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ANNUAL REPORT 2021/2022



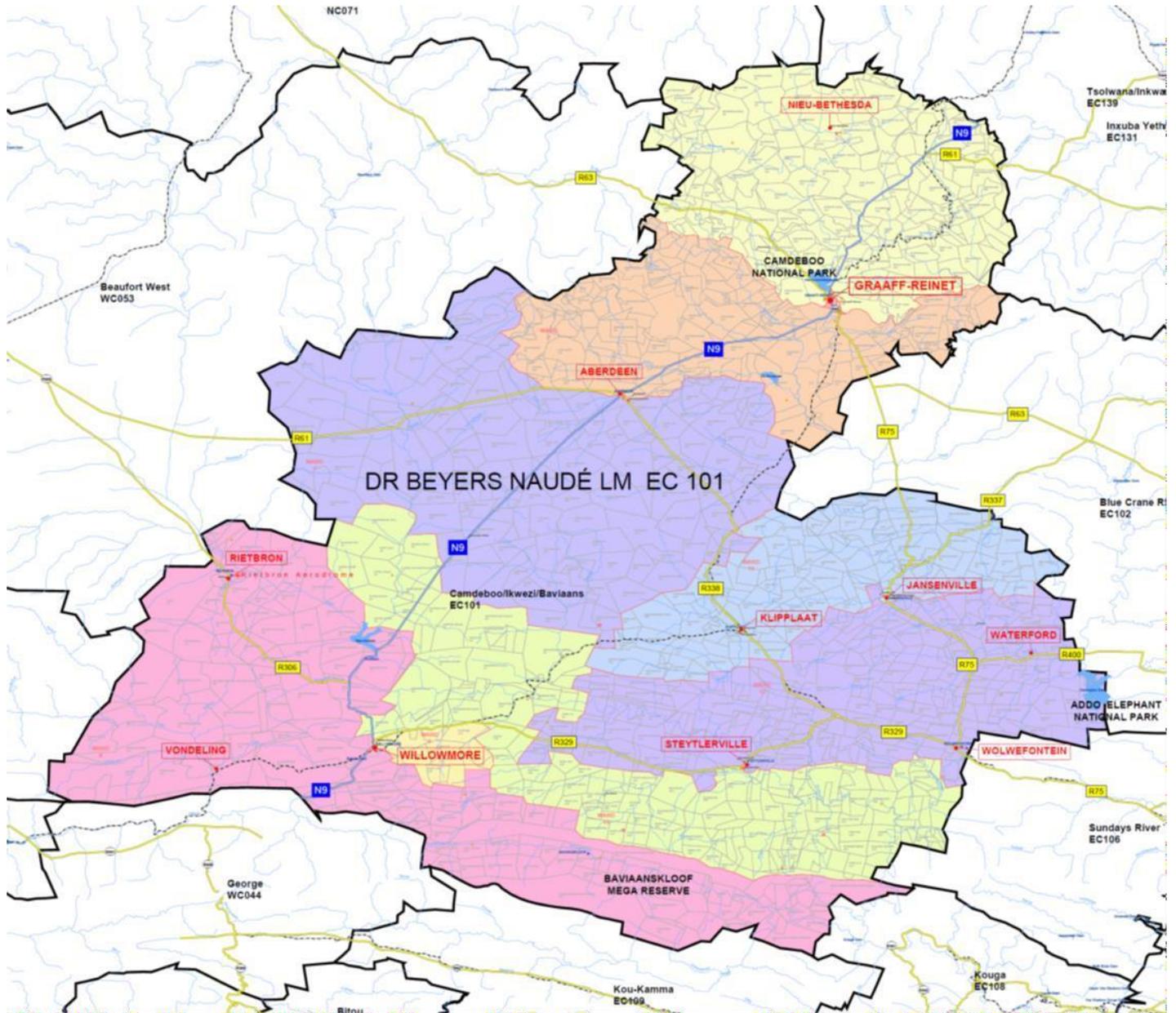


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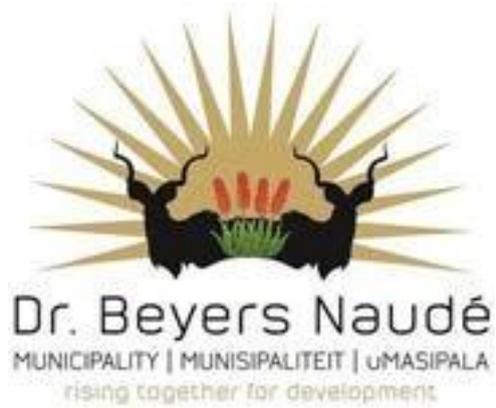
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ABBREVIATIONS & ACRONYMS

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
CSA	-	Compatriots of South Africa
DA	-	Democratic Alliance
DBNLM	-	Dr Beyers Naudé Local Municipality (or BNLN also used)
DCOMS	-	Directorate Community Services
DCS	-	Directorate Corporate Services
DINFRA	-	Directorate Infrastructure Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
EFF	-	Economic Freedom Fighters
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBW	-	Free Basic Water
FF+	-	Freedom Front Plus
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
MSCOA	-	Municipal Standard Chart of Accounts
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 2021/22 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 $\pm 28,690$ km², 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 three 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 km². It consists of 12 wards and has 24 Council members.

The Municipality comprises of the following Management/Service areas:

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

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 2021/2022 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.

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 WILLEM SÄFERS

DATE

1.1 MUNICIPAL MANAGER'S OVERVIEW

Dr Beyers Naudé Local Municipality's Annual Report for the 2021/2022 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 2021/22 financial year was another challenging year against the backdrop of continued difficult economic conditions and challenges present in both Local and National Environments. The prevailing drought which have resulted in water restrictions remain in place, and the constant load shedding, has presented major challenges in providing services to our communities. The Municipality is also faced with 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. Security has been strengthened, and priority is being given to investigating these cases and, if found, the perpetrators will be brought to book.

The water challenges experienced is being addressed through grant funded capital infrastructure projects, operations and maintenance. Funding from DWS under RBIG, WSIG during 2021/22 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 7 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.

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 and also documenting the challenges experienced. Although faced with challenges, 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 organization 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 EM RANKWANA

DATE

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

The introductory information given below was sourced from the Municipality's 2017 – 2022 Integrated Development Plan. The newly elected Council resolved to adopt the IDP of its predecessor for the 2022/23 financial year, subject to an immediate review to ensure alignment with the Budget, DORA allocations, the Sarah Baartman District Municipality, Provincial and National Government.

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.

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.

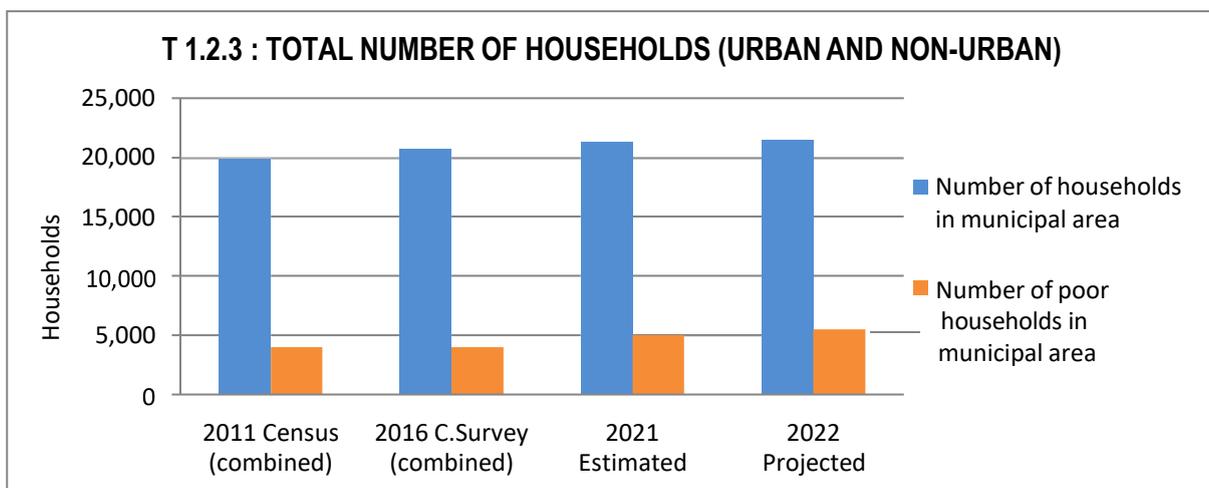
IMPACT OF AUGUST 2016 MUNICIPAL AMALGAMATIONS

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



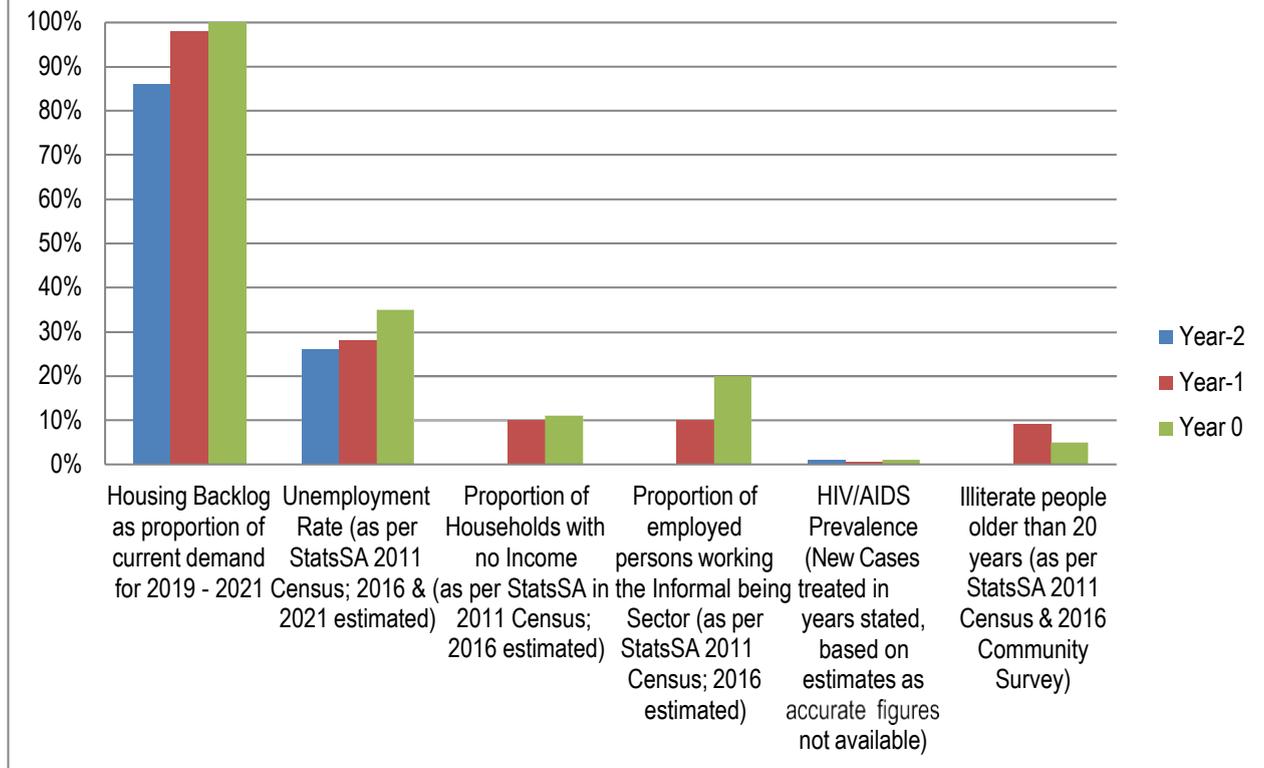
COMMENT ON POPULATION AND HOUSEHOLDS

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

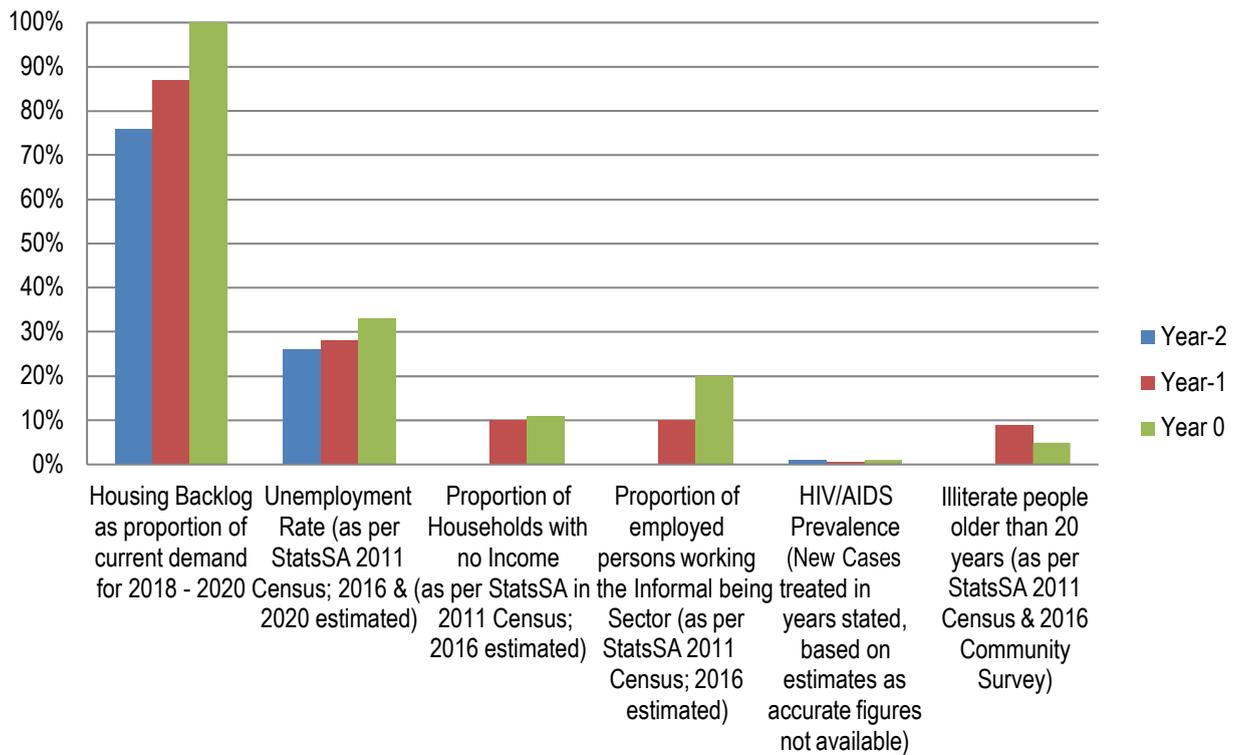
More accurate figures in terms of population and household data will only become available after the next Census, scheduled to be held in the latter half of 2021. In the meantime, the Municipality is relying on estimates and projections that are being calculated with formulas made available by StatsSA, 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
Wongalethu (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

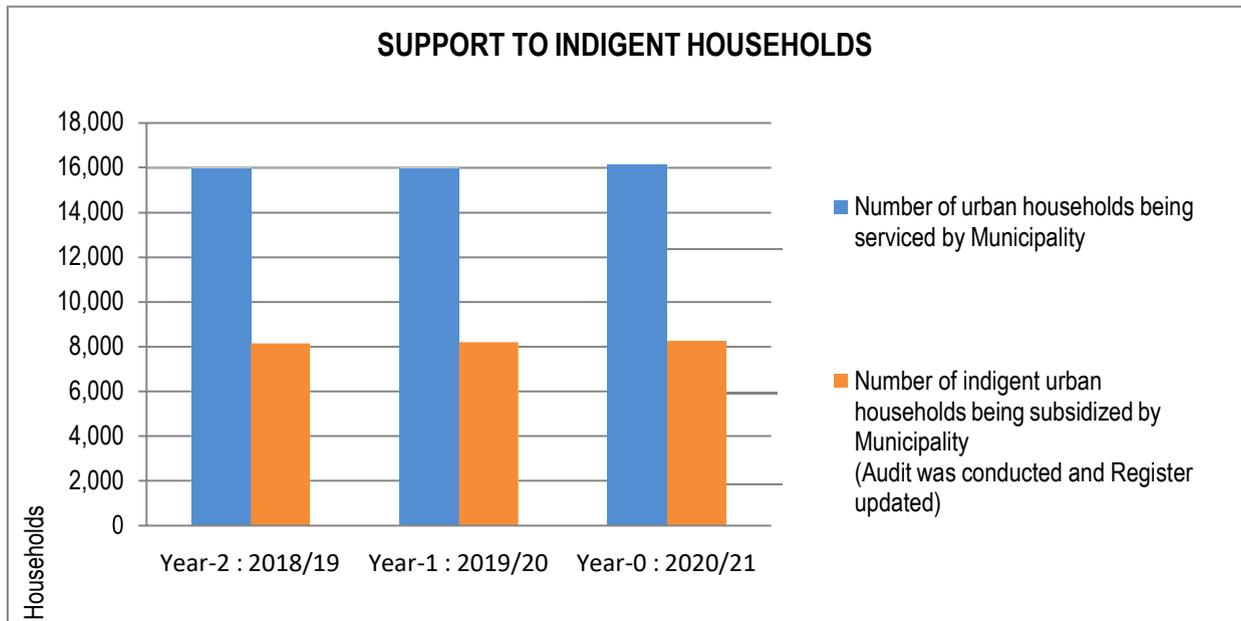
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national 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.

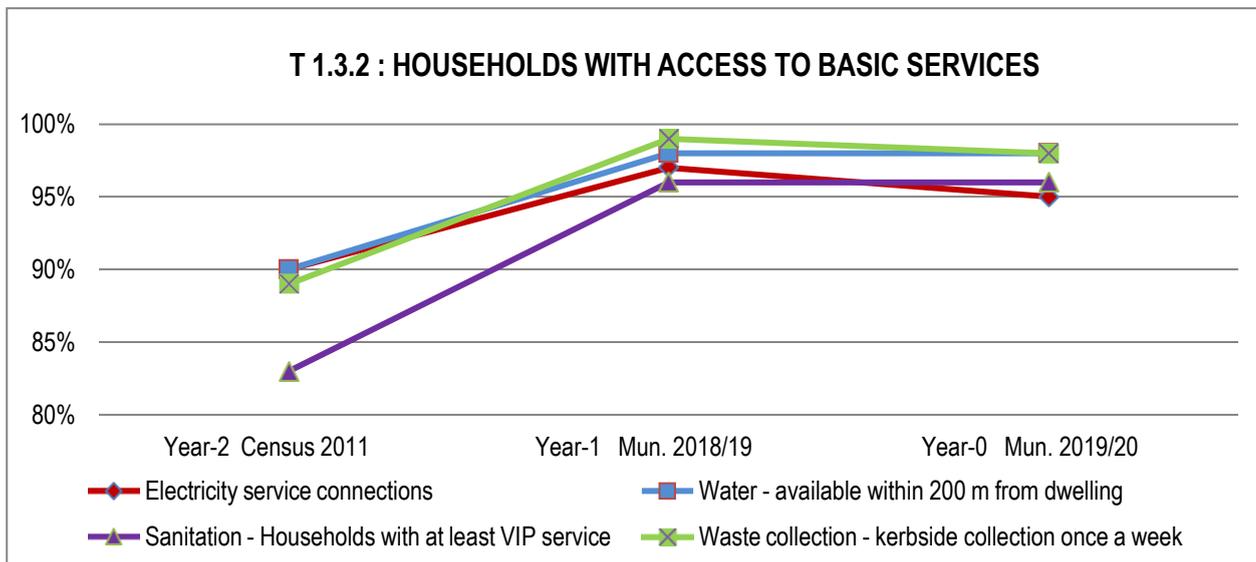
1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION



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.



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 R454 million, whilst actual operating expenditure amounted to R568 million, resulting in an operating loss of R114 million. The Adjustments Budget for operating revenue during the 2021/22 financial year amounted to R578 million, whilst Adjustment Budget for operating expenditure amounted to R505 million, with an anticipated budgeted surplus of R 74 million.

