (signature or stamp) were observed	Yes	Disregard for controls in place as certain expenditure (legal fees/security/contracted services) that are usually noted. Ownership not assumed by the spending or responsible managers.	Inadequate consequence management for non compliance	All invoices presented to creditors should be stamped as received (or clearly labelled as goods/service received) and signed by receiving manager and the date of such receipt. Creditors must ensure that invoices are therefore marked as such	Manager: Expenditure	31/06/2022
7	Retention amounts withheld are not maintained in a retentions register and not appropriately recorded in the accounting records therefore resulting in understatement of PPE WIP and retentions	No	Retentions withheld resulting in understatement of PPE	Inadequate treatment of the retentions	Maintain retentions register with reference to each payment certificate	Manager: Assets	31/06/2022
8	Assets have been fully depreciated and their useful lives have not been adequately evaluated as the assets are still in use	No	Inadequate GRAP application	Inadequate GRAP application	Review asset management policy to include position on fully depreciated assets and the accounting to be applied accordingly	Manager: Assets	31/05/2022

Nr	Audit Finding	Prior Year	Underlying Issue	Root cause	Audit Action Plan	Responsible Designation and Official	Target Date
9	No supporting documentation was in the employee file to support termination	No	Poor internal controls implemented	The above finding is caused by lack of adequate review and oversight by management and proper record keeping.	All terminations files will be checked for applicable supporting documents, as well as the appointments letters indicating relevant benefits	Manager: HR	31/06/2022
10	Inadequate support provided for allowances paid to employees who may not be qualifying for such allowance	No	Poor internal controls implemented	The cause of the finding is lack of proper controls in place to ensure that payments are substantiated by approved documentation and review by management.	1. The rental allowance will be reviewed based on the policy from the former camdeboo policy 2. Travel allowance policy will be drafted and workshopped 3. All recipients of the above allowances will be reviewed guided by the policies and Main Collective agreements applicable	Manager: HR	31/04/2022
11	Policies not approved, reviewed, and implemented timeously	Yes	There were delays in the review and approval process of the policies as the council meetings did not take place at the scheduled dates during the financial year	Inadequate overall accountability for policy register	Review current register of policies and allocate to responsible manager for review of the policies during the 2022 financial year	Chief Accountant	31/02/2022
12	Information related to housing debtors was not submitted for audited. There has been no to minimal movement on this balance	Yes	Unnecessary balance maintained that is unsupported	Inadequate implementation of prior year audit action plan	Review all votes that are unknown and with no movement. Council write-off of these amounts which are unknown and coming from former municipalities	Manager: Revenue	30/03/2022
13	Internal Control Deficiency: Impairment methodology not properly defined in the Debt Management Policy	No	No documented process that may be an issue when the compiler is unable to perform the work to ensure consistency in application	The policy was not properly reviewed for relevance and completeness of documented information	Ensure that the impairment methodology is defined in the relevant policy	Chief Accountant	31/05/2022
14	Completeness Issue : Properties per the deeds site was not noted on the valuation roll. Disagree with the finding	No	Work of the expert not reviewed and questioned	Reconciliation not performed between the valuation roll and the deeds website information	Ensure that reconciliation has been performed between the valuation roll properties and the deeds website to ensure that all properties are accounted for	Manager: Revenue	31/03/2022
15	An employee was being paid a salary even though he had been absent from work for an extended period without a valid reason	No	Employees being paid for work not done. Fruitless expenditure	The cause of the finding is lack of proper controls in place to follow up and implement disciplinary action against employees who have absconded from work and the supervisor	A communication will be sent to all departments to emphasize the importance of submitting completed and approved attendance registers to mitigate the risks associated with this finding. An investigation will be done with the relevant department, the outcome of such investigation will determine which steps to be taken	Manager: HR	31/02/2022

Nr	Audit Finding	Prior Year	Underlying Issue	Root cause	Audit Action Plan	Responsible Designation and Official	Target Date
16	There is no listing to support the prepayment of electricity in payables from non - exchange transactions Clean up is necessary for all control votes unmoved	Yes	Unecessary balance maintained that is unsupported	Inadequate implementation of prior year audit action plan	Review of all unmoved balances for the last few years and information obtained. Any unsubstantiated amounts to be dealt with and removed	Manager: Expenditure	30/02/2022
17	Audit charter not in place for the relevant financial years. Only updated charter was in place for 2022/22 financial year	No	Updates to standards and legislation inadequate	The cause of the finding is improper record keeping as management cannot find the 2020 approved charter	Ensure that the charters are reviewed for both audit committee and internal audit charter for the 2022/23 financial year	Chief audit executive	31/05/2022
18	Late payments of third parties attracted interest that accrues to the Municipality and should have been accounted for in the accounting records and disclosed as Fruitless & Wasteful Expenditure	No	No reconciliations prepared for the third parties creditors	No reconciliations prepared for the third parties creditors	Monthly reconciliations to be performed every month to ensure that all interest is adequately recorded. At least all major third party creditors balances (SARS, Pension etc). Update the fruitless and wasteful expenditure listings	Manager: Expenditure	30/04/2022
19	For the unauthorised expenditure in note number 44 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	The value is increasing every year with no decreases for write-off, condonations or recovery from responsible individuals	Inadequate consequence management. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA.	Ensure that expenditure to the value of R200 000 000 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2022
20	For the fruitless and wasteful expenditure note number 45 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	The value is increasing every year with no decreases for write-off, condonations or recovery from responsible individuals	Inadequate consequence management. Reasonable steps were not taken to prevent fruitless expenditure, as required by section 62(1)(d) of the MFMA.	Ensure that expenditure to the value of R42 447 451 (24 736 461 plus 17 710 990) is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2022
21	For the irregular expenditure 46 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	The value is increasing every year with no decreases for write-off, condonations or recovery from responsible individuals	Inadequate consequence management. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.	Ensure that expenditure to the value of R200 000 000 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2022
22	The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA	Yes	In the absence of a designated official for contract management, no department is taking ownership for the requirements of the MFMA section 116(2)(c)	- Management not taking the necessary steps to ensure that performance-monitoring control are implemented throughout the year. - Inadequate implementation of prior year audit action plan.	All contractors performance should be evaluated monthly in terms of section 116 of the MFMA	Manager: SCM	30/06/2022

Nr	Audit Finding	Prior Year	Underlying Issue	Root cause	Audit Action Plan	Responsible Designation and Official	Target Date
23	The evidence submitted for water carting cannot be relied upon as there is a weakness in controls.	No	Supporting schedules submitted reflect the driver indicating the total kilo's for the week. In the absence of other additional information, it is impossible to be able to accurately record totals weekly. Furthermore, the "supervisor" is checking monthly and it is impossible that this can be an adequate review	Inadequate internal controls to measure water carting	<p>Logsheets should be maintained daily where the driver as well as the supervisor signs off the same day. Key information must be maintained to confirm the number of times filled up in the day to be able to calculate the total kilo's used</p> <p>The manager / director should atleast monthly confirm by signature that the control is being performed daily and adequate records are maintained</p>	Director: Engineering & Planning	30/06/2022
24	Various non submission COAF's raised for information not submitted.	Yes	Request for information was not submitted in line with the formal request and signed agreement / scope letter by the MM	Inadequate records management. Inadequate review of information submitted	Tender and ITQ checklist to be implemented. Manager should ensure that a review is performed prior to submission of information requested	Manager: SCM	30/06/2022

**DR. BEYER'S NAUDE LOCAL
MUNICIPALITY**

2020/2021



**ANNUAL
PERFORMANCE
REPORT
(YEAR ENDED
30TH JUNE 2021)**

This Annual Performance Report is drafted in terms of Section 46 of the Local Government: Municipal Systems Act, 32 of 2000. The Annual Performance Report 2020/2021 is based on reported information only, and is un-audited. The report is subject to change during and after the audit from the Auditor-General of South Africa (AGSA).