The unfavorable revenue variance of R 124 million was attributable to the following factors:

- a) Disposal of property as planned and approved by council did not materialize during the 2021/22 financial year. This accounts for R 89 million.
- b) Under performance on the revenue from service charges and property rates of R 32 million.

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. Other factors are the contracted services and finance charges. 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(2021:0:11:1) 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 32.3% (2021: 35.3%) 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 : 2021/22			
R'000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	184 305	180 699	174 082
Taxes, Levies and tariffs	288 797	288 797	256 631
Other	108 860	108 860	24 077
Sub Total	581 963	578 357	454 791
Less: Expenditure	454 999	503 863	568 501
Net Total*	126 964	74 494	(113 710)
<i>* Note: surplus/(deficit) excluding actuarial gains</i>			T 1.4.2

OPERATING RATIOS FOR 2021/22	
Detail	%
Remuneration as a percentage of operating expenditure	32%
Repairs & Maintenance	4.6%
Finance Charges & Impairment	17%
	T 4.1.3

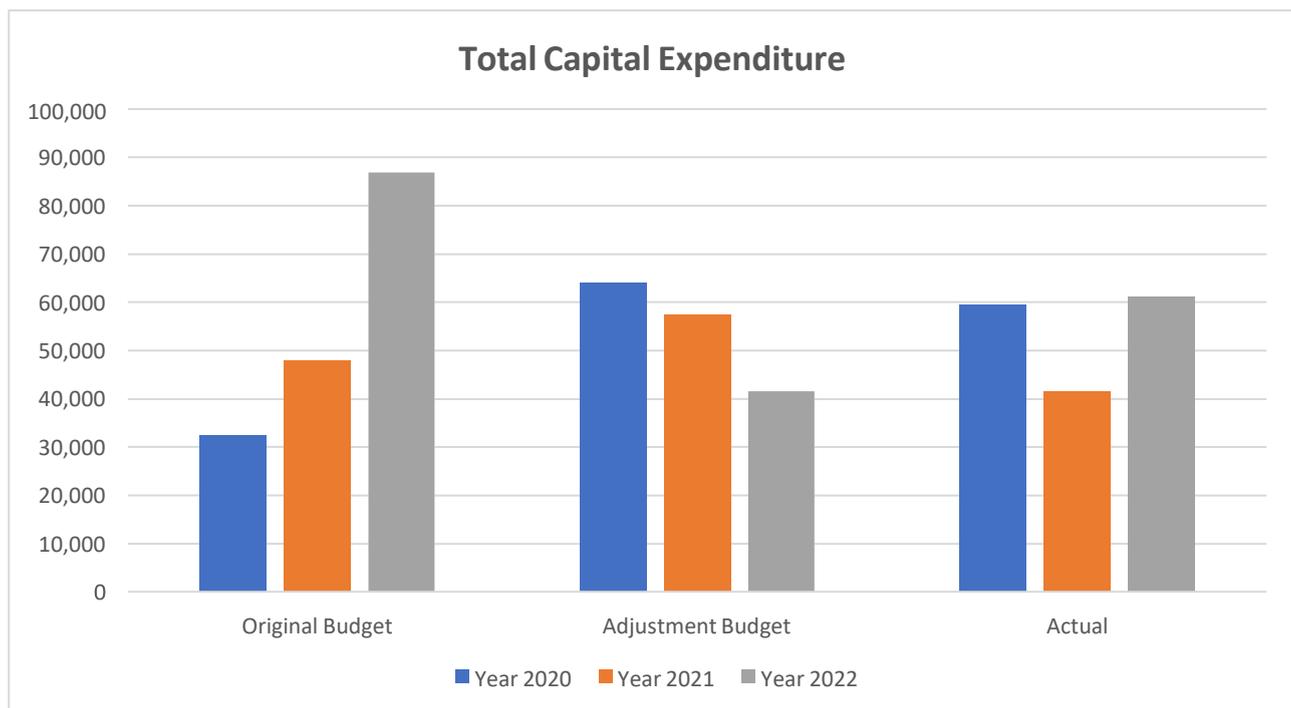
COMMENT ON OPERATING RATIOS

Remuneration as a percentage of total operating expenses is at 32.3% (2021: 35.3%) is within the National treasury norm of 25% - 40%

Repairs and maintenance are 2.4% 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 Debt impairment are 17% (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	2019/20	2020/21	2021/22
Original Budget	32 447	47 990	86 898
Adjustment Budget	63 940	57 486	69 445
Actual	59 548	41 558	61 071
			<i>T 1.4.4</i>



COMMENT ON CAPITAL EXPENDITURE

The municipality spent 88% of the adjusted capital budget for 2021/22 financial year. The variance is attributable to the timing difference for RBIG grants with allocation 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 1,019 positions, for this reporting year, 482 positions are filled taking into considerations the resignations, deaths and retirements over a period, leaving 537 vacant positions.

The vacant rate on the organogram, will display a different picture, once the placement process is finalized. Currently we are in phase four of the placement process which consist of the close matching process. 75% of the workforce are all in positions, the rest of the workforce are still in the corporate pool awaiting the review of the organogram, which is the final phase of the placement process.

The following should be noted:

- The process of Job Evaluation of the positions on the organogram, commenced in May 2021 at Sarah Baartman District Municipality. Dr. Beyers Naude Local Municipality has made a lot of progress in terms of submission of Job Description to the District Job Evaluation Committee. These Job Description are currently being evaluated by the Committee.
- The Human Resources division has 16 positions on the organogram with 9 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 2021/22.
- 17 HR policies were drafted, reviewed and adopted by Council in June 2022
- There were seven (6) suspensions for the year in question.
- Training and development are an important issue in South African Local Government. Municipal workers need new or significantly expanded skills to keep up with the demands and changes relating their jobs. Employee training and development (T&D) is seen as a key factor in meeting the municipality's strategic, business and operational goals. Training is aimed at the practical application of knowledge as well as the development of specific behaviour patterns, attitudes, and motives with a view to realizing goals. For the period of 2021/2022 numerous training programmes were conducted for the improvement of service delivery in the Dr Beyers Naude Local Municipality.
- 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'S REPORT FOR 2021/22

- ❖ *THE 2021/22 AUDIT REPORT WITH AUDIT OUTCOMES WILL BE 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 final 2023/24 IDP & Budget Process Plan included after T 1.7.1.1.</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	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	January
19	Commencement of draft IDP & Budget finalization for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

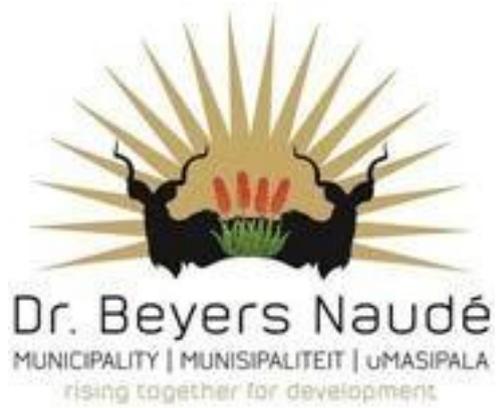
The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service 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 2021/22 ANNUAL PERFORMANCE REPORT WILL BE ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT*



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. 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 2022-2027 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
(until 1 November 2021)



SPEAKER
Councillor Thembisa Nonnies

Chairperson of Council Meetings
(until 1 November 2021)



ANC CHIEF WHIP
Councillor Dudu Booyesen
(until 1 November 2021)



DA WHIP
Councillor Eldan Carolus
(until 19 July 2021)



DR BEYERS NAUDÉ LOCAL MUNICIPALITY TROIKA : 1 JULY TO 1 NOVEMBER 2021

The Speaker, Cllr T Nonnies

The Mayor, Cllr D De Vos

Chief Whip, Cllr A Booysen



EXECUTIVE COMMITTEE MEMBERS: UP UNTIL 1 NOVEMBER 2021

- Cllr Deon De Vos : Mayor and Chairperson of EXCO
- Cllr Pieter (Penn) Koeberg : Chairperson of Infrastructure Services Standing Committee (until 9 September 2021)
- 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

EXECUTIVE COMMITTEE MEMBERS: AS FROM 23 NOVEMBER 2021

- Mayor and Chairperson of EXCO
- Cllr Elridge Ruiters : Chairperson of Infrastructure Services Standing Committee
- Cllr Willem Säfers : Chairperson of Corporate Services Standing Committee
- Cllr Ewald Look – Chairperson of Budget and Treasury Standing Committee
- Cllr Eunice Kekana: Chairperson of Community Services Standing Committee

T.2.1.1

MUNICIPAL COUNCIL TROIKA COMPOSITION AFTER 1 NOVEMBER 2021 LG ELECTIONS			
MAYOR	Cllr E Look	Until May 2022	Stepped down after Vote of No Confidence.
SPEAKER	Cllr L Hoffman	Until January 2022	Expelled from his Political Party
	Cllr C Felix	From February 2022	Still serving
CHIEF WHIP	Cllr Spogter	From November 2021	Still serving

COUNCILLORS

Up until the Local Government Elections on 1 November 2021, Dr Beyers Naudé Local Municipality had a total of 27 Councillors, of which 14 were elected Ward Councillors and 13 PR Councillors, appointed on a proportional basis. Only two Councillors served in a full-time capacity, namely the Mayor and the Speaker.

The Independent Electoral Commission (IEC) formally declared the results of the 2021 Local Government elections on 4 November 2021, according to which 24 Councillors for Dr. Beyers Naudé Local Municipality were duly declared elected. The Inaugural Council meeting of the newly elected Council was held on 23 November 2021, where all Councillors were sworn into Council. As per the new Ward Delimitations declared by the Municipal Demarcation Board ahead of the 2021 Local Government Elections, 12 Ward and 12 Proportional Councillors are now serving at the Dr Beyers Naudé Local Municipality, again with only two 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.

T 2.1.2

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. Up until 1 November 2021, there were 14 Ward Committees, chaired by their Ward Councillors and made up of elected community members, each filling a specific portfolio. After the November 2021 LG Elections, the process of establishing a Ward Committee for each of the 12 newly delimited Wards was embarked upon. CDWs serve on these structures in an *ex officio* capacity.

To make them function most effectively, Ward Committees should ideally meet monthly, 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.

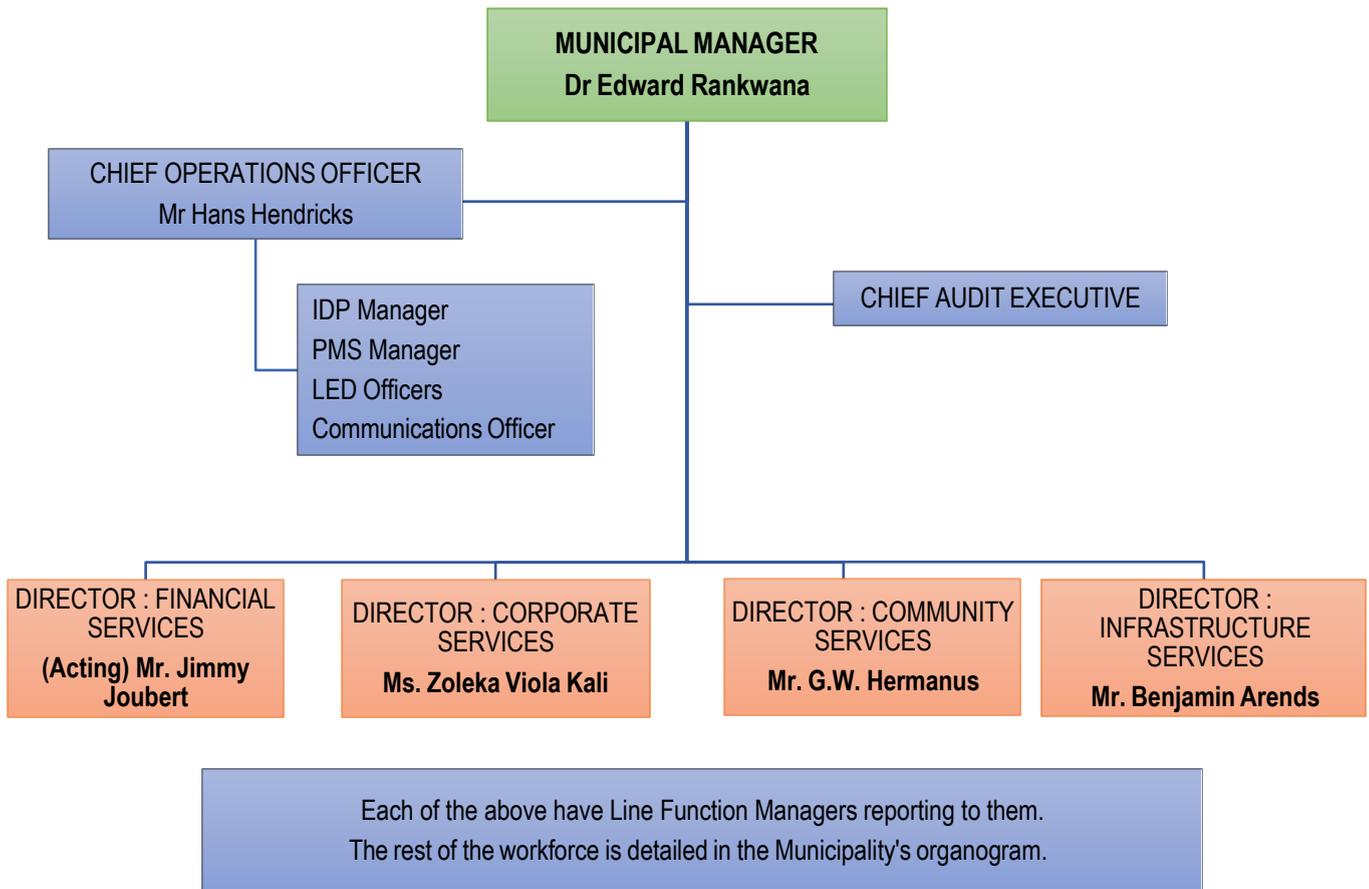
T 2.1.3

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.



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 **2021/22** 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 consisted of 14 wards up until the 1 November 2021 LG Elections. Ward Committees were in place then and functional until 30 October 2021.

After the LG Elections on 1 November 2021, and subsequent activation of the 12 new Wards (as delimited by the Municipal Demarcation Board), the Ward Committee establishment was delayed and only 9 Ward Committees were established, with a further two partially established. The 9 Ward Committees are functional and they have been submitting the Ward Committee reports, through their Ward Councillor, to the Office of the Speaker.

All issues raised by Ward Committees are included on a template, which is then circulated to all Directors for comment or to provide feedback on matters that are the responsibility of their Directorate and Departments. All issues that relate to Sector Departments are raised in the IGR, but sadly few of these Departments do attend these matters or participate in meetings that they are invited to. A memorandum on issues that are the responsibility of Sector Departments is sent directly to them.

An induction and inauguration of the new ward committees were held by COGTA on 28 and 29 June 2022.

5. WARD COMMITTEE VACANCIES

The following Wards had vacant positions on their Ward Committees:

WARD NO.	VACANCIES
2	1
3	1
4	1
5	3
6	6
7	2
8	1
12	1

It is foreseen that vacancies will be filled during the latter half of 2022.

6. REPORTING MANAGEMENT OF COMMUNITY DEVELOPMENT WORKERS 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 8 CDW's deployed in the Municipality. They are not deployed according to the new Municipal Ward 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 currently based as follows:

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

The table below illustrates current CDWs per ward:

WARD NO.	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	Fred Finnis
5	Graaff-Reinet	Kroonvale	Y	Sharon Jooste

6	Graaff-Reinet	Part of Umasizakhe	N	
7	Aberdeen & Adendorp	Aberdeen & Adendorp	N	
8	Willowmore	Willowmore, Rietbron & Baviaanskloof	N	
9	Willowmore	Hillview, Humesville & Morningside	Y	Abel Devos
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	

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

- A Petitions Policy has been adopted by the newly elected Council, subject to being workshopped.
- Public Participation Policies were also adopted by the newly appointed Council, subject to being workshopped.

8. WARD OPERATIONAL PLANS

- A Ward Operational Plan has been adopted by the newly elected Council, subject to being workshopped.

9. WAR ROOMS

No War Rooms were established.

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.

Dr. Beyers Naudé Municipality now consists of 12 wards – as promulgated in Government Gazette No. 45216 on 23 September 2021. Only 9 full Ward Committees and 2 partial 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

T 2.4.3 : WARD COMMITTEE & COMMUNITY PUBLIC PARTICIPATION MEETINGS 2021/22

DEVELOPMENT OF A NEW 5-YEAR IDP FOR DR BEYERS NAUDÉ LOCAL MUNICIPALITY: ANALYSIS PHASE

❖ WARD-BASED PUBLIC PARTICIPATION MEETINGS FOR DETERMINATION OF WARD DEVELOPMENT PRIORITIES

Ward, nature and purpose of meeting	Date	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
WARD 1 CBP						
WARD 2 CBP						

WARD 3 CBP						
WARD 4 CBP						
WARD 5 CBP						
WARD 6 CBP						
WARD 7 CBP						
WARD 8 CBP						
WARD 9 CBP						
WARD 10 CBP						
WARD 11 CBP						
WARD 12 CBP						

MAYORAL OUTREACH TO ALL 12 WARDS TO INTRODUCE DRAFT 2022 – 2027 IDP (1st EDITION 2022/23), KPIs & TARGETS, DRAFT 2022/23 BUDGET, RATES & TARIFFS – CONTINUATION OF PUBLIC PARTICIPATION PROGRAMME

Ward, nature and purpose of meeting	Date	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
WARD 1 Mayoral Outreach						
WARD 2 Mayoral Outreach						
WARD 3 Mayoral Outreach						
WARD 4 Mayoral Outreach						
WARD 5 Mayoral Outreach						
WARD 6 Mayoral Outreach						

WARD 7 Mayoral Outreach						
WARD 8 Mayoral Outreach						
WARD 9 Mayoral Outreach						
WARD 10 Mayoral Outreach						
WARD 11 Mayoral Outreach						
WARD 12 Mayoral Outreach						

FREE BASIC SERVICES (FBS) COMMUNITY OUTREACHES

Ward, nature and purpose of meeting	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Brief description of session and whether objective was achieved
WARD 1 FBS Awareness Accounts and FBS outreach	22/03/2022	Ward Cllr	FBS Officer, Accountant Credit Control, Accountant Income, Acting Revenue Manager, Credit Control offices	28	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 2 FBS Awareness	17/03/2022	Ward Cllr	As above	0	N/A
WARD 3 FBS Awareness	28/02/2022 01/03/2022	Ward Cllr	As above	18 18	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 4 FBS Awareness	02/03/2022 17/03/2022	Ward Cllr	As above	14 0	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 5 FBS Awareness	02/03/2022 16/03/2022	Ward Cllr	As above	14 0	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 6 FBS Awareness	16/03/2022	Ward Cllr	As above	0	N/A
WARD 7 FBS Awareness and Accounts Outreach	22/03/2022 23/03/2022	Ward Cllr	As above	28 11	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 8 FBS Awareness	14/03/2022 15/03/2022	Ward Cllr	As above	38 0	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 9 FBS Awareness	14/03/2022	Ward Cllr	As above	38	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.

WARD 10 FBS Awareness	09/03/2022	Ward Cllr	As above	6	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 11 FBS Awareness	09/03/2022 10/03/2022	Ward Cllr	As above	17	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying indigent households.
WARD 12 FBS Awareness	08/03/2022	Ward Cllr	As above	6	Procedure and process of FBS. General account (water) queries. Reregistration of qualifying 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. FBS Outreaches & Account Query Consultations were held from 28 February until 21 March 2022. The poorer non-attendance of these important meetings by some Communities is a concern.

Please note that figures for attendees of public meetings are sometimes rounded off to make provision for those who did not get to sign the Attendance Register. Wherever possible, a head count is done to augment the register.

T 2.4.3

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

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 2.6.0

2.6 RISK MANAGEMENT

OVERVIEW OF 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 have been some strides towards the operating efficiency. The section is still only made up the Risk Management Officer, whom the municipality appointed in April 2019. The strategic risk assessments are reviewed on an annual basis and updated accordingly. External stakeholders, such as Provincial Treasury and COGTA, are readily available to provide assistance where necessary. The implementation plans are then monitored by the Risk Management Officer.

T 2.6.1

2.7 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

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF 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.

❖ *Supply Chain Management is dealt with more comprehensively in Chapter 5, Component D, Section 5.12.*

T 2.8.1

2.9 BY-LAWS

BY-LAWS IN PLACE / NEW ONES INTRODUCED DURING 2021/22				
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
<i>*Note: See MSA section 13.</i>				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.

T 2.9.1.1

2.10 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL					
Documents published on the Municipality's / Entity's Website				Yes / No	Date Published
Year -2 = 2019/20	Year -1 = 2020/21	Year 0 = 2021/22	Year 1 = 2022/23		
Integrated Development Plan (IDP) and related documents (Year 1)				Yes	2020/07/10
Integrated Development Plan (IDP) and related documents (Year 0, Year -1, Year -2)				Yes	2021/06/30
Annual and adjustments budgets and all budget-related documents (Year 1)				Yes	2020/07/08
Annual and adjustments budgets and all budget-related documents (Year 0)				Yes	2021/06/29
All current budget-related policies				Yes	20/07/08
Service Delivery and Budget Implementation Plan (SDBIP – Year 1)					
The previous annual report (Year -0)				Yes	2022/02/24
The annual report (Year 0) published / to be published (Draft)				Yes	2023/02/16
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards (Year 0)				Yes	2022/08/05
All service delivery agreements (Year 0)				No	
All long-term borrowing contracts (Year 0)				No	
All supply chain management contracts above a prescribed value (R10 million or 5 years)				No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year -1.				No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section				No	
Public-private partnership agreements referred to in section 120 made in Year 0				No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0				No	
<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.

PUBLIC SATISFACTION LEVELS

T 2.11.1

SATISFACTION SURVEYS UNDERTAKEN DURING: 2020/21 & 2021/22

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				

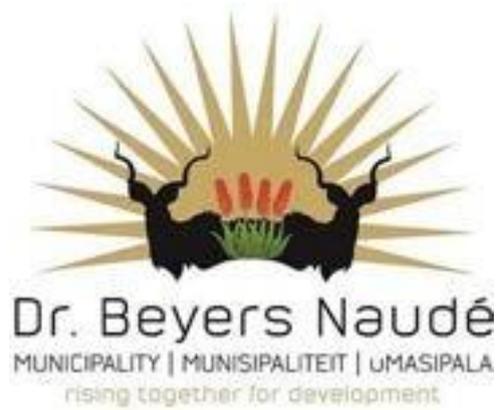
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory

T 2.11.2

COMMENT ON PUBLIC SATISFACTION LEVELS

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

T 2.11.2.2



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	97%
Sanitation	84%
Electricity	98%
Solid Waste	100%
Roads & Stormwater	100%

COMPONENT A : BASIC SERVICES

This component includes Water, Wastewater (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). 97% 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	6,0 ML/d
Aberdeen	3,4 ML/d	2,4 ML/d
Nieu-Bethesda	0,83 ML/d	0,27 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 4.17% with no 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 Steytleville to assist during supply interruptions. Carting of water is in place to assist with supply during temporary shortages as well.

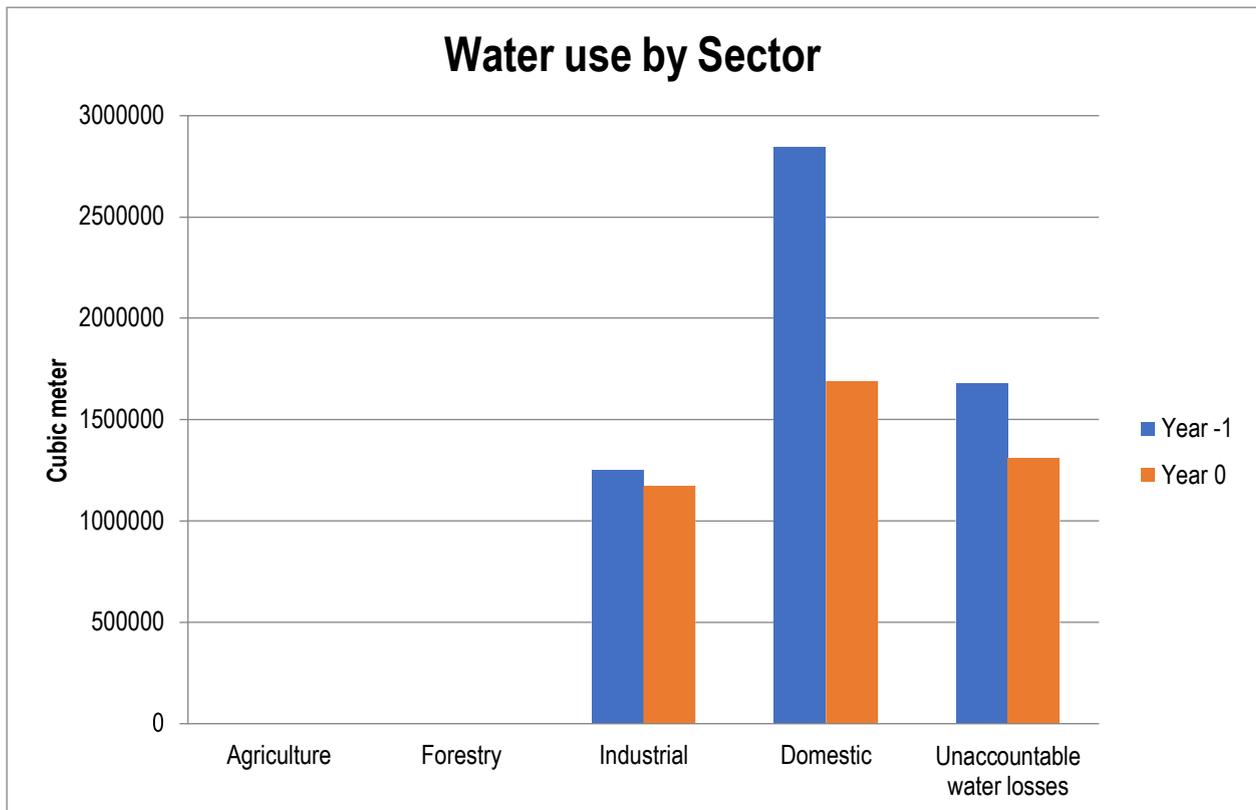
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	2,5 ML/d	1,275 ML/d
Klipplaat	1,5 ML/d	0,475 ML/d

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 20 % with no abstraction during this year.

TOTAL USE OF WATER BY SECTOR (CUBIC METERS)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/21	0	0	466 411	2 506 878	1 910 970
2021/22	0	0	418 870	1 967 495	1166 420

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.



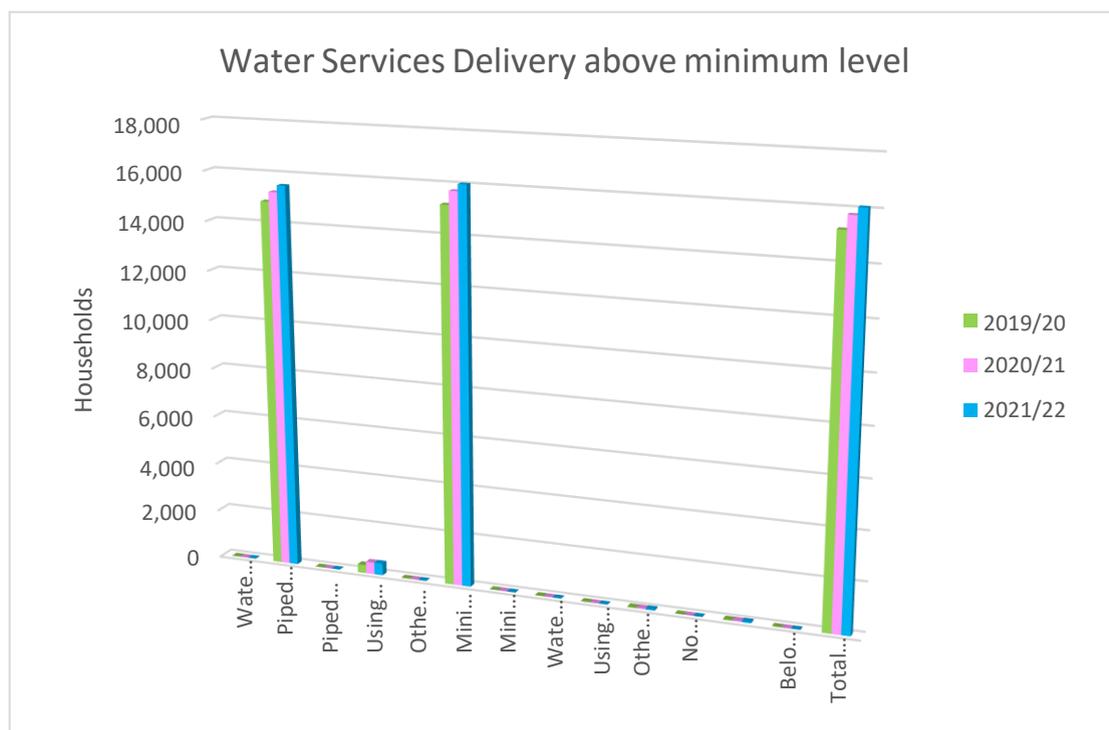
COMMENT ON WATER USE BY SECTOR

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.

T 3.1.2.2

HOUSEHOLD WATER SERVICE DELIVERY LEVELS			
Description	2019/20	2020/21	2021/22
	Actual No.	Actual No.	Actual No.
Water: (above min level)			
Piped water inside dwelling	15 172	15 160	15 240
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	487	494	494
Other water supply (within 200m)			
<i>Minimum Service Level and Above sub-total</i>	15 659	15 654	15 698
<i>Minimum Service Level and Above Percentage</i>	98%	97%	97 %
Water: (below min level)			
Using public tap (more than 200m from dwelling)	0	0	306
Other water supply (more than 200m from dwelling)	134	164	164
No water supply			
<i>Below Minimum Service Level sub-total</i>	60	40	40
<i>Below Minimum Service Level Percentage</i>	2 %	3 %	3 %
Total number of households *	15 991	16 164	16 208
<i>* To include informal settlements</i>			<i>T 3.1.3</i>

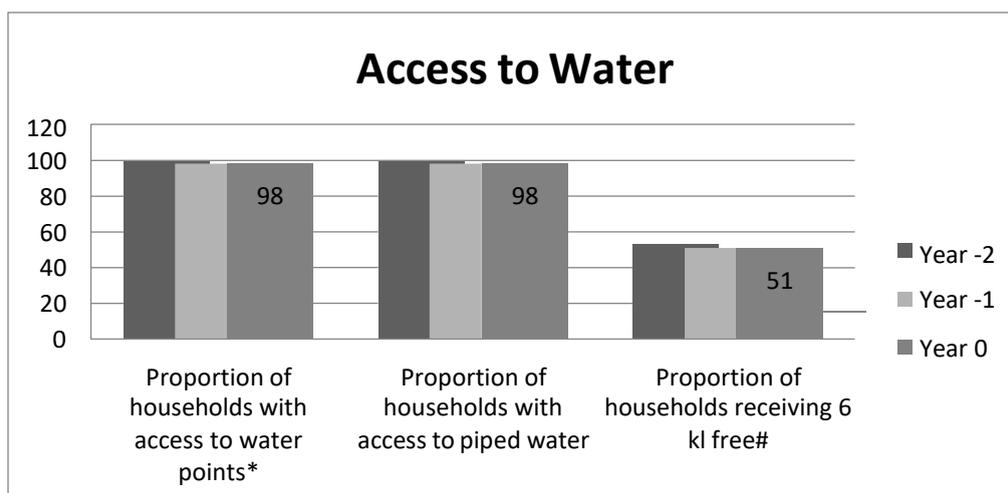
Data for household service targets is sourced from table A10



HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2019/20	2020/21	2021/22
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total Households	15 991	16 164	16 208
Households below minimum service level	332	510	510
% Proportion of households below minimum service level	2%	3%	3 %
INFORMAL SETTLEMENTS			
Total Households	759	964	964
Households below minimum service level	60	40	40
% Proportion of households below minimum service level	8%	4%	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	97 %	97 %	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%	28%	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%	94.3%	80%

T 3.1.6

EMPLOYEES: WATER SERVICES					
Job Level (TG)	2020/21	2021/22			
	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 2021/22 : WATER SERVICES					
R'000					
Details	2020/21	2021/22			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	(75630)	(89371)	(85428)	(83807)	2%
Expenditure:					
Employees	13 205	13 967	13 884	12 811	8%
Repairs and Maintenance	361	6 938	7 738	18 939	-145%
Other	53 294	35 398	42 900	56 168	-31%
Total Operational Expenditure	66 859	56 303	64 523	87 918	-36%
Net Operational Expenditure	(8 771)	(33 067)	(20 904)	4 110	120%
<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 3.1.8

CAPITAL EXPENDITURE 2021/22 : WATER SERVICES					
R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	48 556	43 556	43 532	1%	
Graaff-Reinet Bulk Water Supply Scheme: Phase 2	2 053	2 053	2 053	0%	28 000
Drilling of additional boreholes southern wellfield	9 946	9 946	9 946	0%	12 000
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	16 000	16 000	15 995	0%	71 834
Ikwezi Bulk Water supply 2018/19	10 000	5 000	4 999	0%	67 722
Ground Water Development in Jansenville, Klipplaat and Rietbron	6 057	6 057	6 057	0%	6 057
New Bulk Water reticulation steel pipe-line Willowmore 2020/21	4 500	4 500	4 478	0%	13 928
<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 3.1.9</i>

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. The Water Services Plan was developed and must be tabled before Council for adoption in 2022/2023.

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 low dam levels.

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

The municipality faced drought challenges which reduced the supply of clean and safe drinking water to consumers. As per IRIS total compliance on drinking water quality for Micro Health of 94.3 % 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.

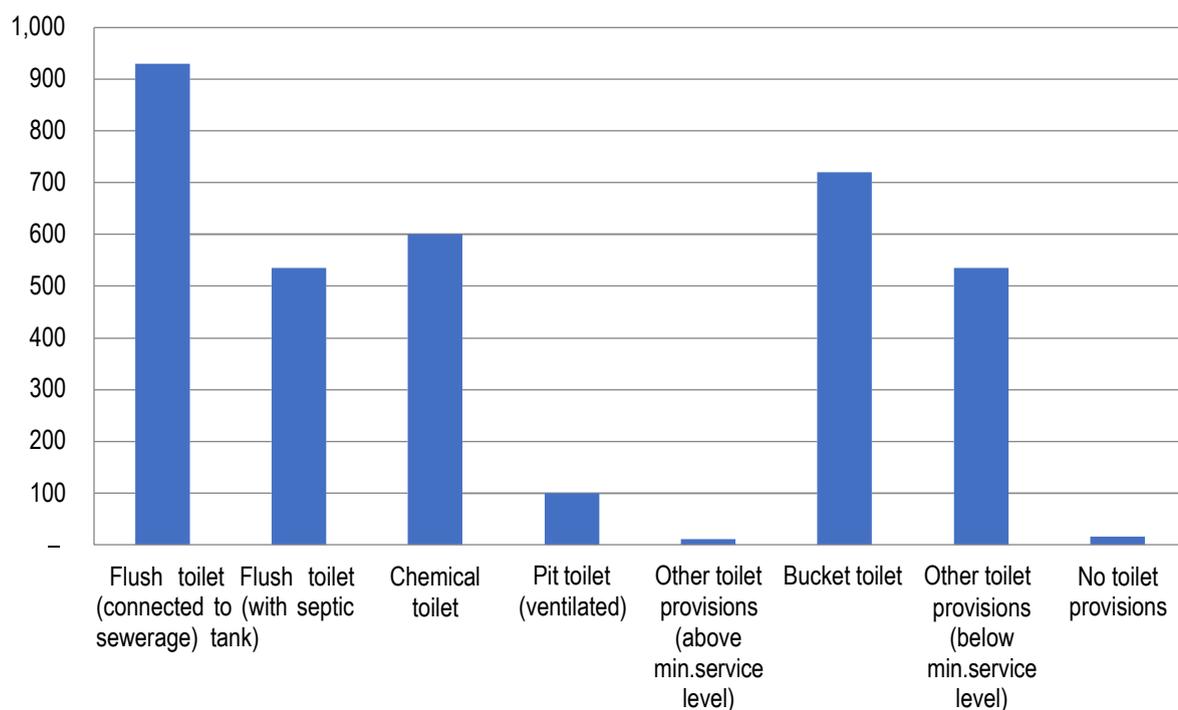
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0 ML/d	0,44 ML/d
Klipplaat	0,6 ML/d	0,13 ML/d

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	2019/20	2020/21	2021/22
	Actual No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)			
Flush toilet (connected to sewerage)	10 755	10 745	11 329
Flush toilet (with septic tank)	2 247	2 247	2 247
Chemical toilet	0	0	0
Pit toilet (ventilated)	50	50	0
Other (Communal) toilet provisions (above minimum service level)	487	497	505
<i>Minimum Service Level and Above sub-total</i>	13 506	13 539	14 081
<i>Minimum Service Level and Above Percentage</i>	84 %	84 %	84 %
Sanitation/sewerage: (below minimum level)			
Bucket toilet	6	4	4
Other toilet provisions (below minimum service level)	2 439	2 581	2 591
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	40	40	30
<i>Below Minimum Service Level Percentage</i>	16 %	16 %	16 %
TOTAL HOUSEHOLDS	15 991	16 164	16 083
<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.

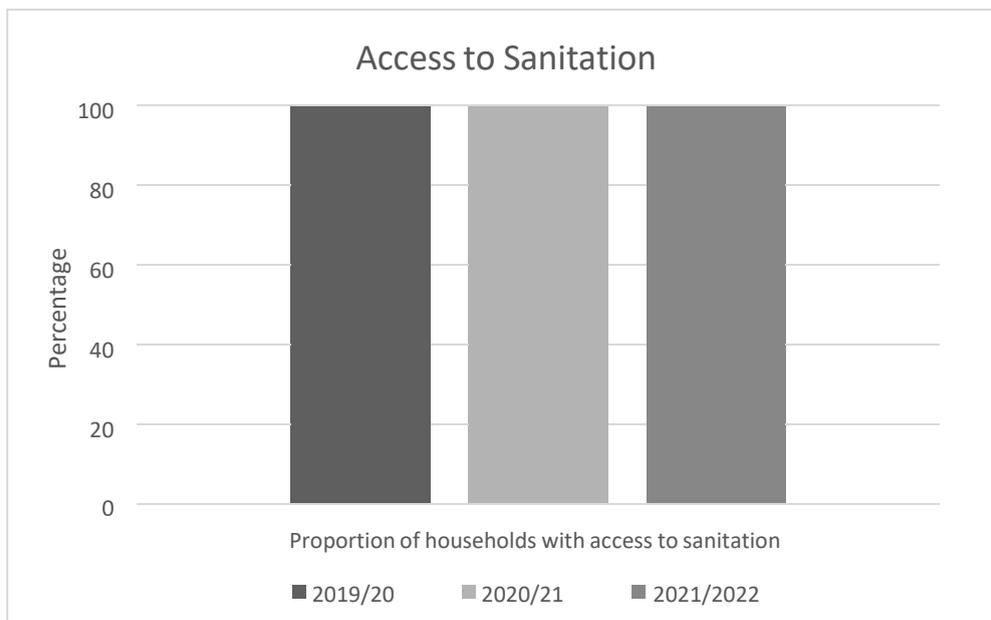
Sanitation/Sewerage (above minimum level) : 2021/22 -



HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2019/20	2020/21	2021/22
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total households	15 991	16 164	16 083
Households below minimum service level	2485	2 625	265
% Proportion of households below minimum service level	16%	16 %	16 %
INFORMAL SETTLEMENTS			
Total households	2982	3 132	3 100
Households is below minimum service level	40	40	30
% Proportion of households below minimum service level	1.3 %	1.27 %	1 %

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)	2020/21	2021/22			
	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 2021/22 : SANITATION SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(42 069)	(34 550)	(34 550)	(28 568)	17%
Expenditure:					
Employees	8 182	8 376	7 976	7 955	0%
Repairs and Maintenance	1 181	7 589	10 518	118	99%
Other	69 234	11 563	9 933	15 807	-59%
Total Operational Expenditure	78 597	27 528	28 427	23 881	16%
Net Operational Expenditure	36 528	(7 021)	(6 123)	(3 000)	51%
<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 3.2.8

CAPITAL EXPENDITURE 2021/22 : SANITATION SERVICES					
R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9 655	9 655	9 655	0%	
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	9 655	9 655	9 655	0%	33 450
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 3.2.9

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 six 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.