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INTRODUCTION

The function of Performance Management within the municipality is performed in the office of the municipal manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pin point areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

The Annual Performance Report is hereby submitted to the Dr. Beyers Naudé Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11

This report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Integrated Development Plans (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Service Delivery and Budget Implementation Plan (SDBIP) for 2020/2021.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. This report will also endeavor to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are (1) Infrastructure Development; (2) Organizational Transformation and Institutional Development; (3) Community Development ;(4) Local Economic Development and (5) Back to Basics (Good Governance and Sound Financial Management)

In Summary

In summary the purpose of this report is as follows:

- To analyze the Capital Budget Projects status at the end of the financial year of 2020/21
- To track quarterly progress against the targets set in the SDBIP. This will in turn inform decision making and future goal setting
- To identify problems regarding performance of implementing Capital Budget Projects and Service Delivery Targets, with a view to obtain solutions
- To determine whether the objectives and strategies of the IDP have been met.
- To report on the overall Governance, Service Delivery and Supply Chain Management Performance of the Municipality.

LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000. Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and Organizational performance.

MUNICIPAL OVERVIEW

Dr Beyers Naudé Local Municipality, the third largest Local Municipality in the country, is well-positioned as a portal to the mystical Karoo, in a region renowned for its pristine natural environment, rich heritage, diverse peoples and cultures. The vast area (28,653 km² in extent) includes the towns of Graaff-Reinet, Willowmore, Aberdeen, Jansenville, Steytlerville, Nieu-Bethesda, Klipplaat and Rietbron; plus a number of smaller settlements and surrounding farms. It boasts several very popular tourist attractions, beautiful landscapes and a healthy climate. The town of Graaff-Reinet, 4th oldest in South-Africa and referred to as the “Gem of the Karoo”, is a hub of agri-tourism activity; it is the seat of the Municipal Council and is the centre where the biggest concentration of the population lives and works. The second largest town is Willowmore, also with a strong and vibrant tourism and agricultural sector. Willowmore should be viewed as a strategically situated centre for managing and co-ordinating service-delivery and public participation in the southernmost part of the Municipal area.

Dr Beyers Naudé LM was established as a result of a merger between the former Municipalities of Camdeboo, Ikwezi and Baviaans – on 8 August 2016 – after the Local Government Elections held on 3 August 2016. Geographically the new Municipality makes up 49.19% of the Sarah Baartman District Municipality’s landmass, with a low population density of 2.8 persons per km², which is much lower than the District average of 7.7 persons per km². The area is characterised by large tracts of commercial farmlands that are sparsely populated. The most densely populated areas are found in and around the established main towns.

There are vast distances between main centres; some of the smaller towns and settlements can only be reached by unsurfaced (gravel) roads, not all of which are being maintained on a regular basis. The most difficult areas to access are situated within the Baviaanskloof. The towns in the region have their own unique dynamics and attractions that draw visitors from far and wide, many of whom have made this their home. Well-known personalities that have carved a niche in our country's history and are closely associated with the Dr Beyers Naudé LM, include the likes of Robert Mangaliso Sobukwe, Dr Anton Rupert & Dr Beyers Naudé, Rev. Andrew Murray, Prof James Kitching, Athol Fugard, Anna Neethling Pohl, DF Malan, Helen Martins, Andries Pretorius...

Key features of the area include :

Agriculture

Biggest mohair producer in South Africa, wool and red meat production (sheep, beef, goats), poultry, game and crop farming.

Public Amenities

Libraries; sport, recreational and educational facilities; banks & post offices in the main centres.

Health Care Facilities

Primary Health Care clinics in most towns, hospitals and other medical facilities in the larger towns and mobile clinics servicing rural areas.

Commerce & Industry

Mostly small businesses in most of the towns, with some larger industry and government departments in the bigger towns, such as Graaff-Reinet.

Infrastructure & Services

Good infrastructure and basic services (water, electricity, sanitation and refuse removal) in urban areas, with free basic services and subsidized support to qualifying indigent households.

There are an estimated 17,770 households in the urban areas and approximately 3,350 in the non-urban (farm) areas. Only urban households are serviced by Dr Beyers Naudé Municipality. High levels of accessibility to Basic Services are maintained in the Municipal area, with an estimated 17,950 households deriving direct or indirect benefit from services being rendered by the Municipality. Households that do not have direct access to these basic services are informal dwellings – mainly shacks situated in backyards or informal settlements, or those on farms or small holdings in the more remote areas.

- 97% of households have access to a minimum standard of piped potable water (within 200 metres), with a minimum service level in urban areas of 97%;
- 85% of households have access to a minimum standard of sanitation (flush, chemical & VIP pit latrines), with a minimum service level in urban areas of 84%;
- 96% of households have access to a minimum standard of electricity (energy for lighting), with a minimum service level in urban areas of 96%;
- 100% of households have access to a minimum standard of refuse removal & disposal facility (Municipal, communal or private), with a minimum service level in urban areas of 100%.

Unfortunately the severe and prolonged drought over the past few years has had a serious impact on water provision to some areas, but this was mitigated through the drilling of additional boreholes in the affected areas and some upgrading of infrastructure, as well as the installation of rainwater harvesting tanks provided by different sectors as follow:

190 rainwater harvesting tanks from DWS

10 rainwater harvesting tanks COGTA

15 rainwater harvesting tanks from SBDM

15 rainwater harvesting tanks from SANPARKS

Department of Water and Sanitation (DWS) assisted with the provision of 4 water tankers supplied by Randwater, 2 water tankers supplied by DWS and the Municipality procured and purchases two water tankers through the RBIG grant under the re-prioritisation of the grant. Water has been carted to areas affected by shortage in supply.

A drought mitigation plan was also submitted to the National Disaster Management Centre through COGTA to assist with the re-declaration of the drought. The Municipality is actively addressing the problem to the best of its ability, with the assistance from the Department of Water and Sanitation, COGTA and Sarah Baartman District Municipality.

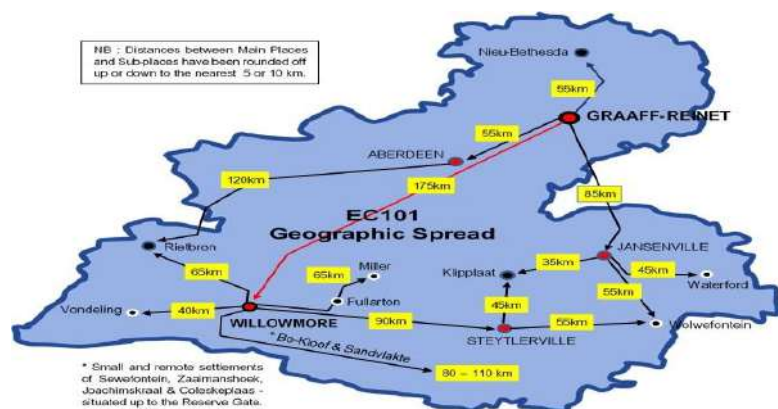
CHALLENGES IN POPULATION AND BASIC NEEDS

Some of the main challenges in terms of Dr Beyers Naudé Municipality's growing population and increasing demand for basic services are:

- Consumers are not adhering to the water restrictions and as a result water usage are very high.
- Top 20 water users in all towns were identified for reduction in supply and the Mayor in the weekly noticed of the "Mayors Desk" requested the community to use water sparingly.
- High welfare dependency and serious social problems (e.g. unemployment and substance abuse);
- The provision of suitable skills development and training, as well as the creation of sufficient and sustainable employment opportunities, especially amongst the unemployed Youth; Plumbers were trained by DWS to assist with water leaks in the Municipal area.
- Addressing the current housing backlog adequately in order to reduce and eventually eradicate the number of unserved informal households; Additional water and sanitation services were provided to informal settlements in Graaff-Reinet.
- Loadshedding were experienced and created electricity problems that contributed to water supply and sewer spillages. The town of Jansenville required their maximum demand to be upgraded by Eskom and 119 beneficiaries benefited from non-grid electricity in Vondeling, Baviaanskloof with the support of DOE. Informal settlements have grown and most dwellings do not comply with legal requirements for the provision of safe electrical installations. Some settlements are serviced by Eskom.
- All towns experienced water supply challenges which are being addressed through grant-funded capital infrastructure projects and operation and maintenance. Funding from DWS under RBIG, WSIG during 2020/21 FY was utilized for addressing water challenges. The Municipality has been exploring ways and means of finding solutions for managing its scarce water resources more effectively and economically. Stringent water restrictions are in place. Defective water meters have been replaced in residential areas and bulk meters were installed.
- Over the past few years there have been issues with sewage pump and reticulation systems – mainly as a result of having to carry higher volumes, large objects being disposed of in and blocking the system, vandalism and ageing infrastructure. The Municipality implemented the Refurbishment of sewer pump stations and completed 3 sewer pump stations during the financial year. The project is funded under the Municipal Infrastructure Grant. A Service provider was also appointed to assist with sewer spillages as well as another service provider to deal with water quality monitoring.