T 3.2.10

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 2021/2022 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

T 3.3.2

HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS			
Description	2016/17	2017/18	2018/19
	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
T 3.3.3			

- 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	2016/17	2017/18	2018/19
	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)	2020/21	2021/22			
	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 2021/22 : ELECTRICITY SERVICES

R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(132 549)	(157 701)	(157 701)	(126 984)	19%
Expenditure:					
Employees	13 125	13 159	13 458	12 769	5%
Repairs and Maintenance	310	2 439	2 349	3 716	-58%
Other	105 888	125 152	131 932	131 694	0%
Total Operational Expenditure	119 322	140 661	147 740	148 179	0%
Net Operational Expenditure	(13 227)	(17 039)	(9 960)	21 195	313%
<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 3.3.7

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%	
<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 3.3.8</i>

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.

T 3.3.9

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 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 specialized 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

T 3.4.1

INDICATORS FOR SOLID WASTE SERVICE DELIVERY

HOUSEHOLD SOLID WASTE (REFUSE REMOVAL) SERVICE DELIVERY LEVELS			
Description	2019/20	2020/21	2021/22
	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	2019/20	2020/21	2021/22
	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)	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									
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 Steytlerville	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)	2020/21	2021/22			
	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 2021/22 : SOLID WASTE MANAGEMENT SERVICES

R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(44 382)	(32 145)	(32 145)	(32 227)	0%
Expenditure:					
Employees	14 264	13 419	14 473	14 317	1%
Repairs and Maintenance	2 000	1 000	1 000	62	94%
Other	14 262	4 862	5 655	18 980	-236%
Total Operational Expenditure	30 526	19 281	21 127	33 359	-58%
Net Operational Expenditure	(13 856)	(12 863)	(11 016)	1 132	110%
<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>

CAPITAL EXPENDITURE 2021/22 : WASTE MANAGEMENT SERVICES

R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 000	4 000	9 333	1%	-
Steytlerville, Upgrading of Solid Waste Disposal Site	4 000	4 000	9 333	1%	12 499
Project B					
Project C					
<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>

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 wellbeing.

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 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 2022/23.
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 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 is 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.

T 3.4.10

3.5 HOUSING / HUMAN SETTLEMENTS

INTRODUCTION

The Department of Human Settlements (DHS) is mandated to establish and facilitate a sustainable process of housing development in collaboration with provinces and municipalities. This mandate is derived from Section 3 of the Housing Act of 1997. The Housing Act, act No. 107 of 1997 states that every municipality should take all possible and necessary steps to ensure that the inhabitants of its area of jurisdiction have access to satisfactory housing. This should be done within the relevant framework of national and provincial housing legislation and policies, as part of the integrated development planning (IDP) process.

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

T 3.5.1

HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year	Total households (including in Formal and Informal settlements)	Households Informal settlements	% of Households in Formal settlements
2021/22	17 861	197	98.9%
<i>T 3.5.2</i>			

HOUSING / HUMAN SETTLEMENT 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									
New RDP houses in Nieu-Bethesda					100	0	62	0	62
Service Objective No. 2									
Upgrading of Nieu-Bethesda Informal Settlement				0	0	0	0	0	16
<i>T 3.5.3</i>									

EMPLOYEES : HOUSING / HUMAN SETTLEMENT SERVICES

Job Level	2020/21	2021/22			
	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					%
<i>T 3.5.4</i>					

FINANCIAL PERFORMANCE 2021/22 : HOUSING SERVICES					
R'000					
Details	2020/21 Actual	2021/22			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(3)	(9)	(9)	(1)	89%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	126	100%
Total Operational Expenditure	0	0	0	126	100%
Net Operational Expenditure	(3)	(9)	(9)	125	1489%
<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 3.5.5</i>

CAPITAL EXPENDITURE 2020/21 : HOUSING / HUMAN SETTLEMENT SERVICES					
R'000					
Capital Projects	2021/22				
	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 3.5.6</i>

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

COMMENTS ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

The Municipality has been participating in several Human Settlement Programmes since its inception in 2016. Almost all the programmes were initiated a number of years ago, with some completed and some still in progress. These are all centred in the delivery of housing the community as outlined in the South African Constitution.

The recent steps taken by Management to formalise and establish a housing unit within the Department of Infrastructure Services, has been progressive in ensuring adequate alignment between housing delivery and infrastructure services delivery. The processes that relate to forward planning (spatial planning) regarding space, the required basic services and beneficiary administration has now been made seamless.

As a result of the recent internal alignments within the institution, the DHS in partnership with the Municipality has managed to complete the remaining units from the 77 dwelling units (RDP units) in Umasizakhe (an infill project) during the 2021/22 financial year. Further to this, the remaining 11 units from the Mandela Park Project we completed.

T 3.5.7

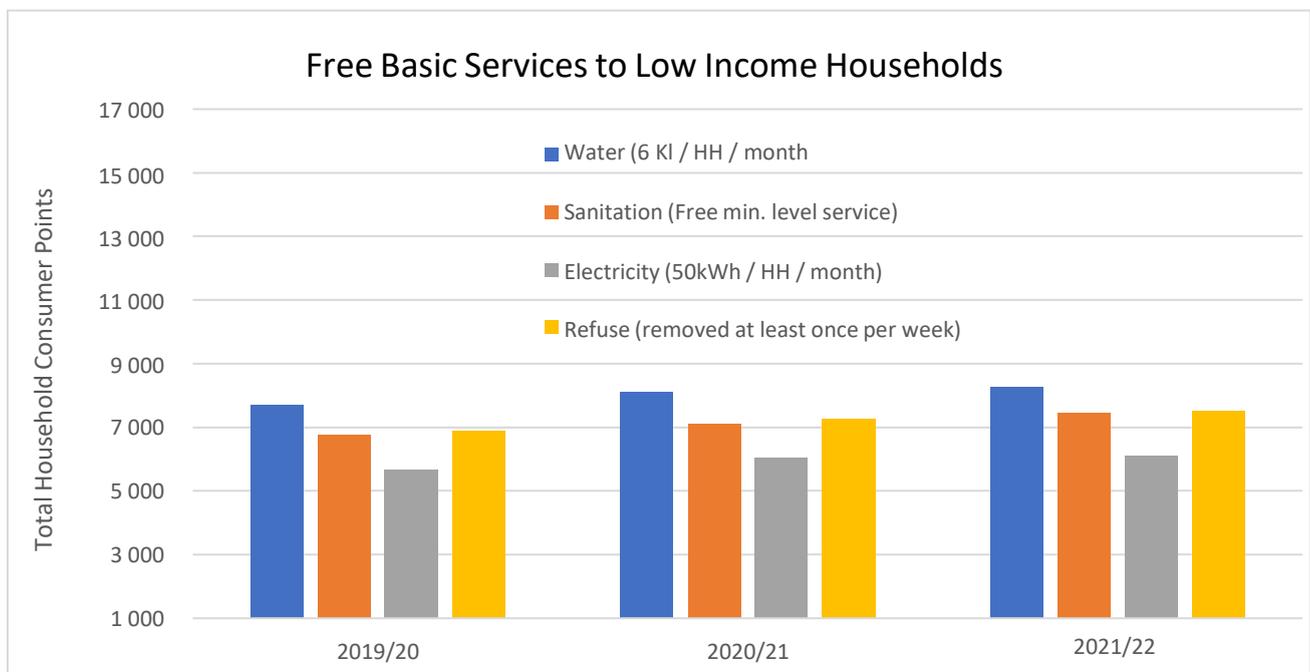
3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

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.

T 3.6.1



T 3.6.2

- 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	
		Subsidized	%	Subsidized	%	Subsidized	%	Subsidized	%
2019/20	15,977	8,120	51%	7,121	45%	6,054	38%	7,273	46%
2020/21	15918	8277	52%	7435	47%	6084	38%	7507	47%
2021/22									

*As determined by BNLM Council Policy.

T 3.6.3

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

FINANCIAL PERFORMANCE 2021/22 : COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

Services Delivered to Indigent Households	2020/21	2021/22			
	Actual	Budget	Adjusted Budget	Actual	% Variance to Budget
Water (6Kl per HH per month)	7 955 851	0	6 091 050	7 955 851	-31%
Sanitation (free monthly service)	9 308 988	0	8 121 400	9 308 988	-15%
Electricity (50kWh per HH per month)	2 041 935	0	2 610 450	2 041 935	22%
Refuse Removal (free weekly service)	10 831 058	0	9 823 136	10 831 058	-10%
Rates (annual property tax)	1 843 281	0	2 320 400	1 843 281	21%
Total	31 981 113	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

The road network within the Dr Beyers Naudé Local Municipal Area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (SANRAL), who is responsible for National Route N9, R61 and R75, which traverses the area;
- Eastern Cape Department of Transport, who is responsible for provincial trunk, main, district and minor roads within the area; and
- The Dr Beyers Naudé Local Municipality, who is responsible for all municipal roads.

The road network within the Dr Beyers Naudé Local Municipal Area, together with the relevant road authority, is indicated in **Table 1** below and **Figure 1**.

Table 1: Road network in the Dr Beyers Naudé Local Municipal Area

Road Authority	Length (km)
SANRAL	504.18
Eastern Cape Department of Transport	4 541.43
Dr Beyers Naudé Local Municipality	333.82
Total	5 379.44

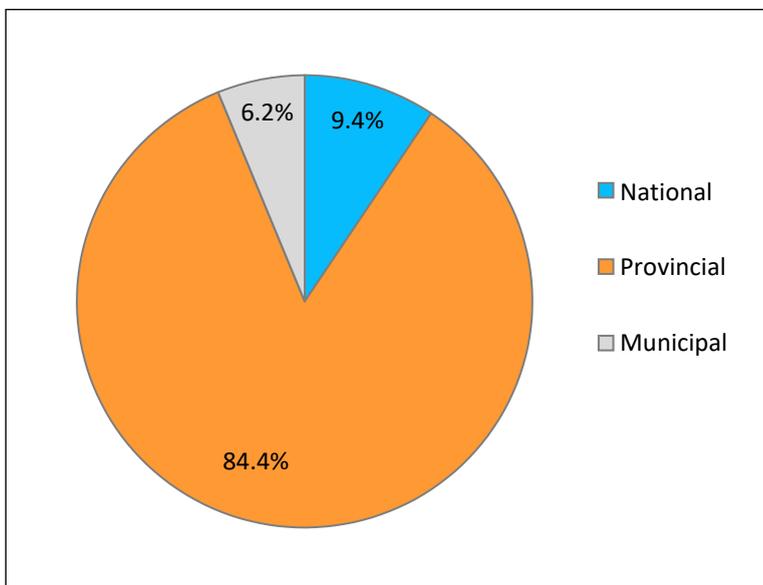


Figure 1: Road network in the Dr Beyers Naudé Local Municipal Area

The total road network within the Dr Beyers Naudé Local Municipal Area and under the jurisdiction of the municipality comprises of approximately 333.82km, of which approximately 131.16km (or approximately 39%) are Paved roads.

The **Table 2** and **Figure 2** below indicates the length of the road network under the jurisdiction of the Dr Beyers Naudé Local Municipality by Road Type.

Table 2: Road network under the jurisdiction of the Dr Beyers Naudé Local Municipality

Road Type	Category	Length (km)
Tar	Paved	109.83
Block		21.16
Concrete		0.17
Gravel	Unpaved	147.95
In Situ / Earth		23.24
Tracks		27.52
Other	Inaccessible	3.96
Total		333.82

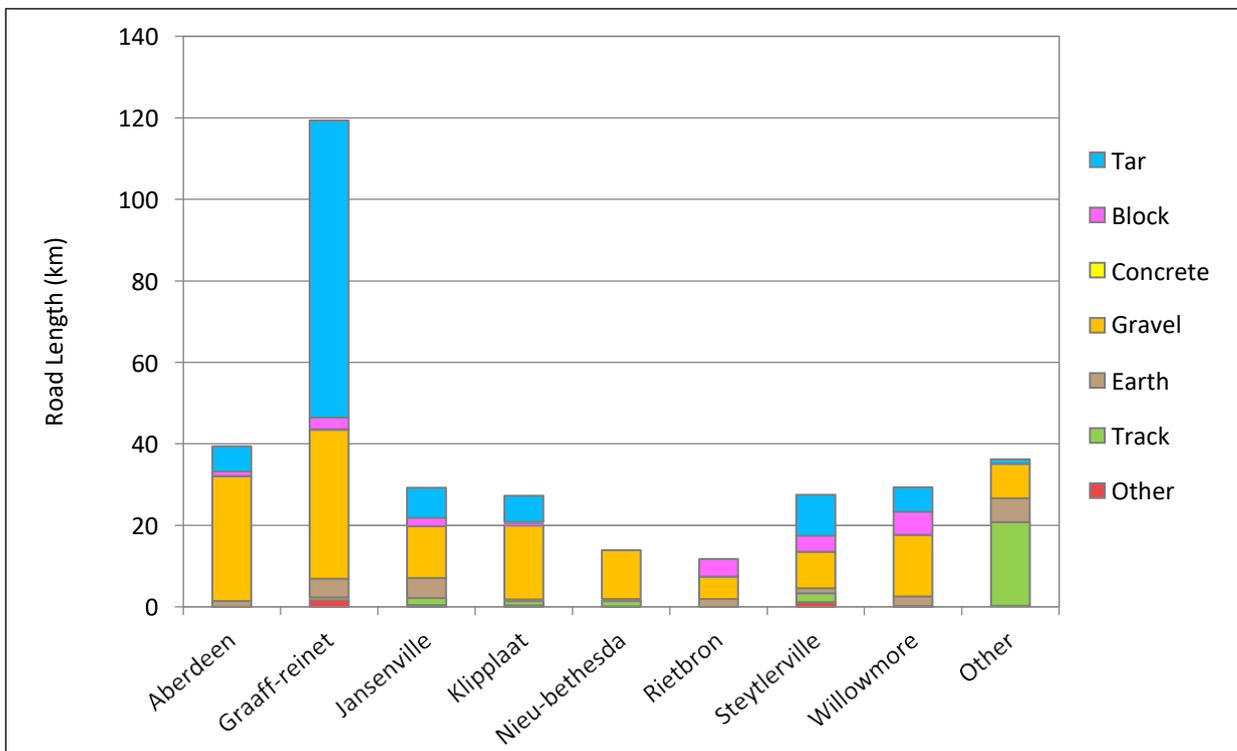


Figure 2: Road network under the jurisdiction of the Dr Beyers Naudé Local Municipality

Paved roads are classified as being flexible (tar), block and concrete roads and the Unpaved roads are comprised of gravel roads, in situ/ earth roads and tracks. The classification of the various Unpaved roads are as follows:

- Gravel roads have a designed layer of imported material which is typically constructed to a specific standard and width and provides an all-weather surface.
- In situ / Earth roads are classified as those on which no imported gravel is used, but the in-situ material is cleared of vegetation and, may be, compacted. The roads are often shaped to some extent.

Tracks are the simplest “low volume roads” and generally consists of parallel ruts separated by vegetation.

These tracks are not engineered and are often impassable during or after wet weather.

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. MISA (Municipal Infrastructure Support Agent) through COGTA have started planning to develop this plan.
- 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.

CHALLENGES

- Assessments which were conducted revealed that approximately 93.5% of paved road network allows for conventional maintenance functions to be conducted in an effective and cost-efficient manner. However, financial provision thereof remains a major challenge.
- The Department of Roads and Transport undertook some routine road maintenance on district gravel roads during 2021/22.
- Sarah Baartman District Municipality appointed a service provider to develop Roads Management System as well as Integrated Transport Plan.
- As a result of funding constraints, due to the persistent drought, led to the prioritization of water provision and resulted In no capital projects being implemented during this financial year.

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.
- Conduct assessments in order to identify challenges and improve serviceability of the stormwater infrastructure. Sarah Baartman District Municipality has appointed a service provider to develop a Stormwater Management Report for the Graaff-Reinet area.

CHALLENGES

- Policies and bylaws need to be formulated e.g Roads and stormwater Master Plan, Stormwater by-law. COGTA has undertaken to assist the municipality in developing by-laws.
- A high percentage of stormwater structures are in poor condition and maintenance is required to reduce flooding.
- The topography of some areas lead to large quantities of water to pond and lead to localized flooding.
- All areas in Dr Beyers Naudé Local Municipality experience flooding where roads are unsurfaced, with no formal drainage structures.

T 3.7.1

3.7 ROADS & STORMWATER DRAINAGE

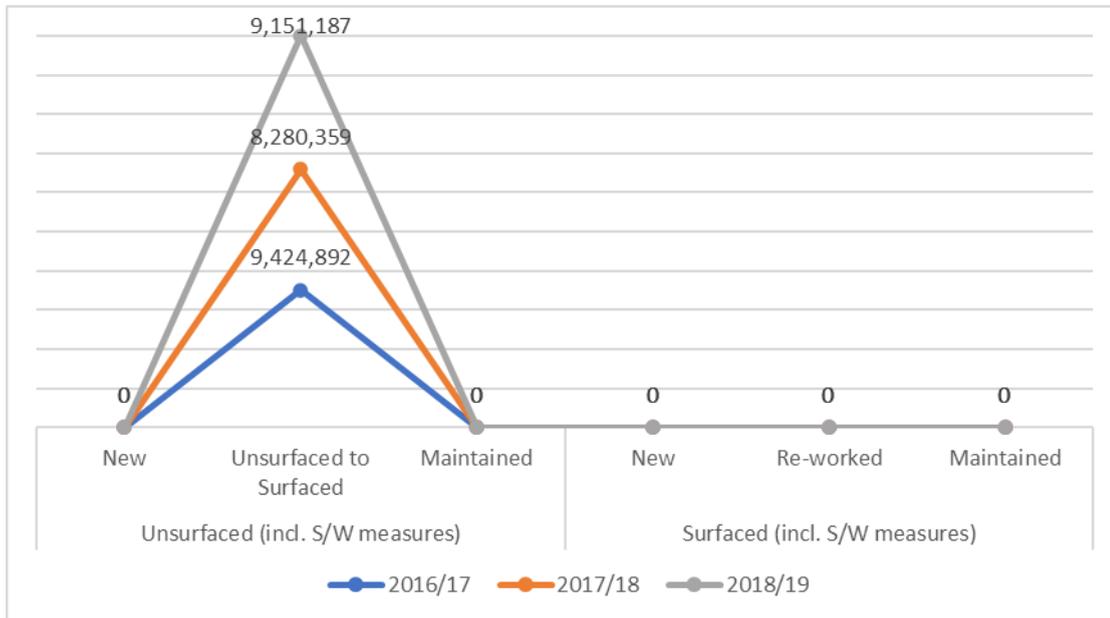
This section is inclusive of reporting on Section 3.9 : Stormwater Drainage.