- An increase of vandalism has been observed in Municipal Infrastructure at a huge cost to the Municipality and its residents, as well as disruptions in service delivery. Mainly electricity, water and sanitation infrastructure were vandalised.
- Aging infrastructure also remains a challenge.
- Water losses as reflected in the IDP amounted to 47%, and the Municipality is proud to report that water losses for the financial year ending 30 June 2021 has been reduced to 38%.
- Electricity losses has also been reduced from 17% to 12% for the financial year ending 30 June 2021.

In accordance with the Municipal Structures Act 117/1998, Dr. Beyer's Naudé has been classified as a Category B Municipality; a collective executive system limits the exercise of executive authority to the Municipal Council itself and a Ward participatory system allows for matters of local concern to be dealt with by Ward committees. There are 14 Ward Councillors and 13 Proportional Representatives, whereby the Mayor and Speaker have been allocated full-time status.



PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions;

- Key performance indicators has been reviewed and the SMART principle has been applied, so that there is effective monitoring and measurement of Key performance indicators.
- The Performance Management Policy that is the guiding tool for the Municipality has been reviewed and approved by the Dr. Beyers Naude Municipality Council.
- There is a key performance indicator column added to Capital Budget Projects so that projects are more clearly defined.
- Within the scorecard sent out quarterly for performance evaluations, a column provision has been made for targets not met or lagging behind.
- The Performance Management is in the process of being cascaded to Management level with in the Municipality and the intention is that individual performance will be evaluated in the 2021/2022 financial year.

	Performance Management guiding policy	All s54/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In place?	√	√	√	√	√	√

Performance Management System Checklist

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OVERVIEW

The organizational performance is evaluated through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.
- The SDBIP was prepared as described in the paragraphs below and approved by the Mayor.

The SDBIP consolidate service delivery targets set by Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the SDBIP include:

One-year detailed plan,

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected NOT billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators;
- Non-financial measurable performance objectives in the form of targets and indicators; and detailed capital project plan broken down by ward.

PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/2021 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's SDBIP.

Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These Key Performance Indicators are linked to the National Key Performance Areas.

Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/2021
The 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	Appointment of 3 Senior Managers – Director Infrastructure Services, Director Community Services and Director Corporate Services.
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%

Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/2021
The percentage of households with access to basic level of water	97%
The percentage of households with access to basic level of sanitation	84%
The percentage of households with access to basic level of electricity	96%
The percentage of households with access to basic level of refuse removal	100%

Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/2021
The Number of jobs created through the Municipality EPWP Labour intensive programme to address high unemployment rate	580

Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/2021
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	96%

SDBIP REPORT FOR 2020/2021

• CAPITAL BUDGET PROJECTS - 2020/2021

Infrastructure Development

Number of projects: 6

Number of projects Completed/ On Target: 6

Number of projects Not on Target: 0

Percentage on Target: 100%

Institutional Development

Number of projects: 15

Number of projects Completed/ On Target: 14

Number of projects Not on Target: 1

Percentage on Target: 93%

OVERALL CAPITAL BUDGET PROJECT ACHIEVEMENT

Total Number of Capital Budget Projects per KPA = 21

Number of Key Performance Indicators on Target/Completed = 20

Number of Key Performance Indicators Not on Target = 1

Percentage on Target = 95%

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2020/21

Development Priority: Infrastructure Development

Number of Indicators: 7

Number of indicators on Target: 6

Number of indicators Not on Target: 1

Percentage on Target: **86%**

Development Priority: Community Development

Number of Indicators: 4

Number of indicators on Target: 4

Number of indicators Not on Target: 0

Percentage on Target: **100%**

Development Priority: Institutional Development

Number of Indicators: 13

Number of indicators on Target: 10

Number of indicators Not on Target: 3

Percentage on Target: **77%**

Development Priority: Local Economic Development

Number of Indicators: 5

Number of indicators on Target: 3

Number of indicators Not on Target: 2

Percentage on Target: **60%**

Development Priority: Back to Basics – Good Governance

Number of Indicators: 11
Number of indicators on Target: 10
Number of indicators Not on Target: 1
Percentage on Target: **91%**

Development Priority: Back to Basics – Sound Financial Management

Number of Indicators: 11
Number of indicators on Target: 5
Number of indicators Not on Target: 6
Percentage on Target: **45%**

OVERALL SERVICE DELIVERY KEY PERFORMANCE INDICATOR ACHIEVEMENT

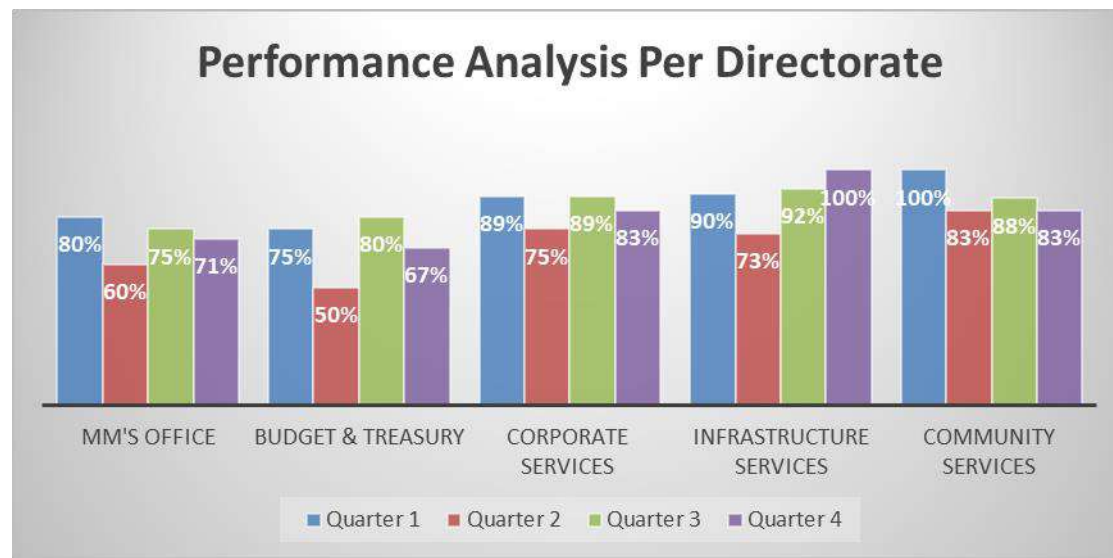
Total Number of Key Performance Indicators per KPA = 50
Number of Key Performance Indicators on Target/Completed = 38
Number of Key Performance Indicators Not on Target = 12
Percentage on Target = 76%

OVERALL KEY PERFORMANCE INDICATOR TARGET ACHIEVEMENT

Total Number of Key Performance Indicators = 71
Number of Key Performance Indicators on Target = 57
Number of Key Performance Indicators Not on Target = 14
Percentage on Target = 80%