ROAD INFRASTRUCTURE IN KILOMETRES				
2021/22	Total unsurfaced roads	New unsurfaced roads constructed	Unsurfaced roads upgraded to surfaced	Unsurfaced roads graded/maintained
	202.7	0	0	158
T 3.7.2				

SURFACED ROAD INFRASTRUCTURE IN KILOMETRES				
2021/22	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				
2021/22	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
	(not available)	0	0	(not available)
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
2019/20	0					
2020/21	0					
2021/22	0					
T 3.7.4 & T 3.9.3						



T 3.7.5 & T 3.9.4

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	None	2000	3106	2500	0	0	0	0	0
T 3.7.6 & T 3.9.5									

EMPLOYEES : ROADS & STORMWATER SERVICES					
Job Level (TG)	2020/21	2021/22			
	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 2021/22 : ROADS & STORMWATER SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(25 248)	(28 564)	(28 564)	(28 568)	0%
Expenditure:					
Employees	10 018	10 854	10 989	9 435	14%
Repairs and Maintenance	405	6 164	1 351	762	44%
Other	2 394	14 517	19 457	19 574	-1%
Total Operational Expenditure	12 817	31 535	31 797	29 771	6%
Net Operational Expenditure	(12 431)	2 970	3 233	1 203	63%
<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 3.7.8 & T 3.9.7</i>

CAPITAL EXPENDITURE 2021/22 : ROADS & STORMWATER SERVICES					
R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A : Stormwater projects					
Project B :					
Project C :					
<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 3.7.9 & T 3.9.8</i>

Capital Expenditure Year 2022: Road Services					
R' 000					
Capital Projects	Year 2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A					
<i>Total project value represents the estimated cost of the project on approval by council(including past and future expenditure as appropriate.</i>					T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Most roads within the area are in a “good” and “fair” state but interventions are needed to keep all roads to a “fair” or better standard. Failure to implement this maintenance will lead to a poor state of the road network.

T 3.7.10

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The municipality did not implement capital projects in the current year due to the prioritization of water provisioning to communities. However, some small interventions were carried out in areas where flooding took place. More funding will be required in the future years to address the maintenance of municipal roads and surfacing of gravel roads to adapt to changes in the urban environment.

T 3.9.9

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 behavior.

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.

T 3.8.1

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 and development are closely related concepts. Planning refers to the process of creating a plan or strategy for achieving specific goals or objectives. It typically involves identifying problems or opportunities, analyzing data and information, and developing a course of action to address those issues. Development, on the other hand, refers to the process of implementing the plan and taking action to achieve the desired outcomes.

In the context of urban and regional planning, development planning is used to create a comprehensive plan for the physical, social, and economic development of an area. This may include land use planning, transportation planning, housing development, and economic development strategies. The plan is then implemented through the development process, which may involve the construction of new buildings and infrastructure, the revitalization of existing neighbourhoods, and the implementation of policies and programs to support economic growth and development.

Overall, Planning and Development are interrelated and integral parts of each other, where planning acts as a blueprint and development is the actual implementation of the blueprint.

T3.10

(Economic Development is dealt with under Section 3.11)

3.10 PLANNING (Town and Spatial)

The delivery of town planning services typically involves a combination of regulatory and non-regulatory approaches. Regulatory approaches include the adoption of land use plans and zoning/land use schemes, while non-regulatory approaches include the provision of technical assistance, community outreach and education, and the development of planning tools and resources.

Land use planning is a key component of land use management. It is the process of creating a comprehensive plan for the use and development of land in a specific area. The Dr Beyers Naude Municipality has a strong focus on Land Use Management and is fully compliant with SPLUMA in this regard. The LM in the process of developing its Land Use Scheme that will be applicable to all urban centres of the municipality.

In order to strengthen the LM's forward planning function, a SPLUMA compliant Spatial Development Framework (SDF) must be adopted by Council. This will also guide future Housing and infrastructure development.

T3.10.1

APPLICATIONS FOR LAND USE DEVELOPMENT (TO BE UPDATED FOR 2020/21)						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2020/21	2021/22	2010/21	2021/22	2020/21	2021/22
Planning application received	0	0	3	12		158
Determination made in year of receipt			6	12		158
Determination made in following year			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)	2020/21	2021/22			
	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 2021/22 : PLANNING SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(390)	0	0	(5)	-100%
Expenditure:					
Employees	234	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	506	0	0	126	100%
Total Operational Expenditure	740	0	0	126	100%
Net Operational Expenditure	(389)	0	0	121	100%

CAPITAL EXPENDITURE 2021/22 : PLANNING SERVICES					
R' 000					
Capital Projects	2021/22				
	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 3.10.6</i>

- 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.

SPATIAL PLANNING

A Municipal Spatial Development Framework (MSDF) was developed between 2020 and 2021 and was completed in May 2022. The project was a joint effort between the municipality, SBDM and MISA, with MISA being the lead Planner in the project. The draft was tabled before Council but was not adopted due to inadequate public participation process. The draft MSDF will be reviewed with the assistance from the Department of Rural Development and Land Reform. The mentioned department has committed to assist the Municipality in the form of technical resources to ensure that the MSDF is compliant with SPLUMA and the National SDF Guidelines.

LAND USE MANAGEMENT SCHEME

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. The Department of Rural Development and Land Reform is currently funding the development of a SPLUMA compliant land use scheme for the municipality. A service provider was appointed by the department in November 2021 develop a land use scheme for the LM.

The Municipality has seen the growth of informal settlements due to the slow 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.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (including Tourism & Markets)

INTRODUCTION

The chapter provides an analysis of Dr Beyers Naudé Local Municipality's economic growth, sector structure, socio-economic profile and development setting. It also provides progress as well as challenges critical to the baseline information required for economic development and planning. Community needs and requirements are the baseline used to develop and implement initiatives as reported in this chapter.

The LED and Tourism of Beyers Naudé Local Municipality's primary objective is to enable small, medium and micro sized enterprises (SMME) by creating an environment in which the business society can optimally operate and ensuring that sustained increase in growth is maintained.

For over five (5) years our area has been declared a drought-stricken area, additional to that is the sad fact that the Municipality is basically land locked. Land and water are critical elements to the success of agriculture, manufacturing, Trade, and construction. Despite these challenges 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 positive and some critical elements of our local economy. It identifies quite a few opportunities readily available for our Municipality. indicates that there has been a slight decrease in the level of unemployment from 21.0% to 17.6%, this implies a 3,5% decrease, which we are truly grateful for.

The employment per sector has also seen a change since 2020, with wholesale retail, catering and accommodation leading as the largest employing sector. Agriculture, fish, and forestry also assumed its position as the main sector after seeing a significant decline in the previous years. It is now the second largest employing sector. There has been an emphasis on skills development targeting small businesses as well as the labour market in general.

For the 2021/22 financial year, LED continued 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 and others through the ward Councillors. At least 21 youth were appointed through all the EPWP programs since 2020, for a period of three year.

T3.11.1

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
			<i>T 3.11.3</i>	

Source: DBNLM LED Strategy Report 2022

COMMENT ON LOCAL JOB OPPORTUNITIES

There has been an increase in the number of projects directed to our Municipality in the ending financial year. We also note a slight change in the jobs market through all these investment and infrastructure projects. We continue to create sustainable jobs through the EPWP and CWP. This year the approach applied was the recruitment of skilled individuals into the programs, specifically CWP, and place them in institutions that might need the skill in with the objective of having them placed permanently, but also to stimulate the economy. More programs have been afforded through the EPWP programme and has been alluded to in the introduction of this chapter.

T3.11.4

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 at least 10 companies were registered and captured in municipal data base in the 2020/201 financial year. Some were assisted with amendments and advice related to their businesses. For the upcoming financial year we intend to market this service to the local entrepreneurs as a business opportunity for our youth. Additional services offered by the LED Unit also include:

- 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.

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.

- vi. Facilitation of SME capacity building and beneficiation – Accredited trainings are underway

JOBS CREATED DURING 2021/22 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
				<i>T 3.11.5</i>

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.

JOB CREATION THROUGH EPWP* PROJECTS		
Year	Number of EPWP Projects	Number of Jobs created through EPWP projects
2018/19	4	42
2019/20	2	162
2020/21	2	200
<i>* Expanded Public Works Programme</i>		<i>T 3.11.6</i>

LOCAL ECONOMIC DEVELOPMENT 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									
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	-	-	-	-	-	-	-
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	2021/22	2022/23			
	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 2021/22 : LOCAL ECONOMIC DEVELOPMENT SERVICES

R'000

Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	(21)	(21)	0	100%
Expenditure:					
Employees	1 721	1 504	1 731	1 939	-12%
Repairs and Maintenance	0	0	0	0	0%
Other	160	121	202	243	-20%
Total Operational Expenditure	1 880	1 625	1 961	2 181	-11%
Net Operational Expenditure	1 880	1 604	1 940	2 181	-12%

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 2021/22 : ECONOMIC DEVELOPMENT SERVICES

R' 000

Capital Projects	2021/22				
	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.3.11.10

- There were no capital projects budgeted for and implemented during the 2021/22 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 and the process has been concluded.

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
Wholesale, retail, catering, and hospitality	There has been a rise in the appointment of personnel for this function. This has had a positive contribution to the economy.
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.
Community Services	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

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.

T 3.11.11

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.

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

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.

T 3.12.1

SERVICE STATISTICS FOR LIBRARIES, ARCHIVES & COMMUNITY FACILITIES

RECORDS & ARCHIVES 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									
Service Objective No. 2									
Service Objective No. 3									
T 3.12.3 (A)									

LIBRARIES & COMMUNITY FACILITIES 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									
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	
T 3.12.3 (B)									

EMPLOYEES : RECORDS & ARCHIVES					
Job Level (TG)	2020/21	2021/22			
	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	2	5	3	2	
10 – 12	0	1	0	1	
13 – 15	1	1	1	0	
16 – 18					
19 – 20					
Total	3	7	4	3	

T 3.12.4 (A)

EMPLOYEES : LIBRARIES & COMMUNITY FACILITIES					
Job Level (TG)	2020/21	2021/22			
	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 (B)

- 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 2021/22 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R'000

Details	2020/21 Actual	2021/22			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	14 324	(2 884)	(2 884)	(3 172)	-10%
Expenditure:					
Employees	4 614	19 495	19 506	18 213	7%
Repairs and Maintenance	8	204	202	21	90%
Other	854	4 230	8 055	7 715	4%
Total Operational Expenditure	5 476	23 929	27 763	25 949	7%
Net Operational Expenditure	(8 848)	21 045	24 879	22 777	8%
<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

CAPITAL EXPENDITURE YEAR 2021/22 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R' 000

Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	8 979	8 979	8 979	0%	
Upgrading of Kollie Koeberg Sport Complex	8 979	8 979	8 979	0%	21 716
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.

COMMENT ON RECORDS AND ARCHIVES PERFORMANCE OVERALL

The Records and Archives Department is expected to manage municipal records in a well structured record keeping system, and to put the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of Provincial Archives. This section strives to meet these requirements. The Department only archives records of the municipality and do not serve as the as the archives for records other than those of the Municipality. It should therefore be noted that the Provincial Archive office, is the Archive body for all records of the District.

A Records and Archive Manager has been appointed on the 1st March 2021.

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.

COMMENT ON LIBRARIES AND COMMUNITY FACILITIES PERFORMANCE OVERALL

- 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.

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, Steytlerville 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.

T 3.12.7

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

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES

CEMETERIES 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									

T 3.13.3

EMPLOYEES : CEMETERY SERVICES					
Job Level	2020/21	2021/22			
	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
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 2021/22 : CEMETERIES					
R'000					
Details	2020/21 Actual	2021/22			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(422)	0	0	0	0%
Expenditure:					
Employees	130	128	128	139	-9%
Repairs and Maintenance	0	0	0	0	0%
Other	17	112	150	150	0%
Total Operational Expenditure	147	240	278	289	-4%
Net Operational Expenditure	(275)	240	278	289	-4%
<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 3.13.5</i>

CAPITAL EXPENDITURE YEAR 2021/22 : CEMETERIES					
R' 000					
Capital Projects	2021/22				
	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 3.13.6</i>

- 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.

T 3.13.7

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 after the immense impact that Covid – 19 had on most of our elderly persons, the Special Programmes Unit joined Hands with Department of Social Development, SASSA, Churches and other institutions and organisations, to help alleviate the pressure by providing care facilities like Veronica Nosanko and the Methodist Church Elderly Care Centres, as well as regular food parcels hand out and other basic needs to the elderly in the different wards as well as the Age in Action activities which keeps the elderly healthy and give them the chance to spend some fun time with their peers.

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 and national 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 .15 Disabled learners on how to utilise a computer as well as 150 learners on the SASSETA Mathematics and Literacy Programme. NYDA also trained during the financial year 2021/2022. With the assistance of NYDA 160 learners were taught How to Start your Own Business and will continue when lockdown restrictions are eased again,

Together with NYDA the Special Programmes Unit also assisted over 350 students with NSFAS applications for the year 2022 as well as admission to tertiary institutions.

The Youth Council has been established but due to the vastness of the municipality and other challenges it is still a struggle to keep the ball rolling.

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 (ECDCs) 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.

T3.14.1

SERVICE STATISTICS FOR SPECIAL PROGRAMMES UNIT

(Policy Objectives for T 3.14.3 are displayed further down.)

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					
<i>Total</i>					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.

FINANCIAL PERFORMANCE 2021/22 : SPECIAL PROGRAMMES UNIT					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	1 346	1 440	1 426	1 301	9%
Repairs and Maintenance		0	0		
Other	75	76	2	59	-2850%
Total Operational Expenditure	1 421	1 516	1 428	1 360	5%
Net Operational Expenditure	1 421	1 516	1 428	1 360	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 2021/22 : SPECIAL PROGRAMMES UNIT

R' 000

Capital Projects	2021/22				
	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 3.14.6

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

SPECIAL PROGRAMMES UNIT POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2019/20		2020/21		2021/222	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 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	
<i>T 3.14.3</i>									

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

T 3.14.7

COMPONENT E : ENVIRONMENTAL PROTECTION

This component includes pollution control, biodiversity and landscape protection. The Municipality does not have any marine and coastal areas within its jurisdiction.

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.

T 3.15.1

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.

T 3.16.1

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.

T 3.19.1

FINANCIAL PERFORMANCE 2021/22 : HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING, ETC.

R'000

Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1 010)	(2 020)	(2 020)	0	-100%
Expenditure:					
Employees	1 312	3 574	517	498	4%
Repairs and Maintenance	61	178	150	25	83%
Other	1 540	2 532	2 492	868	65%
Total Operational Expenditure	2 914	6 284	3 159	1 391	56%
Net Operational Expenditure	1 904	4 264	1 139	1 391	-22%
<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 3.19.5</i>

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.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

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) & 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.

T 3.20

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.

T 3.20.1

MUNICIPAL TRAFFIC CONTROL AND ROAD SAFETY SERVICES DATA			
Details	2019/20	2020/21	2021/22
	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	2020/21	2021/22			
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	1	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 2021/22 : TRAFFIC CONTROL					
R'000					
Details	2020/21	2021/22			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(3 922)	(5 976)	(5 976)	(3 582)	40%
Expenditure:					
Employees	5 117	4 819	5 649	5 527	2%
Repairs and Maintenance	169	290	258	5	98%
Other	1 051	1 000	1 441	1 489	-3%
Total Operational Expenditure	6 337	6 109	7 348	7 021	4%
Net Operational Expenditure	2 414	133	1 372	3 439	-151%
<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 3.20.5

CAPITAL EXPENDITURE YEAR 2021/22 : TRAFFIC CONTROL

R' 000

Capital Projects	2021/22				
	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 3.20.6

- 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		
									<i>T 3.20.3</i>

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.

T 3.20.7

3.21 FIRE SERVICES

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.

T 3.21.1

FIRE SERVICES DATA					
Details		2019/20 Actual No.	2021/21		2021/22
			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
					<i>T 3.21.2</i>

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 : FIRE SERVICES					
Job Level	2020/21	2021/22			
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

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

FINANCIAL PERFORMANCE 2021/22 : FIRE SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1 601)	(1 871)	(2 208)	(301)	86%
Expenditure:					
Employees	6 708	6 508	7 247	7 312	-1%
Repairs and Maintenance	36	309	309	64	79%
Other	423	568	901	634	30%
Total Operational Expenditure	7 167	7 385	8 457	8 009	5%
Net Operational Expenditure	5 565	5 514	6 249	7 707	-23%
<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 3.21.5

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.

CAPITAL EXPENDITURE 2021/22: FIRE SERVICES					
R' 000					
Capital Projects	2021/22				
	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					
<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 3.21.6</i>

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.

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.

T 3.21.7

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.

T 3.21.1

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.

T 3.22.2

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)	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									
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

- 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.

EMPLOYEES : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.

Job Level	2020/21	2021/22			
	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

- 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.

FINANCIAL PERFORMANCE 2021/22 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
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 2021/22 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R' 000					
Capital Projects	2021/22				
	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 3.22.6

- 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.

T 3.22.7

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.

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

SPORT AND RECREATION POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2019/20		2019/20		2020/21	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 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

EMPLOYEES : SPORT AND RECREATION					
Job Level	2020/21	2021/22			
	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 2021/22 : SPORT AND RECREATION					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
<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 3.23.4

CAPITAL EXPENDITURE 2021/22 : SPORT AND RECREATION					
R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A : Phase 2 development of Soccer Field in Kroonvale (GRT)					
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 3.23.5

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.

T 3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

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 24 Councillors as promulgated in Government Gazette No. 45216 on 23 September 2021. 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) – established on 22 February 2022.

T3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

FINANCIAL PERFORMANCE YEAR 2021/22 : THE EXECUTIVE AND COUNCIL

R'000					
Details	2020/21 Actual	2021/22			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(162)	(53)	(53)	(36)	32%
Expenditure:					
Employees	20 468	14 635	16 400	16 484	-1%
Repairs and Maintenance	7	363	0	0	0%
Other	13 304	12 416	11 826	10 393	12%
Total Operational Expenditure	33 780	27 414	28 226	26 877	5%
Net Operational Expenditure	33 618	27 361	28 173	26 841	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>					T 3.24.5

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.

T3.25.1

FINANCIAL PERFORMANCE YEAR 2021/22 : FINANCIAL SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(46 752)	(124 174)	(124 174)	(42 508)	66%
Expenditure:					
Employees	27 036	26 322	28 372	28 750	-1%
Repairs and Maintenance	1 354	958	3 309	1 210	63%
Other	64 480	27 617	44 137	77 742	-76%
Total Operational Expenditure	92 870	54 896	75 818	107 702	-42%
Net Operational Expenditure	44 763	(69 278)	(48 356)	65 194	235%
<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 2020/21 : FINANCIAL SERVICES					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	710	710	456	35%	
Project A: Description of Project/s	350	550	358	35%	358
<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 Finance Services, the project outlines 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 organization 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 Organization'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 organizational HR Policies that were adopted by the Municipal Council in June 2022. 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 organization and also reduced the huge costs of overtime in particular.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

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	Review of organogram workshopped and tabled to LLF 3 May 2022
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.	the placement process will be finalised when the organogram is reviewed
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	Position of Director: Corporate	All three director positions has been filled

								services; Infrastructure; and Community services has been Filled 1 August 2020	except for the position of the CFO
Service Objective No. 4									
Recruitment of Staff	Filling of vacancies						Advertise vacant positions after completion of placement	Recruitment of Staff especially critical positions	Recruitment of staff is on going especially in critical positions, although placement process is not finalised yet
T 3.26.3									

EMPLOYEES : HUMAN RESOURCE SERVICES						
Job Level	2020/21	2021/22				
	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	2	8	2	6	75%	
7 – 9	0	0	0	0	0%	
10 – 12	5	7	5	2	29%	
13 – 15	3	0	3	0	0%	
16 – 18						
19 – 20						
Total	9	16	9	8	50%	
T 3.26.4						

FINANCIAL PERFORMANCE YEAR 2021/22 : CORPORATE SERVICES (INCL. HR SERVICES)					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	88	595	255	1 086	-326%
Total Operational Expenditure	88	595	255	1 086	-326%
Net Operational Expenditure	88	595	255	1 086	-326%
<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 2021/22 : HUMAN RESOURCE SERVICES					
R' 000					
Capital Projects	Year 2021/22				
	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 3.26.6</i>

- 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 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 remains 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.