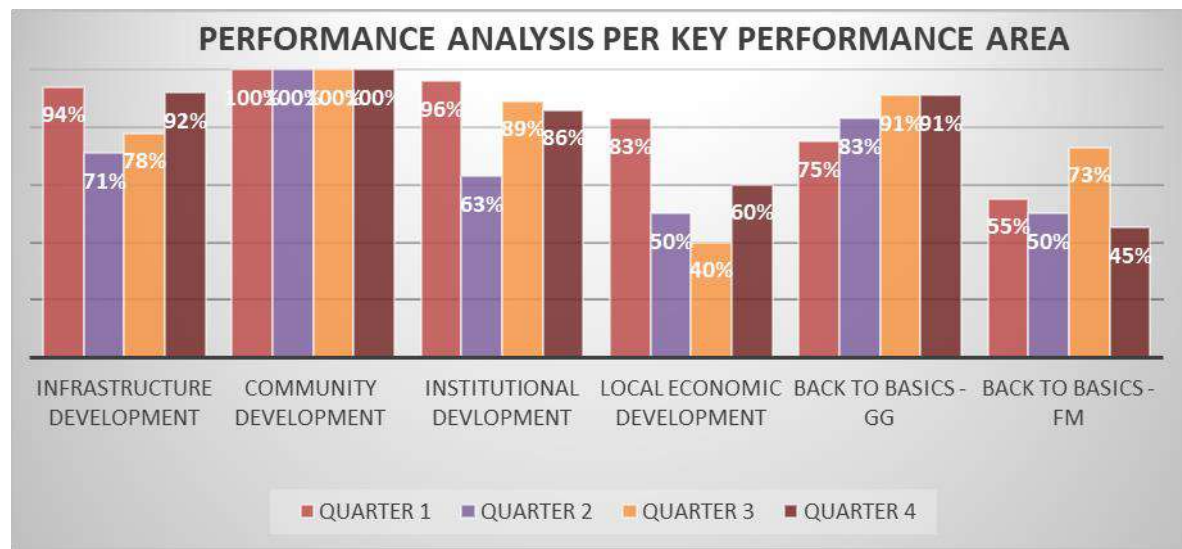
DEPARTMENTAL SDBIP OVERALL PERFORMANCE

The graph illustrates the SDBIP performance per directorate for the four quarters of the financial year



INSTITUTIONAL KPA OVERALL PERFORMANCE

The graph illustrates the SDBIP Organizational performance per Key Performance Area



CAPITAL BUDGET PROJECT ANALYSIS

SDBIP ANALYSIS REPORT – CAPITAL BUDGET PROJECTS - 2020/2021

Infrastructure Development

Number of projects: 6

Number of projects Completed/ On Target: 6

Number of projects Not on Target: 0

Percentage On Target: 100%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	OVERALL PERFORMANCE 2020/2021				
									Annual Target	On Target/Not on Target	Brief description of actual output	Variance	Reason for variance and plan of action
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations .	Number of additional boreholes equipped in Willowmore by 30 th June 2021.	8,9 &13	Infrastructure Services	External MIG	5,050,141	4,953,523	98%	Equip 2 additional boreholes	On Target	2 additional boreholes equipped. Project complete	None	n/a
To adequately increase bulk water storage,	Upgrade reticulation system by systematically replacing	Number of boreholes drilled in Graaff-Reinet by	2,3,4,5, 6,7,14	Infrastructure Services	External DWS - WSIG	7,000,000.00	6 086 956.52	87%	7 boreholes drilled.	On Target	10 boreholes drilled.	+3	There was a saving on the drilling so 3 additional

upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	old installations .	30 th June 2021.											boreholes were drilled, one dedicated for monitoring of ground water levels.
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations .	Number of pumps installed for 2 boreholes in Aberdeen by 31 st December 2020.	1 & 7	Infrastructure Services	External MIG	1,300,000.00	1 130 432.85	87%	Install 2 pumps for boreholes	On Target	3 pumps installed during the 1 st quarter of the year. Project completed.	+1 pump installed.	Saving on contract as the work was done inhouse.
To adequately upgrade and/or construct Waste Water Treatment Works and maintain them on a regular basis	Systematically upgrade existing infrastructure; replace and rehabilitate where applicable	Number of sewer pumps stations upgraded in Graaff-Reinet by 30 th June 2021.	2,3,4,5, 6,14	Infrastructure Services	External MIG	14 660 701.37	12 748 341.38	87%	Upgrade 3 sewer pump stations	On Target	All 3 sewer pump stations at practical completion 29 June 2021.	none	The upgrade entails new top structure, new standby generators in case off power failure and new motors. Completion certificate available.
To adequately upgrade the electrical supply and install the necessary	Conduct an audit of electrification needs and infrastructure in the Dr	Number of transformers procured by 30 th June 2021.	1-14	Infrastructure Services	Internal	600,000.00	469 510.77	78%	1 Transformer	On Target	4 transformers procured and delivered.	+ 3 transformers.	Due to vandalism additional transformer needed to be procured.

electrical infrastructure , as well as regular maintenance thereof	Beyers Naudé LM.												
To adequately construct, upgrade or install Streets & Stormwater networks and to maintain them on a regular basis	Develop a Streets & Stormwater Management Plan that also contains an Implementation & Action Plan that will systematically address the issue of especially Stormwater in the Dr Beyers Naudé LM.	Upgrading of 2000m ² gravel roads with interlocking paving blocks in Graaff-Reinet by 30 th June 2021.	5,6	Infrastructure Services	External MIG	2 876 000,00	2,875,614	99.9%	2000m ² gravel roads paved.	On Target	Total gravel roads paved: 4809 m ²	+ 2809 m ²	The priority list changed, some scope were reduced and more paving was done.

Institutional Development

Number of projects: 15

Number of projects Completed/ On Target: 14

Number of projects Not on Target: 1

Percentage On Target: 93%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	OVERALL PERFORMANCE 2020/2021				
									Annual Target	On Target/ Not on Target	Brief Description of actual output	Variance	Reason for variance and plan of action
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Upgrade of Klipplaat and Aberdeen satellite fire stations buildings by 30 th June 2021.	Institutional	Community Services	External SBDM	150,000	Aberdeen: R65 000 Klipplaat: R33 849,60	66%	2	Not on Target	Repair and paint of fire buildings in Aberdeen and Klipplaat Aberdeen building upgrade has been completed. Tender for Klipplaat upgrade had to be re-allocated due to problem with original service provider requesting deposit. Will be completed within days.	Klipplaat upgrading not completed at 30 th June 2021.	To be completed before 30 th July 2021.

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Vehicles purchased by Community service directorate (traffic control) by 31 st March 2021	Institutional	Community Services	Internal	410,000.00	388 004.30	95%	2 Sedans	On Target	2 X Polo Vivo 1.4 procured and delivered	None	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of vehicles purchased by Infrastructure Services directorate (sewerage services) by 30 th June 2021	Institutional	Infrastructure Services	Internal	1,325,000	1, 776 301.5	134%	5 Vehicles	On Target	5 Vehicles procured and delivered. 2 vehicles of the 5 vehicles were provided to Community Services Directorate.	None	n/a

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of vehicles purchased by Infrastructure Services directorate (electrical services) by 30 th June 2021	Institutional	Infrastructure Services	Internal	265,000.00	355 260.30	134%	1 vehicle	On Target	1 vehicle procured and delivered. Vehicle provided to Community Services Directorate.	None	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of vehicles purchased by Infrastructure Services directorate (electrical services) by 30 th June 2021	Institutional	Infrastructure Services	Internal	664,000	806 897.50	122%	2 vehicles	On Target	2 vehicles procured and delivered.	none	n/a

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of vehicles purchased by Infrastructure Services directorate (sewerage services) by 30 th June 2021	Institutional	Infrastructure Services	Internal	332,000	403 448.75	122%	1 vehicle	On Target	1 Vehicle procured and delivered.	None	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of vehicles purchased by Community Service directorate (waste management) by 30 th June 2021.	Institutional	Community Services	Internal	780,000.00	760 789.56	98%	1 truck	On Target	Procurement processes were completed and 2 X Hyundai H100 trucks have been ordered in time.	+ 2 Hyundai H100	As a result of insufficient funds provided for on the budget, the planned refuse truck cannot be procured and instead 2 X Hyundai H100 trucks have been procured for waste.

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Hyno Fire pumps repaired by 30 th June 2021	Institutional	Community Services	External SBDM	320,000	297 613.68	93%	2	On Target	2 X Hyno fire pumps repaired.	None	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Standby generators procured by 30 th June 2021.	Institutional	Budget and Treasury	External FMG	200,000.00	260 669.79	130%	2	On Target	Procurement and delivery of 2 standby generators.	none	n/a

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of high pressure storm water jetting machines procured by 31 st March 2021.	Institutional	Infrastructure Services	Internal	590 000,00	534 400.00	91%	1	On Target	1 high pressure storm water jetting machine delivered.	none	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally	Equip offices and areas of service delivery with adequate resources.	Number of Poker Vibrators procured by 30th September 2020.	Institutional	Infrastructure Services	Internal	30 000,00	23 044.50	77%	3	On Target	3 poker vibrators procured.	none	n/a

compliant													
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of plate compactors procured by 31 December 2020.	Institutional	Infrastructure Services	Internal	45 000,00	43 245.75	96%	2	On Target	3 plate compactors delivered.	+1	Due to operational requirements difficulty were experienced with the sharing of the compactors between towns. Potholes increased and the need arises for additional plate compactor.
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be	Equip offices and areas of service delivery with adequate resources.	Number of concrete mixers procured by 31 December 2020.	Institutional	Infrastructure Services	Internal	150,000.00	96,000.00	64%	3	On Target	3 concrete mixers delivered	None	n/a

legally compliant													
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of chain saws, procured by 30th June 2021.	Institutional	Community Services	Internal	50 000,00	44 542.50	89%	5	On Target	5 chainsaws procured and delivered.	none	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be	Equip offices and areas of service delivery with adequate resources.	Number of laptops purchased by 31 December 2020	Institutional	Budget & Treasury	External FMG	250,000.00	96 894.93	39%	10	On Target	10 laptops procured.	none	n/a

legally compliant													
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SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS

INFRASTRUCTURE DEVELOPMENT					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target / Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Infrastructure Development & Service Delivery	For all households to have uninterrupted access to good quality, potable water.	Implement Action Plans contained in WSDP and ensure that proper controls and monitoring measures are in place	Infrastructure Services	Monitor water quality through taking 4 Samples per month.	48	On Target	Total: 283 samples	+ 235 samples	Drought Conditions requires more monitoring and sample points to ensure safe drinking water to all consumers during carting processes
Infrastructure Development & Service Delivery	For all households to have uninterrupted access to good quality, potable water.	Implement Action Plans contained in WSDP and ensure that proper controls and monitoring measures are in place	Infrastructure Services	Percentage compliance with drinking water quality standards (micro-bacteriological) quarterly.	85%	On Target	Total: 98.65%	+13,65%	Compliance to drinking water quality standard achieved throughout financial year.
Infrastructure Development & Service Delivery	To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular	Improve reticulation losses and improve revenue by replacing old non-functional	Infrastructure Services	Reduce electricity losses to at least 16% by 30 th June 2021.	16%	On Target	12.30% losses	n/a	n/a

	maintenance thereof.	electricity and water meters.							
Infrastructure Development & Service Delivery	To have all Municipal water-supply consumers connected to a metering system and registered on the debtor's database for monthly billing purposes.	Improve reticulation losses and improve revenue by replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce water losses to at least 40% by 30 th June 2020.	40%	On Target	38% losses	n/a	n/a
Infrastructure Development & Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Develop a new Integrated waste management plan for Dr. Beyers Naude Municipality and review it regularly.	Community Services	Number of draft waste management plans developed by 30 th June 2021.	1	Not On Target	Request for assistance in developing a Draft waste management plan circulated to SALGA and SBDM.	n/a	Plan to be implemented in 2021/22 financial year.
Infrastructure Development & Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Step up educational campaigns to encourage all citizens to take pride in their areas and keep them clean; to recycle at source	Community Services	Number of Waste management awareness Campaigns held by 30 th June 2021	4	On Target	In collaboration with BNLM Fire Services, EHP's, GGD and SANParks, awareness campaigns and clean-ups were undertaken at the following schools: 1. Thembalesizwe Primary School 2. Nqweba Secondary School 3. IsiBane Primary	n/a	n/a

							School and Lingcom Primary		
Infrastructure Development & Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Develop a new Integrated waste management plan for Dr. Beyers Naude Municipality and review it regularly.	Community Services	Number of illegal dumping sites cleaned within DBNLM by 30 th June 2021	14	On Target	18 illegal dumping sites cleaned.	+4	Additional sites cleaned due to illegal dumping.
COMMUNITY DEVELOPMENT					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target / Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	SPU/ Corporate Services	Draft youth development policy and table before council by 31 st March 2020.	1	On Target	Draft Youth Development Policy presented to the Ordinary Council meeting on 31 March 2021. The Draft Policy was referred to the 1 st Youth Council established on 16 June 2021 for their inputs.	n/a	n/a

Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	SPU/ Corporate Services	Number of Council/Forums established in Dr. Beyer's Naudé Local Municipality by 30 June 2021	4	On Target	Youth, Local Aids, Local Sports Council, and disabled desk established. Youth Council established on 16 June 2021.	n/a	n/a
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	SPU/ Corporate Services	Monitor Functionality of SPU consultative councils/ Forums by providing quarterly reports to the Corporate Services Portfolio Committee.	4	On Target	4 quarterly SPU reports have been tabled before Standing Committee Meetings and Council.	n/a	n/a
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and	SPU/ Corporate Services	Number of Public Holidays commemorated in 2020/2021	10	On Target	16 days of activism against women and child abuse, National day for persons with disability, World Aids Day, Opening of festive season, Breast Cancer Awareness Day, Human rights, Freedom Day and Youth Day commemorated by	n/a	n/a

		Women.					the SPU office in partnership with sector Departments and organisations.		
INSTITUTIONAL DEVELOPMENT					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target /Not On target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Review the organogram annually.	Corporate Services	Review organizational structure and table before council by 30 th June 2021	1	Not on Target	On 31 st March 2021 an item to review organogram was approved by Council. A memorandum was sent to all Directors on 4 May 2021 and 8 June 2021 respectively. Organogram Workshops were held by the Corporate Services Directorate on 14 May, 21 May & 3 June 2021. Submissions were received from Willowmore on 2 June, Aberdeen on 4 June & Jansenville on 8 June 2021. A Draft Organogram of Corporate Services is ready to be workshopped, however due to non-submission of other departments the	1	Reasons provided in output description. Organizational structure to be revised in 2021/22 financial year.

							workshop was postponed. On 6 June 2021, the Municipal Managers Office submitted a draft reviewed organogram.		
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Commence with placement process.	Corporate Services	100% Implementation of placement (recruitment and selection) by 31 st March 2021.	100%	On Target	1 st leg of direct placement completed, 2 nd consisting of recruitment & selection process completed and 3 rd leg is review of organogram which is dependent on Directors to submit their reviewed organograms.	n/a	n/a
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Commence with placement process.	Corporate Services	% of job description developed for all filled post on the staff establishment by 31 st March 2021	100%	On Target	Job Description Project finalised, and 390 JD developed for the Municipality.	n/a	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels	Implement Plan & Policies and upgrade systems; accordingly, provide suitable training to enable staff to utilize these	Corporate Services	Number of employment equity plans revised/ developed by 30 June 2021	1	Not on Target	The EEP was approved by Council subject to a workshop to Councillors. The workshop took place on 28 January 2020. The EEP will be reviewed in December 2021	1	Revising of the Employment equity plan is dependent on the review of the staff structure.