T 3.27.1

SERVICE INDICATORS FOR ICT SERVICES

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 Naudé 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. New phones were also installed. 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, as it will enable authorised employees to connect from anywhere, provided that they have an internet connection.

ANTIVIRUS AND ICT POLICIES

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

T 3.27.2

ICT 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 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 more reliable network availability. ICT policies were updated and reviewed. Staff awareness are currently in progress	Network infrastructures were upgraded, virtual environment were expanded to include more applications ICT policies were updated and reviewed. New phones and printers were installed	Fibre to all local buildings Power backup for all buildings Improved network speed
Service Objective No. 2									
Service Objective No. 3									
									T 3.27.3

EMPLOYEES : ICT SERVICES					
Job Level	2020/21	2021/22			
	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		6		6	50%
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					50%

T 3.27.4

FINANCIAL PERFORMANCE YEAR 2021/22 : ICT SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	1 120	1 217	1 605	1 571	2%
Repairs and Maintenance	0	1 623	1 393	988	29%
Other	548	640	0	0	0%
Total Operational Expenditure	1 668	3 480	2 998	2 559	15%
Net Operational Expenditure	1 668	3 480	2 998	2 559	15%
<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 2021/22 : ICT SERVICES					
R' 000					
Capital Projects	Year 2021/22				
	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 2021/22 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 filled.

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 application 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

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 2021/22 : PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(367)	(581)	(581)	(432)	26%
Expenditure:					
Employees	1 093	1 014	1 002	993	1%
Repairs and Maintenance	10	32	31	16	48%
Other	3 879	3 168	4 243	3 569	16%
Total Operational Expenditure	4 982	4 214	5 276	4 578	13%
Net Operational Expenditure	4 615	3 632	4 694	4 145	12%
<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 3.28.5

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

R' 000

Capital Projects	Year 2021/22				
	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.

T 3.28.7

COMPONENT J : MISCELLANEOUS

This component includes the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises. Dr Beyers Naudé Local Municipality has one Airport that it is responsible for.

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)	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									
Service Objective No. 2									

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 2021/22 : AIRPORT SERVICES

R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	(55)	(394)	(394)	(89)	-343%
Expenditure:					
Employees	660	868	653	726	-11%
Repairs and Maintenance	2	0	0	0	0%
Other	1 838	1 272	2 233	2 817	-26%
Total Operational Expenditure	2 500	2 140	2 886	3 543	-23%
Net Operational Expenditure	-2 445	1 746	2 493	3 454	-39%

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 3.29.3

CAPITAL EXPENDITURE YEAR 2021/22: AIRPORT SERVICES

R' 000

Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A:					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					T 3.29.4

- 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 2021/22

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 2021 to 30 June 2022 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 2021/22.

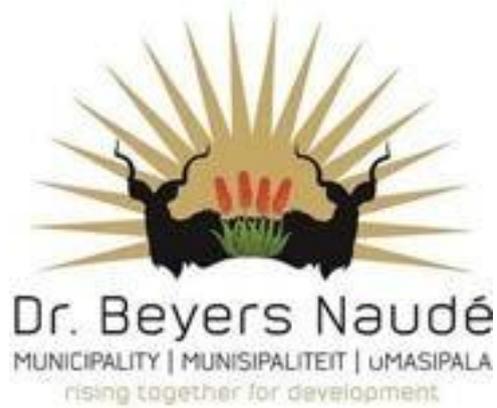
The format of the report reflects the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Areas, which are:

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

For the 2021/22 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	17	14	3	82%
Community Development	6	5	1	83%
Institutional Development	36	27	9	75%
Local Economic Development	6	2	4	33%
Back to Basics: Good Governance	10	3	7	30%
Back to Basics: Sound Financial Management	12	9	3	75%
OVERALL TOTALS	87	60	27	69%
				<i>T3.30</i>

- The Municipality was challenged with resources, financial constraints and political instability during the course of the financial year. The institutional target achievement was 69% for all planned targets as per the Service Delivery and Budget Implementation Plan (SDBIP).



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 and the placement process commenced in February 2019. The placement process has progressed to a stage where employees in the corporate pool were identified by departments and close-matched to vacant positions on the organisational structure. The entire placement process can only be completed once the review of the organogram has occurred.

T4.0.1

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The organogram consists of a total number of 1,019 posts. The total number includes 482 employees in filled positions and those in the corporate pool. The remaining number of posts (537) comprises of the vacant positions on the organogram. Due to the placement process not being finalised yet, it is difficult to give a ratio in terms vacancy rates. It is only possible to provide figures for the current filled positions.

EMPLOYEES : 2021/22					
Description	2020/21	2021/22			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager and Staff	26	20	16	10	50%
CFO, Budget and Treasury & SCM Staff	64	105	73	37	35%
Corporate Services (Administration and HR)	84	116	69	35	30%
COMMUNITY & PUBLIC SERVICES					
Library Services	12	26	11	18	69%
Protection, Traffic & Fire Services	26	105	20	80	76%
Community & EH Services	4	11	3	6	55%
Parks, Gardens & Amenities	40	108	45	72	67%
Refuse Services	66	136	60	76	56%
Street and Pavements	58	88	55	33	38%
Engineering & Planning	52	132	54	74	61%
Water, Sanitation & WWTW	58	116	52	64	55%
Electrical Services	32	56	24	32	57%
Totals	348	778	324	455	58%
Headings follow the order of services included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram as set out in chapter 3. Service totals should equate to those.					T 4.1.1

EMPLOYEE VACANCY RATE : 2021/22

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	1	100
Other S57 Managers (excluding Finance Posts)	3	0	0
Other S57 Managers (Finance Posts)	0	0	0
Law enforcement Officers	5	2	40
Firefighters	48	37	77
Senior management levels 13 – 15 (excluding Finance posts)	22	19	86
Senior management levels 13 – 15 (Finance posts)	6	0	0
Highly skilled supervision levels 9-12 (excluding Finance posts)	93	69	74
Highly skilled supervision levels 9-12 (Finance posts)	38	7	18
TOTAL	217	135	62

*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 Workforce as at beginning of Financial Year	Terminations during the Financial Year	Turnover Rate %
2019/20	4	7	1.75%
2020/21	65	13	20%
2021/22	26	19	73%
<i>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.</i>			T 4.1.3

COMMENTS ON VACANCIES AND TURNOVER

The position of CFO was vacant since 30 August 2021.

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.

T4.1.4

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.

T4.2.0

4.2 POLICIES

NAME OF POLICY	IN PLACE	REVIEWED	DATE ADOPTED BY COUNCIL OR COMMENT ON FAILURE TO ADOPT	
	Yes / No	Yes / No		
1	Institutional Plan (HR Plan)	Yes	Yes	07 October 2021 Subject to workshop
2	Employment Equity Plan	Yes	Yes	30 JUNE 2022 COUN-044.5/22
3	Workplace Skills Plan	Yes	Yes	30/04/2022 TRAIN-018.1/22
4	Relocation Policy	Yes	No	28/06/2019
5	Migration & Placement policy	Yes	No	29/05/2018
6	Subsistence & Travel	Yes	Yes	23/05/2017
7	Recruitment and selection	Yes	Yes	30 JUNE COUN-044.5/22
8	Leave	Yes	Yes	30 JUNE COUN-044.5/22
9	Skills development and training	Yes	Yes	Policy has a new name, it has been incorporated into the Education, Training and Development Policy 30 JUNE COUN-044.5/22
10	Overtime	Yes	Yes	30 JUNE COUN-044.6/22
11	Termination of employment	Yes	Yes	30 JUNE COUN-044.4/22
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 Yes	Yes Yes Yes	- 30 JUNE COUN-044.4/22 - 30 JUNE COUN-044.6/22 - New policy which incorporates Essential user Scheme Policy 27 JULY -SCOUN-109.4/22
19	Succession planning	Yes	Yes	30 JUNE COUN-044.5/22
20	Scarce skills and retention	Yes	Yes	28/06/2019
21	Employee study assistance (bursary)	Yes	Yes	30 JUNE COUN-044.6/22
22	Occupational Health & safety	Yes	Yes	30 JUNE COUN-044.6/22
23	Employee Wellness	Yes	Yes	30 JUNE COUN-044.5/22
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	Yes	30 JUNE COUN-044.5/22
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	Yes	Yes	30 June 2022
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	Yes	Yes	04 August 2021
35	Ward Committee Policy	Yes	Yes	30 June 2022
36	Ward Operational Framework Plan	Yes	Yes	30 June 2022
37	Petition Policy	Yes	Yes	30 June 2022
38	Public Participation Policy	Yes	Yes	30 June 2022
39	Absenteeism Policy	Yes	Yes	30 JUNE COUN-044.4/22
40	Consequence Management policy	Yes	Yes	COUN-011.2/2020
				<i>T 4.2.1.1</i>

COMMENTS ON WORKFORCE POLICY DEVELOPMENT

During the 2021/22 period of reporting, some of the above-listed Policies were review, whilst new ones were developed and adopted by Council.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER AND COST OF INJURIES ON DUTY (IOD) : 2021/22					
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	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

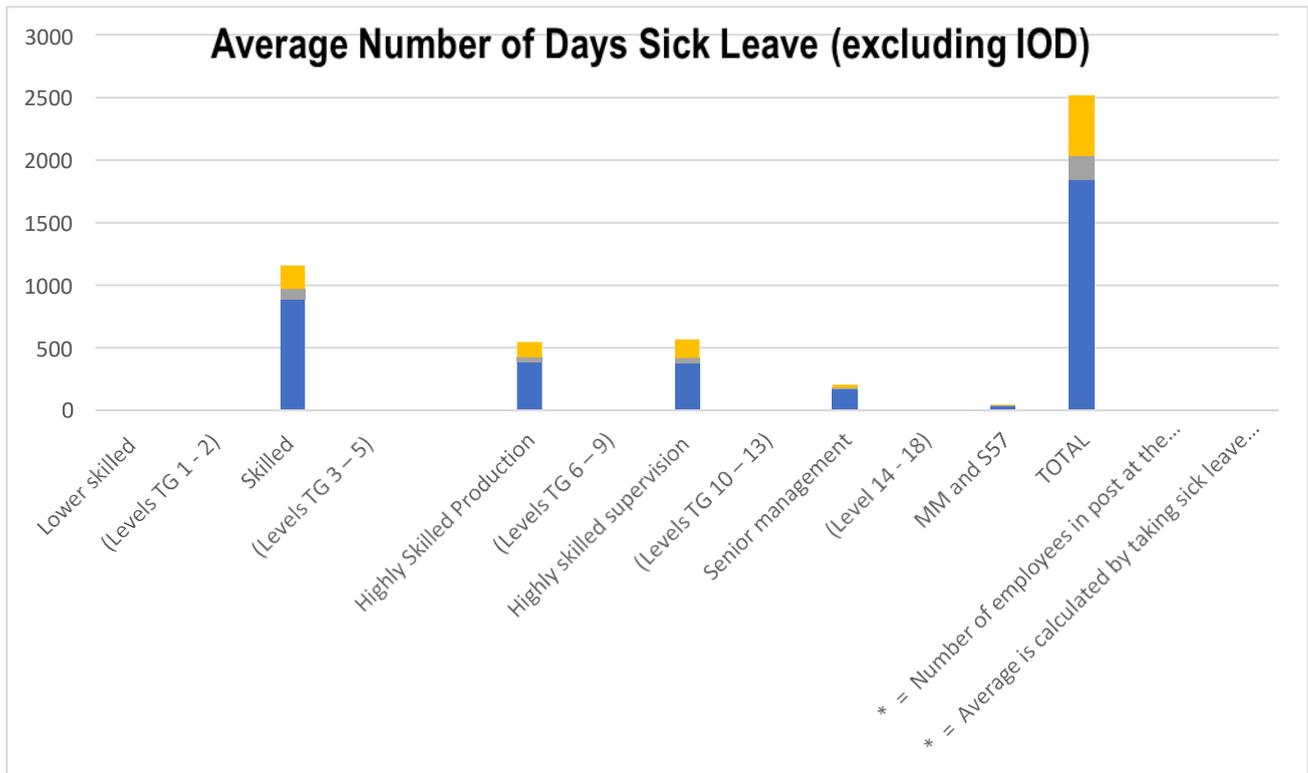
T4.3.1

- No leave was taken for Injuries of Duty and no incidents of that nature were reported.

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING IOD) : 2021/22						
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)	886	44.31	83	187	4.73	484 320
Highly Skilled Production (Levels TG 6 – 9)	385	32.42	39	120	3.20	380 700
Highly skilled supervision (Levels TG 10 – 13)	371	31.29	47	150	2.47	548 970
Senior management (Level 14 - 18)	169	44.93	12	25	6.75	374 180
MM and S57	36	60.00	3	5	7.2	516 810
TOTAL	1 847	34.37%	184	482	3.45	2 304 980

* = 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



T 4.3.3

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 DEALT WITH DURING 2021/22

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not finalised	Date Finalised
Administrator Infrastructure (Post not on organogram anymore, employee in the	Alleged theft and fraud	01/10/2020	Matter finalised	28/04/2022
Corporate Pool) Law enforcement	Use of foul language and swearing	11/01/2022	Matter finalised	29/03/2022
Officer				
Security Officer (Post not on organogram anymore, employee in the Corporate Pool)	Bringing the name of the municipality into disrepute by			
	participating in an unlawful strike against the municipality	22/06/2021	In progress	Pending
Traffic Officer	Unauthorized			
Area Engineer	absence Dereliction of duties,	21/12/2021	Matter finalised	25/03/2022

	against a subordinate			
Handyman Electrical Services	Bringing the name of the municipality into disrepute	11/06/2021	In progress	Pending
				<i>T4.3.5</i>

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	
-	-	-	-	
				<i>T4.3.6</i>

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

There were no cases of Financial Misconduct reported or dealt with during the 2021/22 period of reporting.

T4.3.7

4.4 PERFORMANCE REWARDS

No performance rewards were awarded during the 2021/22 Financial Year.

T4.4.1.1

COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION

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 2022. 0.18% 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.

T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Kindly refer to the tables on the following pages.

SKILLS MATRIX: 2021/22

Management level	Gender	Employees in posts as at 30 June 2022	Number of Skilled Employees required and actual as at 30 June 2021-2022											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of June 2021	Actual: End of June 2022	2021/22 Target	Actual: End of June 2021	Actual: End of June 2022	2021/22 Target	Actual: End of June 2021	Actual: End of June 2022	2021/22 Target	Actual: End of June 2021	Actual: End of June 2022
MM and S57	Female	1	0	0	0	1	1	1	0	0	0	1	1	1
	Male	4	0	0	0	0	1	1	0	0	0	0	1	1
Councillors, senior officials and managers	Females	13	0	0	0	7	7	7	0	0	0	7	7	7
	Males	35	0	0	0	17	17	17	0	0	0	17	17	17
Technicians and associate Professionals*	Female	17	0	0	0	2	2	5	0	0	1	3	3	6
	Males	21	0	0	0	3	10	10	0	0	1	4	11	11
Professionals	Females	51	0	0	0	3	7	7	0	0	0	3	7	7
	Males	113	0	0	0	10	16	18	0	0	0	10	16	18
Sub total	Females	82	0	0	0	13	17	20	0	0	0	13	17	20
	Males	173	0	0	0	30	44	46	0	0	0	30	44	46
Total		255	0	0	0	43	61	64	0	0	0	44	62	65

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT *

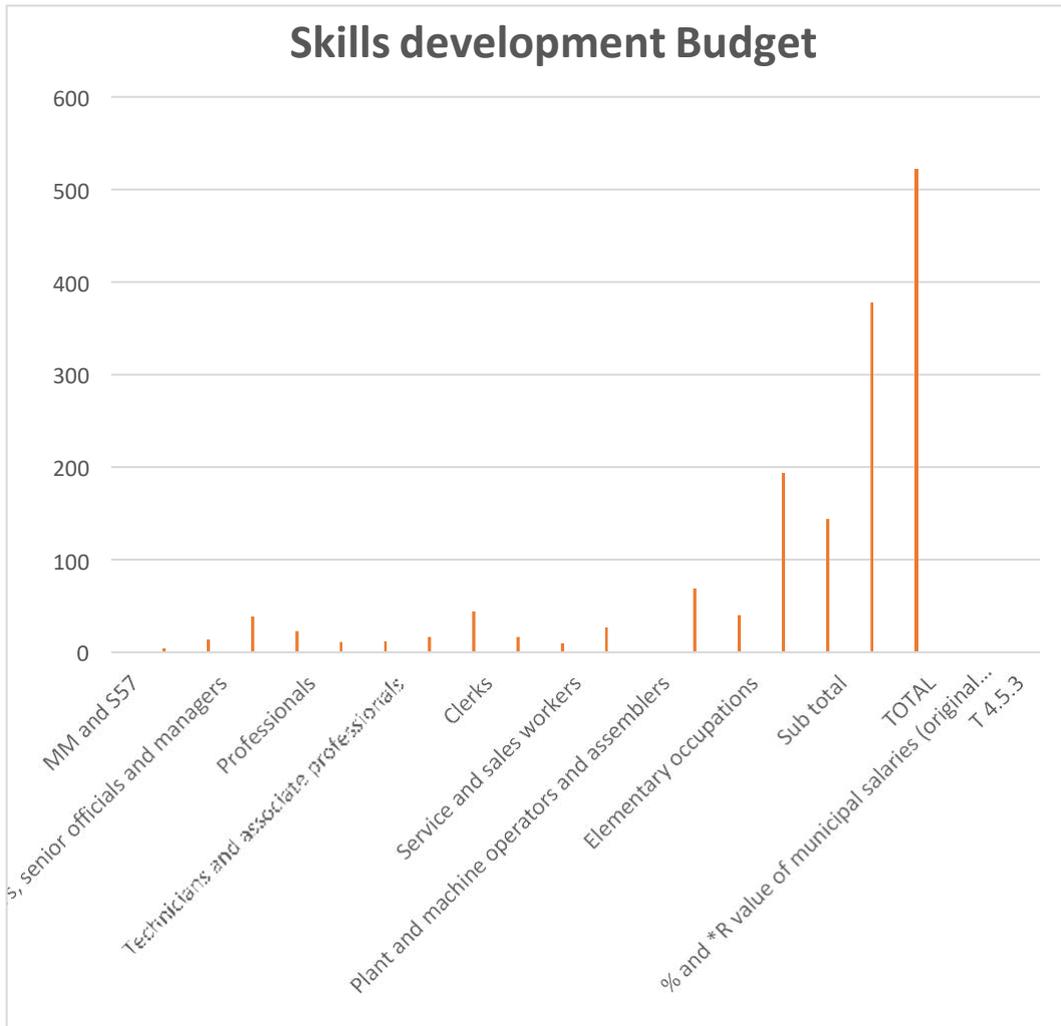
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A & B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	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>	3	0	3	0	2	1
<i>Any other financial officials</i>	29	0	29	7	0	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	5	13

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

SKILLS DEVELOPMENT EXPENDITURE: 2021/22

Management level	Gender	Employees as at 1 July 2021	Original Budget and Actual Expenditure on skills development 2021/22							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R
R333 120.00	0	1	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00	0	4	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00	R16 230.00	14	0	0	R333 120.00	0	R333 120.00	R16 230.00	R333120.00	316890.00
R333 120.00	R69 950.00	39	0	0	R333 120.00	0	R333 120.00	R69 950.00	316890.00	246940.00
R333 120.00	R35 750.00	23	0	0	R333 120.00	0	R333 120.00	R35 750.00	246940.00	211190.00
R333 120.00	0	11	0	0	R333 120.00	0	R333 120.00	0	211190.00	
R333 120.00	R7 450.00	12	0	0	R333 120.00	0	R333 120.00	R7 450.00	211190.00	203740.00
R333 120.00	R3 725.00	17	0	0	R333 120.00	0	R333 120.00	R3 725.00	203740.00	200015.00
R333 120.00	R35 300.00	44	0	0	R333 120.00	0	R333 120.00	R35 300.00	200015.00	164715.00
R333 120.00	0	17	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00	0	10	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00	0	27	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00		0	0	0	R333 120.00	0	R333 120.00		0	0
R333 120.00	R24 500.00	69	0	0	R333 120.00	0	R333 120.00	R24 500.00	164715.00	140215.00
R333 120.00	0	40	0	0	R333 120.00	0	R333 120.00	0	0	0
R333 120.00	R127 930.00	194	0	0	R333 120.00	0	R333 120.00	R127 930.00	140215.00	12
Sub total	Female	144	0	0	0	0	0	0	0	0
	Male	378	0	0	0	0	0	0	0	0
TOTAL		522	0	0	R333 120.00	0	R333 120.00	R332 835.00	R333120.00	R332835.00
<i>% and *R value of municipal salaries (original budget) allocated for workplace skills plan</i>									0.0%	R 0
<i>T 4.5.3</i>										



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.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION

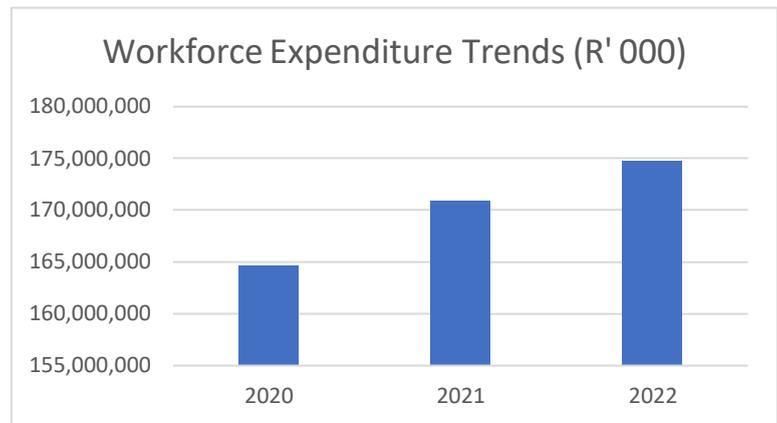
Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

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.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

2019/20	164 630 936
2020/21	170 943 455
2021/22	174 766 344
<i>T 4.6.1</i>	



COMMENT ON WORKFORCE EXPENDITURE

35% of the 2021/22 Operating Budget was allocated to employee costs.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED : 2021/22				
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
<i>The number of employees with disability amongst above-listed levels is shown in the right-hand side column in brackets, e.g. (x).</i>				<i>T 4.6.2</i>

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

During the 2021/22 year of reporting, Job Descriptions were submitted to the Job Evaluation Committee of Sarah Baartman District Municipality, for grading and evaluation. It is anticipated that evaluation results will be received early in the next financial year (2022/23).