	of service delivery, as well as legally compliant	systems optimally and correctly.					subject to finalisation of placement process.		
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Number of HR plans developed by 31 March 2021.	1	Not on Target	The Draft HR Plan is ready to be workshopped and the dates identified on the year planner was 8 July 2021 with organised labour. 16 July 2021 a formal workshop with all relevant parties & 29 July 2021 for final approval by Council. But due to the adjusted level 4 regulations all meetings were put on hold.	1	Reschedule dates for workshop and approval of HR plan.
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Develop a workplace skills plan with an annual training report by 31 March 2021	1	On Target	Workplace skills plan presented to the Training Committee on Monday, 6 April 2021	n/a	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and	Implement Plan & Policies and upgrade systems accordingly;	Finance	Number of municipal policies reviewed 30 June 2021	12	On Target	16 policies revised and 2 new policies developed.	+4 revised policies and 2 new policies.	Additional policies revised, and 2 new policies developed.

	venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	provide suitable training to enable staff to utilize these systems optimally and correctly.							
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Finance	Prepare Supply Chain Management Implementation Compliance through 3 quarterly reports by 30 June 2021	3	On Target	3 SCM quarterly reports developed and submitted to BTO standing Committee and Council.	n/a	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Finance	Develop and Monitor Contract register for all service providers and provide quarterly reports by 30 June 2021	3	On Target	3 contract register quarterly reports developed and submitted to BTO standing Committee and Council	n/a	n/a

Organisational Transformation & Institutional Development	To develop a performance management culture within the Municipality	Quarterly institutional performance reports to Council.	Municipal Manager/ PMS Unit	4 quarterly SDBIP Performance reports submitted to Council by 30 June 2021, to inform Council of Institutional Performance.	4	On Target	4 quarterly SDBIP performance reports tabled to EXCO, and Council.	n/a	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Ensure an updated Lease Register on a quarterly basis.	1	On Target	Updated Lease register available with all expired and current active leases.	n/a	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Corporate Services	Report on all disciplinary hearings and litigations on a quarterly basis to EXCO.	4	On Target	Quarterly disciplinary and litigation reports tabled before EXCO and Council.	n/a	n/a

LOCAL ECONOMIC DEVELOPMENT					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target /Not On target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ LED Unit	Number of people employed through EPWP to address high unemployment rate in Dr. Beyers Naudé Local Municipality by 30 June 2021	188	On Target	580 people employed	+392	Required additional people to perform work. Additional people employed.
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ LED Unit	Assistance and development of SMME's by 30 June 2021	15	On Target	8 companies have been trained on tendering and compliance. 4 appointed as sub-contractors 3 companies were assisted with funding through Sarah Baartman DM of up to R160 000.	n/a	n/a
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR	Support, encourage and facilitate value-adding initiatives, programmes	Municipal Manager/ LED Unit	LED strategy developed and approved by 31 March 2021.	1	Not on Target	Public Participation sessions were delayed, however completed. A new service provider has been appointed to	1	LED strategy not finalised. To be completed by 31 December 2021.

	DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	and projects					take the process forward		
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value- adding initiatives, programmes and projects	Municipal Manager/ LED Unit	Tourism and Marketing strategy developed and approved by council by 31 March 2021	1	Not on Target	Tourism and Marketing Strategy dependent on LED strategy.	1	Tourism and Marketing strategy to be completed by 31 December 2021.
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value- adding initiatives, programmes and projects	Municipal Manager/ LED Unit	Number of Business forums within Dr. Beyers Naude Municipality established by 30 June 2021	1	On Target	The Dr Beyers Naude Umbrella body has been established.	n/a	n/a

BACK TO BASICS - KPA – Good Governance & Public Participation					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not On target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Developing a credible Integrated Development Plan that will address the developmental needs of our community.	Municipal Manager/ IDP Unit	A reviewed, amended and credible IDP for 2020/21 by 31 May 2021.	1	On Target	All legislated activities for the review of the IDP has occurred. 4 th review of the IDP adopted by Council and ratified on the 21 st June 2021, with the adoption of the Budget.	n/a	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services	Number of Meetings held in terms of year planner by 30 June 2021 (4 Ordinary Council Meetings and 4 Standing Committee meetings)	8	On Target	Quarterly Ordinary Council, Standing Committee and EXCO meetings held.	n/a	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Municipal Manager	Number of MPAC meetings to assist with oversight function until 30 June 2021	4	On Target	MPAC meeting held on 19 August, 3 November and 10 November 2020, 8 th March, 15 May, 15 June, and 22 June 2021.	+3	Additional meetings held to engage on matters referred to MPAC.

Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Municipal Manager	Number of Audit Committee meetings to assist with oversight function until 30 June 2021.	4	On Target	Audit Committee Meeting held on 7 July 2020, 20 November 2020, 11 December 2020, 15 th February 2021 and 15 th April 2021.	+1	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services	Number of IT steering committee meetings held by 30 th June 2021.	4	On Target	IT steering committee meetings held on; 17 August, 14 September and 9 November 2020 and 3 March 2021	n/a	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services	Ensure that the LLF is functioning properly and fulfilling its mandate by having 6 Meetings annually	6	On Target	LLF meetings held on 30 July, 22 September and 11 November 2020, 11 February 2021, 7 April and 25 th June 2021.	n/a	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communication	Corporate services	Number of Occupational Health and Safety Committee Meetings held	4	On Target	Occupation Health & safety meeting held on 14 & 15 December 2020 25 January 2021 and 29 June 2021.	n/a	n/a

		s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.		by 31 st June 2021.					
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager/ Communications Unit	Number of monthly newsletters distributed by 30 th June 2021	12	On Target	e-Newsletter distributed weekly, internally and externally through social media.	n/a	Communication strengthened to ensure informed communities and positive image of the Municipality.
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication s and other systems that will improve information-sharing,	Municipal Manager/ Communications Unit	Revise communication s policy and strategy with quarterly implementation reports	3	Not on Target	Communication policy, strategy and Action plan revised during the financial year. Workshopped with relevant staff and council.	3	Communication policy, strategy and action plan to be tabled before Council by 31 December 2021.

		enhance public participation and promote socio-economic development.							
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been established and are functioning properly, and that a CDW has been appointed in each Ward.	Corporate services	Quarterly consolidated reports on Ward Committee meetings by 30 June 2020.	4	On Target	Quarterly ward committee reports tabled to the Corporate Services standing committee meetings and to Council.	n/a	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate services	Quarterly reports from the customer care call centre submitted to EXCO.	4	On Target	4 quarterly customer call centre reports submitted to Corporate Service Standing Committee Meetings, and Council.	n/a	n/a

BACK TO BASICS – KPA – Sound Financial Management					OVERALL PERFORMANCE 2020/2021				
KPA	Objective	Strategy	Depart	KPI	Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for Variance and Plan of Action
Sound Financial Management	To become a financially viable and sustainable Municipality.	The development and implementation of a Funding Strategy.	Municipal Manager/ Directors	100% expenditure of Municipal Grants by 30 June 2021	100%	Not On Target	89% expenditure on Municipal Grants.	-11%	Total RBIG allocation not received.
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager/All Directors	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes 30 June 2021	100%	Not on Target	Reports submitted late in all quarters.	n/a	Strict adherence to deadlines are being prioritised, and audited by the internal auditors.
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager/All Directors	Improve Outcome of the AG report: Execute action plan to address previous findings by 30 June 2021.	1	Not on Target	Only 1 out of 20 actions were completed by 30 June 2021	n/a	Actions to be prioritised.
Sound Financial Management	To receive a Clean Audit Opinion from the	Implementation and execution of an	Finance	Verification of the completeness	100%	On Target	100% of action completed as per quarterly SDBIP targets	n/a	n/a