T 4.6.5

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



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 2021/22 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 R108 million (R113 million 2020/21) which is relatively constant if the effect of the actuarial gains of R6 million (R1 million 2020/21) is eliminated. 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 32,3% to total expenditure (35,3% 2020/21). R45 million was spent on contracted services compared to 2020/21 financial year of R 54 million. Finance cost of R29 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.

R61 million (100%) 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 R1,3 million, a slight reduction from 2020/21 at R2,6 million which is concerning given the growth in our creditors. This clearly illustrates the Municipality's difficulties with cash flow management

T5.1.0

❖ *THE 2021/22 ANNUAL FINANCIAL STATEMENTS (AFS) ARE ATTACHED AS ANNEXURE 1 IN VOLUME II OF THIS REPORT.*

EC101 Dr Beyers Naudé Local Municipality- Table A2 Budget Summary

Description	2021/2022								2020/2021			
	Original Budget	Budget Adjustments (i.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	253 502	–	253 502	160 711		(92 791)	63,4%	63,4%				76 000
Executive and council	53	–	53	36		(17)	68,0%	68,0%				6 734
Finance and administration	253 448	–	253 448	160 675		(92 774)	63,4%	63,4%				69 266
Internal audit	–	–	–	–		–	–	–				–
Community and public safety	6 784	(337)	7 121	3 475		(3 646)	48,8%	51,2%				17 397
Community and social services	2 512	–	2 512	2 453		(60)	97,6%	97,6%				14 419
Sport and recreation	95	–	95	85		(10)	89,7%	89,7%				57
Public safety	2 148	(337)	2 484	936		(1 548)	37,7%	43,6%				1 908
Housing	9	–	9	1		(8)	13,3%	13,3%				4
Health	2 020	–	2 020	–		(2 020)	–	–				1 010
Economic and environmental services	36 499	–	36 499	33 926		(2 573)	93,0%	93,0%				30 492
Planning and development	1 959	–	1 959	1 774		(185)	90,6%	90,6%				1 858
Road transport	34 540	–	34 540	32 152		(2 388)	93,1%	93,1%				28 634
Environmental protection	–	–	–	–		–	–	–				–
Trading services	313 768	3 943	309 825	269 899		(39 926)	87,1%	86,0%				293 950
Electricity	157 701	–	157 701	126 984		(30 717)	80,5%	80,5%				125 549
Water	89 371	3 943	85 428	83 807		(1 621)	98,1%	93,8%				81 950
Waste water management	34 550	–	34 550	26 881		(7 670)	77,8%	77,8%				42 069
Waste management	32 145	–	32 145	32 227		82	100,3%	100,3%				44 382
Other	414	–	414	89		(325)	21,5%	21,5%				57
Total Revenue - Standard	610 967	3 606	607 361	468 101		(139 260)	77,1%	76,6%				417 896
Expenditure - Standard												
Governance and administration	144 625	(25 150)	169 775	187 261	17 487	17 487	110,3%	129,5%	–	–	–	147 627
Executive and council	29 445	(1 191)	30 636	34 056	3 421	3 421	111,2%	115,7%	–	–	–	27 126
Finance and administration	114 229	(23 915)	138 143	152 064	13 921	13 921	110,1%	133,1%	–	–	–	119 529
Internal audit	951	(44)	996	1 141	145	145	114,6%	119,9%	–	–	–	972
Community and public safety	37 845	(2 122)	39 967	36 860	(3 107)	(3 107)	92,2%	97,4%	–	–	–	37 122
Community and social services	6 102	(190)	6 292	5 574	(718)	(718)	88,6%	91,3%	–	–	–	5 837
Sport and recreation	18 046	(3 684)	21 730	20 648	(1 082)	(1 082)	95,0%	114,4%	–	–	–	20 296
Public safety	7 413	(825)	8 238	8 036	(202)	(202)	97,5%	108,4%	–	–	–	7 185
Housing	–	–	–	126	126	126	#DIV/0!	#DIV/0!	–	–	–	–
Health	6 284	2 576	3 708	2 477	(1 230)	(1 230)	66,8%	39,4%	–	–	–	3 804
Economic and environmental services	48 732	(1 333)	50 065	45 857	(4 208)	(4 208)	91,6%	94,1%	–	–	–	43 625
Planning and development	18 231	(1 705)	19 936	18 203	(1 733)	(1 733)	91,3%	99,8%	–	–	–	16 303
Road transport	30 501	372	30 128	27 653	(2 475)	(2 475)	91,8%	90,7%	–	–	–	27 322
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	250 311	(19 552)	269 862	302 445	32 582	32 582	112,1%	120,8%	–	–	–	293 882
Electricity	140 662	(7 079)	147 741	148 179	439	439	100,3%	105,3%	–	–	–	127 552
Water	56 304	(8 220)	64 523	87 895	23 372	23 372	136,2%	156,1%	–	–	–	66 577
Waste water management	34 664	(2 981)	37 645	33 012	(4 633)	(4 633)	87,7%	95,2%	–	–	–	78 958
Waste management	18 682	(1 272)	19 954	33 359	13 405	13 405	167,2%	178,6%	–	–	–	20 796
Other	2 491	(457)	2 948	3 559	611	611	120,7%	142,9%	–	–	–	2 551
Total Expenditure - Standard	484 004	(48 613)	532 617	575 982	43 365	43 365	108,1%	119,0%	–	–	–	524 808
Surplus/(Deficit) for the year	126 963	52 219	74 744	(107 882)	(182 626)	(182 626)	-144,3%	-85,0%	–	–	–	(106 912)

EC101 Dr Beyers Naudé Local Municipality- Table A4 Budget Summary												
Description	2021/2022						2020/2021					
	Original Budget	Budget Adjustments (i.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	50 291	-	50 291	40 403		(9 888)	80,3%	80,3%				36 899
Property rates - penalties & collection charges						-	-	-				
Service charges - electricity revenue	154 947	-	154 947	126 955		(27 992)	81,9%	81,9%				110 962
Service charges - water revenue	46 335	-	46 335	44 979		(1 356)	97,1%	97,1%				37 872
Service charges - sanitation revenue	34 523	-	34 523	26 869		(7 654)	77,8%	77,8%				25 260
Service charges - refuse revenue	32 145	-	32 145	32 227		82	100,3%	100,3%				30 473
Service charges - other						-	-	-				
Rental of facilities and equipment	1 049	-	1 049	1 225		176	116,7%	116,7%				811
Interest earned - external investments	1 500	-	1 500	308		(1 192)	20,5%	20,5%				169
Interest earned - outstanding debtors	4 991	-	4 991	5 651		660	113,2%	113,2%				5 156
Dividends received						-	-	-				
Fines	35	-	35	728		692	2068,3%	2068,3%				80
Licences and permits	1 854	-	1 854	963		(891)	51,9%	51,9%				1 108
Agency services	4 082	-	4 082	1 918		(2 164)	47,0%	47,0%				2 197
Transfers recognised - operational	112 741	337	113 078	106 712		(6 366)	94,4%	94,7%				122 764
Other revenue	94 910	-	94 910	11 794		(83 117)	12,4%	12,4%				7 317
Public contributions and donations						-	-	-				
Gains on disposal of PPE						-	-	-				
Total Revenue (excluding capital transfers and contributions)	539 403	337	539 740	400 730		(139 010)	74,2%	74,3%				381 066
Expenditure By Type												
Employee related costs	170 287	6 273	176 560	165 336	(11 224)	(11 224)	93,6%	97,1%				166 740
Remuneration of councillors	9 987	-	9 987	9 067	(920)	(920)	90,8%	90,8%				10 102
Debt impairment	10 146	-	10 146	67 946	57 800	57 800	669,7%	669,7%				45 440
Depreciation & asset impairment	46 094	15 478	61 572	64 708	3 136	3 136	105,1%	140,4%				56 633
Finance charges	8 428	8 182	16 609	29 682	13 073	13 073	178,7%	352,2%				22 132
Bulk purchases	116 000	-	116 000	115 746	(254)	(254)	99,8%	99,8%				99 082
Other materials	3 239	(612)	2 627	3 617	990	990	137,7%	111,7%				5 018
Contracted services	10 976	9 306	20 282	28 016	7 734	7 734	138,1%	255,2%				12 324
Transfers and grants	30	-	30	20	(10)	(10)	67,7%	67,7%				18
Other expenditure	108 817	10 236	119 053	91 845	(27 208)	(27 208)	77,1%	84,4%				107 319
Loss on disposal of PPE						-	-	-				
Total Expenditure	484 004	48 863	532 867	575 982	43 115	43 115	108,1%	119,0%	-	-	-	524 808
Surplus/(Deficit)	55 399	49 199	6 873	(175 252)		(182 126)	-2549,8%	-316,3%				(143 742)
Transfers recognised - capital	71 564	3 943	67 621	67 371		(250)	99,6%	94,1%				36 829
Contributions recognised - capital						-	-	-				
Contributed assets						-	-	-				
Surplus/(Deficit) after capital transfers & contributions	126 963	53 142	74 494	(107 882)	-	(182 376)	-144,8%	-85,0%				(106 912)
Taxation						-	-	-				
Surplus/(Deficit) after taxation	126 963	53 142	74 494	(107 882)	-	(182 376)	-144,8%	-85,0%				(106 912)
Atributable to minorities						-	-	-				
Surplus/(Deficit) attributable to municipality	126 963	53 142	74 494	(107 882)	-	(182 376)	-144,8%	-85,0%				(106 912)
Share of surplus/ (deficit) of associate						-	-	-				
Surplus/(Deficit) for the year	126 963	53 142	74 494	(107 882)	(182 376)	(182 376)	-144,8%	-85,0%				(106 912)

5.2 GRANTS

GRANT PERFORMANCE							R' 000
OPERATING TRANSFERS & GRANTS	2020/21	2021/22			2021/22 Variances		
	Actual	Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %	
National Government:	115 121	103 968	103 968	103 968			
Equitable share	110 935	99 316	99 316	99 316	0%	0%	
Municipal Systems Improvement	-	-	-	-	0%	0%	
Drought relief	-	-	-	-	0%	0%	
Other transfers/grants	4 186	4 652	4 652	4 652	0%	0%	
Provincial Government:	1 010	2 020	2 020	-			
Health subsidy	1 010	2 020	2 020	-	100%	100%	
Office of the premier	-	-	-	-	0%	0%	
Ambulance subsidy	-	-	-	-	0%	0%	
Sports and Recreation	-	-	-	-	0%	0%	
Other transfers/grants	-	-	-	-	0%	0%	
Sarah Baartman District Municipality:	3 908	4 172	4 509	2 609			
Fire Grant	1 600	1 864	2 201	301	519%	631%	
Library Grant	2 308	2 308	2 308	2 308	0%	0%	
Operational Grant	-	-	-	-	-	-	
Other grant providers:	1 009	333	333	135			
SETA	143	333	333	135	147%	147%	
COGTA COVID 19	-	-	-	-	0%	0%	
Municipal Disaster Relief Grant	866	-	-	-	0%	0%	
Total Operating Transfers and Grants	121 048	110 493	110 830	106 712			
<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 total grant income reduced since prior year. This is due to the equitable share allocation in prior year which included an additional R14 million for Covid relief due to the pandemic outbreak and resultant loss of income.

The Municipality received a Finance Management Grant to the value of R3 million (consistent with the 2020/21 year but 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.

There is however a notable reduction since prior year which does not help the municipality.

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 3 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.

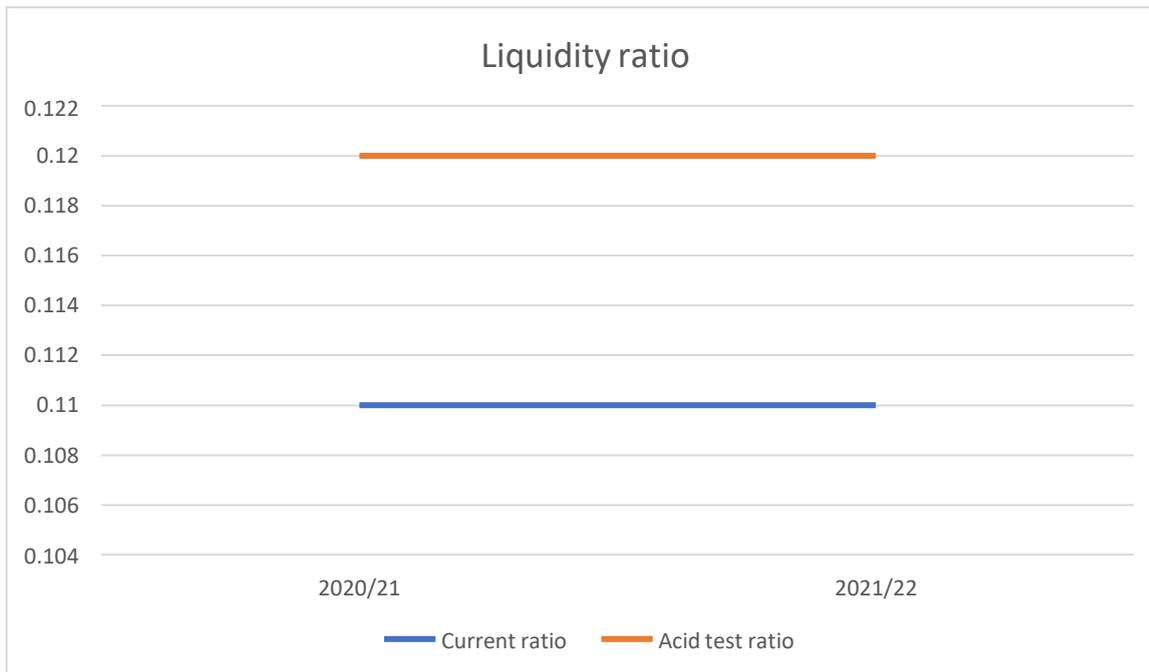
T 5.3.3

REPAIR AND MAINTENANCE EXPENDITURE : 2021/22				
R' 000				
Description	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	27 240	25 881	26 380	(-0.02%)
				T 5.3.4

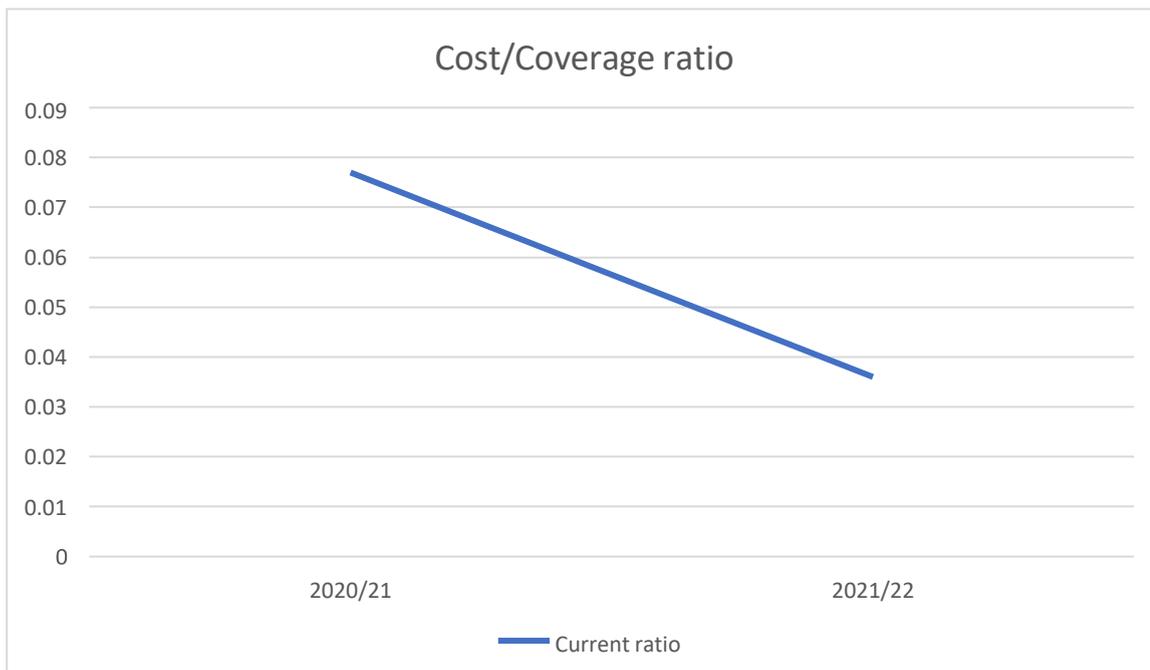
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

The large variance from budget can be attributed 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



T5.4.1 : 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.