	Auditor-General.	Audit Action Plan.		of the Asset Register (Asset Register compliant to GRAP standards)					
Sound Financial Management	To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager/All Directors	Percentage CAPEX of budget spend by 30 th June 2021	100%	Not on Target	96% expenditure, with commitments.	-4%	Total of RBIG allocation not received.
Sound Financial Management	To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager/All Directors	Percentage OPEX budget spend by 30 th June 2021	80%	On Target	88% expenditure	n/a	n/a
Sound Financial Management	To adopt a realistic, credible and funded Annual Budget	Alignment of the Budget to the IDP's Development Priorities.	Finance	2020//2021 Budget approved by Council by 31 May 2021.	1	Not on Target	Budget approved on the 21 st June 2021. Budget adopted within legislated timeframe, however not as per SDBIP target date.	n/a	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves	Finance	Improve collection rate on service debtors to address cash flow constraints by 30 June 2021 (Service debtors/service debt collected)	90%	On Target	100,8% collection rate.	n/a	n/a

		and assets in order to meet unexpected costs.							
Sound Financial Management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Finance	Financial recovery plan implemented and monitored by submissions quarterly to EXCO by 30 June 2021	4	On Target	Quarterly implementation reports submitted to EXCO.	n/a	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control & Debt Collection Policy.	Finance	Effective control over 80% collection of property rates: by 30 June 2021 Property rates collected/ property rate debtors.	80%	On Target	95,12% collection of property rates.	n/a	n/a
Sound Financial Management	To receive a clean audit opinion from the Auditor General.	Implementation and execution of the Financial Recovery Plan – robust plans for the	Finance	Average number of days taken for creditors to be paid: Creditors	30 days	Not on Target	Due to cashflow constraints, creditors not paid within 30 days.	n/a	n/a

		repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.		Payment Period Creditors Outstanding/Credit Purchases (Operating & Capital) x 365 (Norm is 30 days)					
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2019/2020 PERFORMANCE – TARGET ACHIEVEMENT VS 2020/2021 PERFORMANCE – TARGET ACHIEVEMENT

2019/2020 - CAPITAL BUDGET PROJECTS	2020/2021 – CAPITAL BUDGET PROJECT
<p><u>Infrastructure Development</u></p> <p>Number of projects: 16 Number of projects completed/ on target: 10 Number of projects Not on Target: 6 Percentage on targets: 63%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 3 Number of projects completed/ on target: 1 Number of projects Not on Target: 2 Percentage on targets: 33%</p> <p>Total Number of Capital Budget Projects per KPA = 19 Number of Key Performance Indicators on Target/Completed = 11 Number of Key Performance Indicators Not on Target = 8 Percentage on Target = 58%</p>	<p><u>Infrastructure Development</u></p> <p>Number of projects: 6 Number of projects completed/ on target: 6 Number of projects Not on Target: 0 Percentage on targets: 100%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 15 Number of projects completed/ on target: 14 Number of projects Not on Target: 1 Percentage on targets: 93%</p> <p>Total Number of Capital Budget Projects per KPA = 21 Number of Key Performance Indicators on Target/Completed = 20 Number of Key Performance Indicators Not on Target = 1 Percentage on Target = 95%</p>

2019/2020 - OPERATIONAL KPI'S / PROJECTS	2020/2021 – OPERATIONAL KPI'S / PROJECTS
<p>Development Priority: Infrastructure Development Number of Indicators: 5 Number of indicators on target: 1 Number of indicators not on target: 4 Percentage on target: 20%</p> <p>Development Priority: Community Development Number of Indicators: 4 Number of indicators on target: 0 Number of indicators not on target: 4 Percentage on target: 0%</p> <p>Development Priority: Institutional Development Number of Indicators: 14 Number of indicators on target: 6 Number of indicators not on target: 8 Percentage on target: 43%</p> <p>Development Priority: Local Economic Development Number of Indicators: 7 Number of indicators on target: 3 Number of indicators not on target: 4 Percentage on target: 43%</p> <p>Development Priority: Back to Basics – Good Governance Number of Indicators: 11 Number of indicators on target: 2 Number of indicators not on target: 9 Percentage on target: 18%</p> <p>Development Priority: Sound Financial Management Number of Indicators: 11 Number of indicators on target: 5 Number of indicators not on target: 6 Percentage on target: 45%</p>	<p>Development Priority: Infrastructure Development Number of Indicators: 7 Number of indicators on target: 6 Number of indicators not on target: 1 Percentage on target: 86%</p> <p>Development Priority: Community Development Number of Indicators: 4 Number of indicators on target: 4 Number of indicators not on target: 0 Percentage on target: 100%</p> <p>Development Priority: Institutional Development Number of Indicators: 13 Number of indicators on target: 10 Number of indicators not on target: 3 Percentage on target: 77%</p> <p>Development Priority: Local Economic Development Number of Indicators: 5 Number of indicators on target: 3 Number of indicators not on target: 2 Percentage on target: 60%</p> <p>Development Priority: Back to Basics - Good Governance Number of Indicators: 11 Number of indicators on target: 10 Number of indicators not on target: 1 Percentage on target: 91%</p> <p>Development Priority: Back to Basics - Sound Financial Management Number of Indicators: 11 Number of indicators on target: 5 Number of indicators not on target: 6 Percentage on target: 45%</p>

Total Number of Key Performance Indicators per KPA = 71
Number of Key Performance Indicators on Target/Completed = 28
Number of Key Performance Indicators Not on Target = 43
Percentage on Target = 39%

OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP : 39%

Total Number of Key Performance Indicators per KPA = 71
Number of Key Performance Indicators on Target/Completed = 57
Number of Key Performance Indicators Not on Target = 14
Percentage on Target = 80%

OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 80%

SERVICE PROVIDER PERFORMANCE 2020/2021

Service providers are appointed to undertake work on behalf of the municipality. As such, the work to be undertaken is for the benefit of the community and must be monitored to ensure that payment for services is warranted and well spent. Service providers employed to complete projects specified in the IDP are, by implication, monitored through the SDBIP and PMS, due to the fact that a budgeted amount is agreed for the work.

As a guide, all officials engaging the services of an outside body must ensure that clear terms of reference are used for all appointments and that clear indicators specifying agreed timeframes and deliverables are agreed and included in the appointment letter. The appointment letter must also indicate the recourse for non-delivery of agreed deliverables of the required standard.

On a monthly basis, the performance of service providers are monitored. The project owner/manager is issued with a performance report to complete, and indicate the performance of the service provider for that particular month after a site visit is conducted. This report is signed by the service provider and the manager to indicate agreement of target achievement and filed.

IMPROVING PERFORMANCE – AUDIT IMPLEMENTATION ACTION PLAN

Nr	Class of transaction / account balance / Disclosure	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Directorate	Responsible Director	Responsible Designation and Official
1	Account balance	Investment Property	Investment property in the financial statements reported excluded depreciation which is in contravention of the accounting policy which states that the investment property is carried at cost less accumulated depreciation and accumulated impairment. The Municipality previously did not account for depreciation	Yes	Although land is not depreciated, the buildings are required to be depreciated	Reperform estimated useful lives with assistance of experts with relevant expertise and experience	BTO	CFO	Manager: Assets

2	Account balance	Investment Property	we identified that majority of the values in the investment property register were not supported by supporting documents i.e valuation report. Consequently reliance could not be placed on the investment property values disclosed in the financial statements and no alternative procedures could be performed. Therefore, the entire investment property balance will be a scope limitation, this will be reported in the audit report. Part of the conclusion	Yes	No supporting documents were available for former Bavians to audit. Management did not agree with the approach of the AG as the former Bavians was an unqualified audit prior to the merger. The balance were previously audited and brought onto the current year at the audited amounts	Reperform valuation for all investment property with reference to respective valuation rolls	BTO	CFO	Manager: Assets
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Nr	Class of transaction / account balance / Disclosure	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Directorate	Responsible Director	Responsible Designation and Official
3	Account balance	Investment Property	Some assets were noted to have been incorrectly classified as investment property as they were located at the municipality offices in Rietbron and not held for capital appreciation or for rental but classified as investment property incorrectly. Some items also could not be found when attempting to perform physical verification	No	Misclassification of assets. The nature of the assets should be correctly accounted for.	Reclassify items identified. 100% verification on all investment property to ensure correct classification	BTO	CFO	Manager: Assets
4	Disclosure	Irregular expenditure	Completeness and accuracy of irregular expenditure. Certain amounts of irregular	Yes	Management reports were not thoroughly reviewed to ensure all items are included.	Review all the management reports of the AG from 2016/17 to 2019/20 to ensure that all irregular	BTO	CFO	Manager: SCM

			expenditure not included on the irregular expenditure listings or included at incorrect amounts which includes the items which should be disclosed exclusive of VAT		Inadequate documents management and VAT on irregular expenditure should be removed	expenditure items are accounted for correctly. Any write-off has followed the adequate process in terms of the legislation			
5	Account balance	Receivables from exchange transactions	Information related to housing debtors was not submitted for audited. There has been no to minimal movement on this balance	No	Balances transferred from former municipalities with inadequate documents	Review all votes that are unknown and with no movement. Council write-off of these amounts which are unknown and coming from former municipalities.	BTO	CFO	Manager: Revenue
6	Disclosure	Cash flow statement	Cash flow statement differences exist	Yes		Obtain the services of consultant to assist with the cash flow with all workings to be retained	BTO	CFO	CAE

Nr	Class of transaction / account balance / Disclosure	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Directorate	Responsible Director	Responsible Designation and Official
7	Class of transaction	Operating leases	Lease agreements were not submitted for audit purposes	No		Cancellation of all month-to-month leases. Reconciliation to be done on the leases together with the amounts being charged on invoices and records to be kept ready for audit	BTO	CFO	Manager: SCM

8	Account balance	Unspent conditional grants	During the audit of Unspent conditional grants, we requested the service level agreements(SLA's) between the grantor and the municipality for the grants listed in the table below, However the information was not submitted for audit with no reasons for the non-submission:	No	Long outstanding grants from former municipalities with information not available	All attempts must be made to obtain information on the grants we have. All correspondence held and documents kept. If, after all attempts, no information is held, this item must be considered to be removed, where necessary, council resolution needs to be obtained	BTO	CFO	Manager: Financial services
9	Disclosure	Contingencies	Inconsistencies were noted in the disclosure of the AFS and the lawyers letters received by the AG	No	We obtained lawyers confirmations on 30 June 2020 and the AG obtained in January 2020 so the movement was updated	A list (with contact details) of all legal representatives utilised by the municipality during the 2020/2021 year must be obtained by 30 June 2021. Legal confirmation for all cases outstanding as at 30 June 2021 using template	MM	MM	COO
10	Account balance	Payables from non-exchange transactions	There is no listing to support the prepayment of electricity in payables from non - exchange	No	Balances transferred from former municipalities with inadequate documents	Review of all unmoved balances for the last few years and information obtained. Any	BTO	CFO	Manager: Expenditure

			transactions Clean up is necessary for all control votes unmoved			unsubstantiated amounts to be dealt with and removed			
11	Class of transaction	Revenue from exchange transactions	During the audit of Revenue from exchange transactions, we noted that the debit transactions were incorrectly classified to revenue votes	No	Revenue is understated and expenditure is overstated by same. Incorrect classification	Review all revenue votes, reclassify all of the 2020/21 figures to the correct vote for FBE and expenditure and ensure the correct vote is used for processing. Monthly review is necessary	BTO	CFO	Manager: Revenue
12	Class of transaction	Finance cost	Late payments of third parties attracted interest that accrues to the Municipality and should have been accounted for in the accounting records and disclosed as Fruitless & Wasteful Expenditure	No	Inability to pay on time	Monthly reconciliations to be performed every month to ensure that all interest is adequately recorded. At least all major third party creditors balances (SARS, Pension etc). Update the fruitless and wasteful expenditure listings	BTO	CFO	Manager: Expenditure

13	Account balance	Inventory	The AG's inability to perform stock count required alternative procedures. The auditor's were performing alternative procedures for the inventory balance as at 30 June 2020, which entailed performing roll-forward procedures (testing inventory for the period 01/07/2020-28/02/2021).	No	Processing and capturing no in real time	Capturing of requisitions and additions should be done in real time. Cycle count to be performed at end of April 2021 in preparation of 30 June 2020 stock count	BTO	CFO	Manager: SCM
14	Account balance	PPE - Library books	During the Audit of property Plant and Equipment, it was discovered that Library books were not assessed by the Municipality (or the assessment was not provided) on whether they meet the definitions of PPE or Heritage assets. The Municipality	No	Stock counts and electronic systems not in place.	Stock count required of all books held in the municipal libraries to ensure that listings are available for all books held, its condition and possible value	Corporate Services	Dcorp	Manager: Administration

			expensed all their library books in the year in which it was purchased.						
Nr	Class of transaction / account balance / Disclosure	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Directorate	Responsible Director	Responsible Designation and Official
15	Account balance	Inventory	The auditor's were performing alternative procedures for the inventory balance as at 30 June 2020, which entailed performing roll-forward procedures (testing inventory for the period 01/07/2020-28/02/2021). Some information was not provided	No	AG did not perform year end stock count and alternative procedures not yielding results.	Cycle count to be performed by end April 2021 to ensure that the stock warehouses are prepared for stock count. All receipts and issues of stock to be updated on the system prior to cycle count	BTO	CFO	Manager: SCM
16	Account balance	Heritage assets	The valuation of the mayoral chains were not supported by adequate	Yes	The valuation certificate does not link to the mayoral chains and is not	Valuation of mayoral chains to be done by certified valuer in the trade and ensure that it	BTO	CFO	Manager: Assets

			supporting documents.		considered adequate	adequately documents the value for each of the chains			
17	Compliance	Consequence management	For the unauthorised expenditure in note number 45, fruitless and wasteful expenditure note number 46 for and irregular expenditure 47, there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	The value is increasing every year with no decreases for write-off, condonations or recovery from responsible individuals	The expenditure must be investigated by the relevant oversight committees with references to adequate listings agreeing with the amounts and supporting documentation	MM	MM	COO
18	Compliance	Procurement and contract management	Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM	Yes	Management rely only on the suppliers' declarations of interest as their tool to identify a person who is in the service of the state. When a supplier did not declare, management will not be able	Each tenderer (especially winning bids) should be thoroughly check to confirm that the legislation is complied with. CSD reports must be attached with the minutes to confirm no employees are employed in the state. Where the	BTO	CFO	Manager: SCM

			regulation 13(c).		to identify suppliers in service of the state due to lack of another alternative tool/process.	declarations are inconsistent / dishonest, follow up is necessary and appropriately legal action taken.			
Nr	Class of transaction / account balance / Disclosure	FSLI	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Directorate	Responsible Director	Responsible Designation and Official
19	Compliance	Procurement and contract management	Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).	Yes	Poor planning	Deviation method must only be applied in terms of s36 of the SCM regulations	BTO	CFO	Manager: SCM

20	Compliance	Procurement and contract management	The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA	Yes	Improper record keeping	All contractors performance should be evaluated monthly in terms of section 116 of the MFMA	BTO	CFO	Manager: SCM
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Conclusion

Dr. Beyers Naudé Local Municipality is proud to present this Annual Performance Report for 2020/2021. An increase in target achievement is evident, compared to the last financial year. Although the Municipality was faced with various challenges throughout the year, the performance achievement is pleasing. The Municipality remains committed to respond to the expectations of communities within our jurisdiction, by providing quality and affordable services.