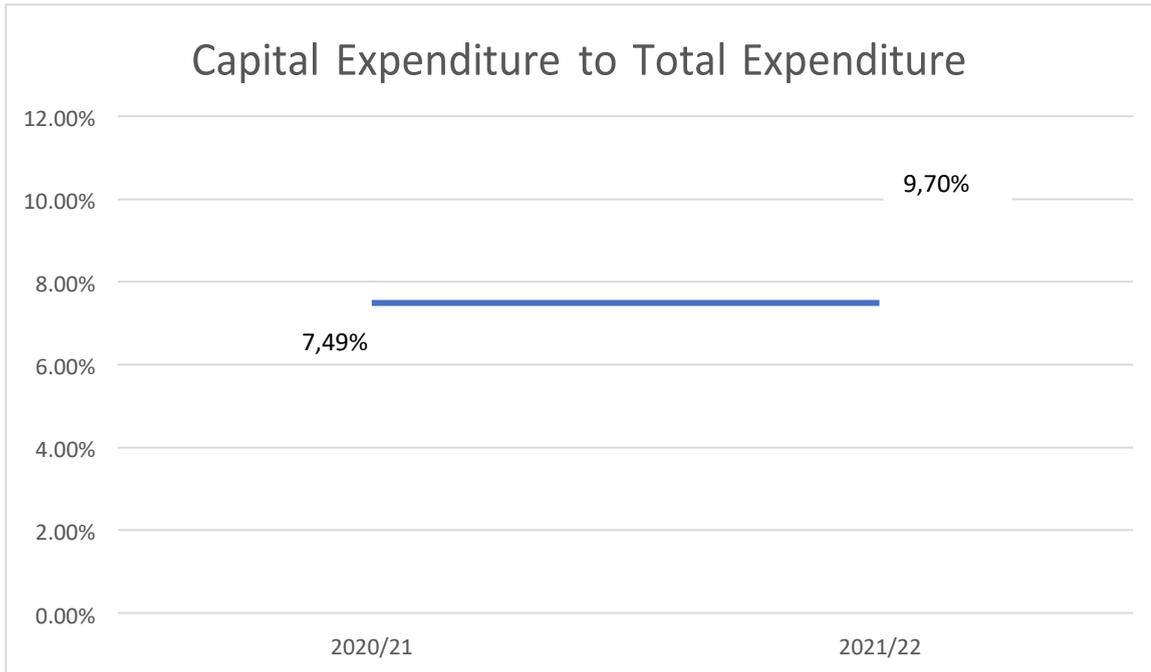


T5.4.2 : Cost Coverage ratio – explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated.

T 5.4.3 : Outstanding Service Debtors

T 5.4.4 : Debt Coverage

T 5.4.4 : Creditors System Efficiency

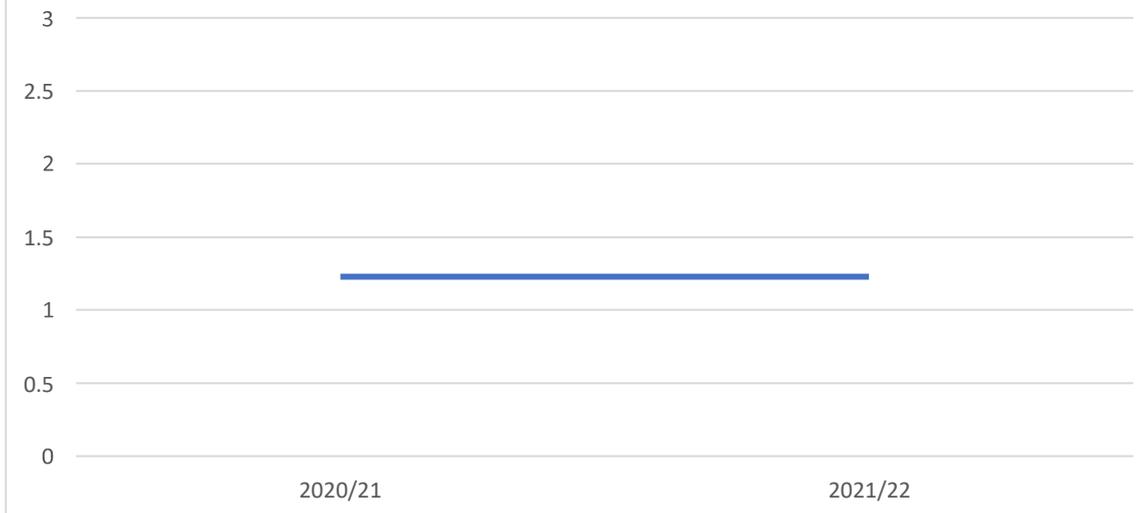


T5.4.6 : Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



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.

Total Repairs & Maintenance/ PPE & Investment Property Expenditure (CV) x100



T5.4.8 : 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. The quick ratio is 0.12:1 (0.12:1 2020/21). 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 35.3% to 32.3% year on year and a decrease in relation to revenue totals from 45.4% to 40.3%.

The Municipality is currently only spending 4.6% 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 8.10% to 10.74% in the 2021/22 year. This is primarily due to the growth in the capital expenditure, as a result of the additional capital grants received in 2021/22.

Creditors cannot be paid within the required 30 days.

T 5.4.9

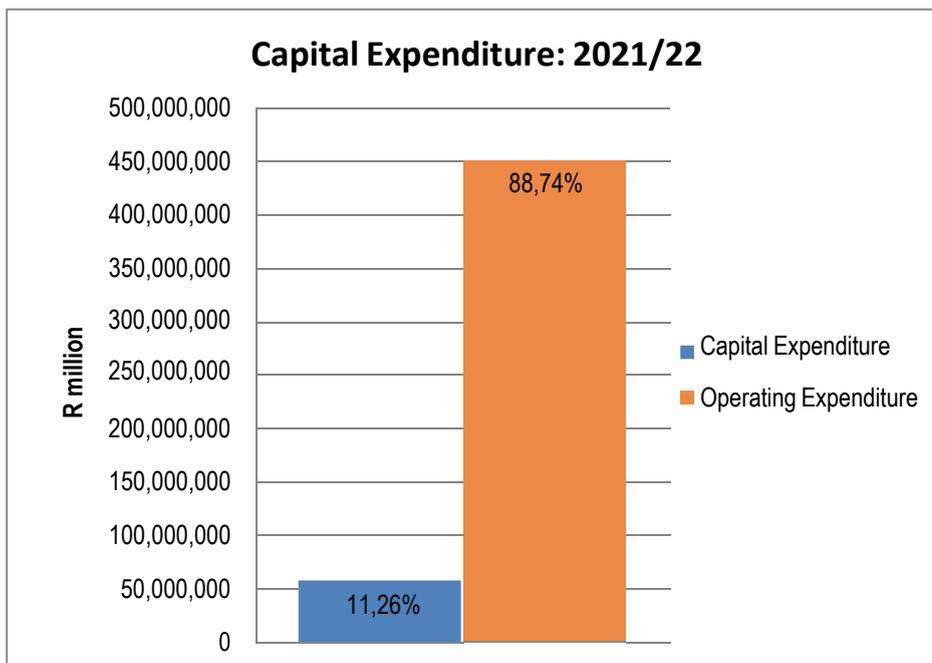
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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.

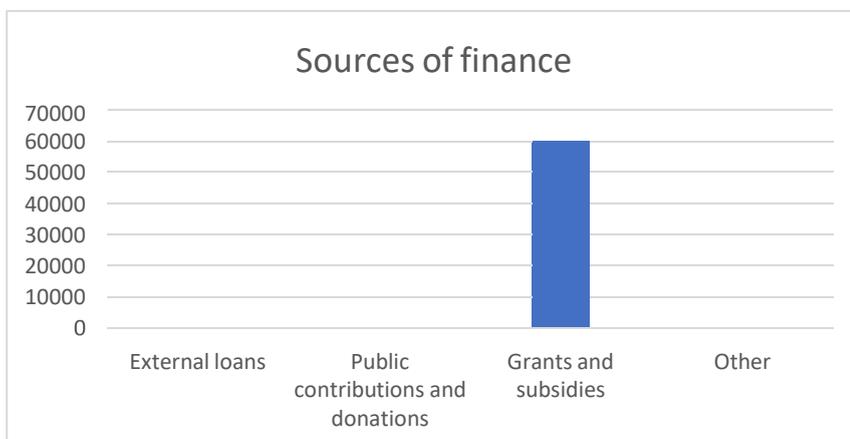
Component B deals with capital spending, indicating where the funding comes from and whether the Municipality can spend the available funding as planned.

5.5 CAPITAL EXPENDITURE



T 5.1.1

5.6 SOURCES OF FINANCE



T 5.6.1

CAPITAL EXPENDITURE BY FUNDING SOURCES : 2020/21 TO 2021/22						
Details	2020/21	2021/22				
	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	38 786	47 990	57 486	38 786	91%	81%
Other	0	0	0	0	0	0
Total	38 786	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	32 928	49 147	46 668	32 928	95%	67%
Electricity	469	1 529	1 529	469	100%	10%
Housing	-	0	0	-	0%	0%
Roads & Stormwater	2 501	3 964	3 691	2 501	93%	63%
Other	5 660	5 180	2 293	5 660	44%	109%
Total	41 558	59 820	54 181	41 558	91%	179%
<i>Percentage of Expenditure</i>						
Water & Sanitation	79%	82%	86%	79%		
Electricity	1%	3%	3%	1%		
Housing	0%	0%	0%	0%		
Roads & Stormwater	6%	7%	7%	6%		
Other	14%	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. 100% 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	2021/22			Variance 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Graaff-Reinet Emergency Water Supply Scheme (WSS)	16 000	16 000	9 398	58.7%	58.7%
B – Graaff-Reinet Emergency BWS Phase 2	12 000	12 000	12 704	105%	105%
C - Upgrading of Sewer pumpstations, Graaff-Reinet	9 656	9 656	7 329	76%	76%
D – Upgrading of Collie Koeberg Stadium	8 980	8 980	6 450	72%	72%
E – Ikwezi Bulk Water Supply	5 000	5 000	4 606	92%	92%
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	Graaff-Reinet Emergency Water Supply Scheme (WSS)				
Objective of Project	To upgrade water supply in Graaff-Reinet				
Delays	None				
Future Challenges	Phase 1 Completed successfully Multi year Project				
Anticipated citizen benefits	41,000				
Name of Project - B	Graaff-Reinet Emergency BWS Phase 2				
Objective of Project	To upgrade the bulk water supply to the town of Graaff-Reinet				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	41,000				
Name of Project - C	Upgrading of Sewer pumpstations – Graaff-Reinet				
Objective of Project	Upgrading of sewer pump stations in Graaff-Reinet				
Delays	None				
Future Challenges	Project completed successfully				
Anticipated citizen benefits	41,000				
Name of Project - D	Upgrading of Collie Koeberg Stadium				
Objective of Project	To Upgrade Sport Stadiums/ Community Assets				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	41,000				
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	6,500				

T5.7.1

COMMENT ON CAPITAL PROJECTS

T 5.7.1.1

5.8 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS : OVERVIEW

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

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T 5.8.1

SERVICE BACKLOGS AS AT 30 JUNE 2022				
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				
<i>% HHs are the service *above/**below minimum standard as a proportion of total HHs. 'Housing' refers to formal and informal settlements.</i>				T 5.8.2

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE ON SERVICE BACKLOGS : 2021/22

R' 000

Details	Budget	Adjustments Budget	Actual	% Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	2 700	2 876	2 876	0%	-3%	
<i>Storm water</i>						
Infrastructure – Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						
Infrastructure – Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>	1 300	6 350	6 350	0%	-388%	
Infrastructure – Sanitation						
<i>Reticulation</i>	8 140	14 661	14 661	0%	-80%	
<i>Sewerage purification</i>						
Infrastructure – Other						
<i>Waste Management</i>	280	211	211	0%	25%	
<i>Transportation</i>						
<i>Gas</i>						
Other Specify:						
<i>Sports stadiums</i>	3 000	120	120	0%	96%	
Total	15 420	24 217	24 217	0%	-57%	
* 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.						T 5.8.3

COMMENT ON BACKLOG

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.

T 5.9

5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Ratepayers and Other	183 786	301 891	301 891	191 574
Government – Operating	157 755	184 305	180 699	174 083
Other receipts	-	97 185	97 185	-
Interest	169	1 500	1 500	308
Suppliers and Employees	(305 935)	(427 765)	(173 122)	(311 223)
NET CASH FROM / (USED) OPERATING ACTIVITIES	35 774	157 116	408 154	54 742
CASHFLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal	281	-	-	1 578
Increase in PPE	(41 558)	(86 898)	(86 898)	(60 782)
NET CASHFLOWS FROM / (USED) INVESTING ACTIVITIES	(41 277)	(86 898)	(86 898)	(59 204)
CASHFLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Consumer deposits	-	138	(3 455)	-
Increase (Decrease) in financial liabilities	5 859	-	-	3 147
NET CASH FROM / (USED) FINANCING ACTIVITIES	5 859	138	(3 455)	3 147

NET INCREASE/(DECREASE) IN CASH HELD	357	70 356	317 801	(1 317)
Cash/cash equivalents at the year begin	2 278	2 278	2 278	2 634
Cash/cash equivalents at the year end	2 634	72 636	320 079	1 319
				<i>T5.9.1</i>

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.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

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 5.10.1

MUNICIPAL INVESTMENTS	2019/2020 Actual	2020/21 Actual	2021/22 Actual
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank		2 634	1 319
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		2 634	1 319
			<i>T 5.10.2</i>

COMMENT ON BORROWING AND INVESTMENTS

The municipality did not enter any borrowing contracts during the financial year ended 30 June 2022 other than Security deposit obtained to the value of R20 million. Cash and cash equivalents amounted to R1 318 835 at 30 June 2022. The municipality does not have any municipal entities under its control.

T5.10.3

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any 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 AND AMENDMENTS DURING 2021/22 FINANCIAL YEAR

The Dr Beyers Naudé Municipality's Supply Chain Management Policy was reviewed and approved in June 2021. The following amendments were made:

- Deviation categories of emergencies and impracticality were further defined in terms of what circumstances merits instances of emergencies and impracticality.

NEW AND FUTURE DEVELOPMENTS

The organizational structure of the supply chain unit has been reviewed to ensure better service delivery and the facilitation of functions.

MFMP COMPETENCY LEVELS

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

LONG-TERM CONTRACTS

The Municipality did not award any long-term contracts during 2021/22.

SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2021/22

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.

CHALLENGES FACED DURING THE YEAR

- Staff shortages,
- No clear job descriptions, and
- The Promun financial system perimeter settings.

MAIN AUDIT FINDINGS DURING 2021/22

- Irregular expenditure listing completeness – not all deviations disclosed or properly motivated on listing. The Municipality did not identify and disclose all irregular expenditure in the AFS, as required by section 125 (2)(d)(i) of the MFMA. This was due to expenditure incurred in contravention of the SCM requirements not being detected and appropriately disclosed in the AFS.
- Locality used as a criterion for tender functionality.

T 5.12.1

5.13 GRAP COMPLIANCE

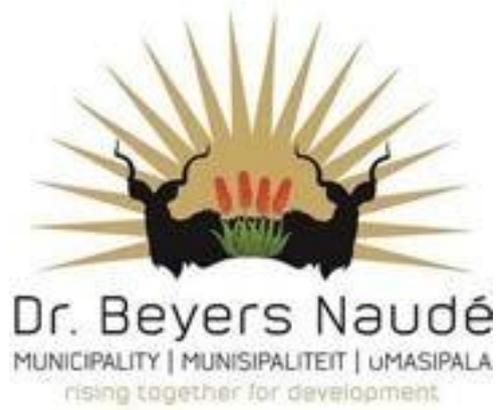
GRAP is the acronym for Generally Recognized Accounting Practice, and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also 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.

T 5.13.1

5.14 MSCOA IMPLEMENTATION

The Dr Beyers Naudé Local Municipality has converted to mSCOA and is reporting monthly. Challenges were experienced during 2021/22, that were addressed accordingly.

T 5.14.1



CHAPTER 6

AUDITOR-GENERAL: AUDIT FINDINGS



INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

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 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 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 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)</i>	
	T 6.1.2

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
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 2021/22

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2021/22

Audit Report Status*:	Qualified opinion	
Non-Compliance Issues	Remedial Action Taken	
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	
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	
<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 : 2021/22*

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.
<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 2021/22 FINANCIAL STATEMENTS

❖ *THE 2021/22 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 "what we wish to achieve".
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	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: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i>

APPENDICES

APPENDIX A

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE 2021/22

COUNCIL MEMBERS	FULL TIME / PART TIME FT/PT	COMMITTEES ALLOCATED	WARD AND / OR PARTY REPRESENTED	% OF COUNCIL MEETINGS ATTENDED	% APOLOGIES FOR NON- ATTENDANCE
UP UNTIL 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS (27 COUNCILLORS)					
Clr Deon de Vos	FT	Chair of EXCO Chair of IDP Rep Forum & political champion of the IDP	Mayor & PR Councillor	100%	0%
Clr Thembisa Nonnies	FT	Chairperson of Council	Speaker & PR Councillor	100%	0%
Clr Willem Säfers	PT	MPAC Chairperson	Ward 1 Councillor	95%	5%
Clr Ricardo Smith	PT		Ward 2 Councillor	95%	5%
Clr Katie Hoffman	PT		Ward 3 Councillor	100%	0%
Clr Xolile Galada	PT		Ward 4 Councillor	95%	5%
Clr Glenda Mackelina	PT		Ward 5 Councillor	80%	20%
Clr Thembile Tshona	PT		Ward 6 Councillor	100%	0%
Clr Rudy Jacobs	PT		Ward 7 Councillor	50%	50%
Clr Ewald Look	PT	Portfolio Head of Budget & Treasury Committee	Ward 8 Councillor	95%	5%
Clr Piet Bees	PT		Ward 9 Councillor	100%	0%
Clr Louis Langeveldt	PT		Ward 10 Councillor	100%	0%
Clr Abraham Arries	PT		Ward 11 Councillor	95%	5%
Clr Danie Bezuidenhout	PT		Ward 12 Councillor	63%	37%
Clr Errol Rossouw	PT		Ward 13 Councillor	50%	50%
Clr Joy Williams	PT		Ward 14 Councillor	95%	5%
Clr Pieter (Pen) Koeberg up until 03/09/2021	PT	Portfolio Head of Infrastructure Services Committee	PR Councillor	50%	50%
Clr Notizi Vanda	PT	Portfolio Head of Community	PR Councillor	100%	0%

		Services Committee			
Clr Abraham Arries	PT		PR Councillor	95%	5%
Clr Angeline Booysen	PT		PR Councillor	100%	0%
Clr Asanda Mboneni	PT		PR Councillor	100%	0%
Clr Eldridge Ruiters	PT	Portfolio Head of Corporate Services Committee	PR Councillor	95%	5%
Clr WZ Le Grange	PT		PR Councillor	100%	0%
Clr BW Seekoei	PT		PR Councillor	100%	0%
Clr E A Carolus up until 19/07/2021	PT		PR Councillor	-	-
Clr D Williams	PT		PR Councillor	95%	5%
Clr D Booysen	PT		PR Councillor	95%	5%
AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS (24 COUNCILLORS)					
Clr Ewald Lookk (up until May 2022) (Also listed under Ward Councillors)	FT	Chair of EXCO Chair of IDP Rep Forum & political champion of the IDP	Mayor and Ward 8 Councillor	95%	5%
Clr Hoffman (up until 20/01/2022)	FT	Chairperson of Council	Speaker & PR Councillor	100%	0%
Clr Cheslin Felix (from 15/02/2022)	FT	Chairperson of Council	Speaker & PR Councillor	95%	5%
Clr Y Frazenburg	PT		Ward 1 Councillor	95%	5%
Clr Ricardo Smith	PT		Ward 2 Councillor	93%	7%
Clr A Mnuni	PT		Ward 3 Councillor	95%	5%
Clr Xolile Galada	PT		Ward 4 & 5 Councillor	93%	7%
Clr Joy Williams	PT		Ward 4 & 14 Councillor	80%	20%
Clr A Nofemele	PT		Ward 6 Councillor	95%	5%
Clr Nathan Jacobs	PT		Ward 7 Councillor	95%	5%
Clr Ewald Lookk	PT		Ward 8 Councillor	93%	7%
Clr H Booysen	PT		Ward 9 Councillor	93%	7%
Clr I Bolligello	PT		Ward 10 Councillor	95%	5%
Clr Abraham Arries	PT		Ward 11 Councillor	95%	5%
Clr Danie Bezuidenhout	PT		Ward 12 Councillor	86%	14%
Clr Willem Säfers	PT		PR Councillor	95%	5%
Clr Eldridge Ruiters	PT		PR Councillor	95%	5%
Clr A van Heerden	PT		PR Councillor	95%	5%

Cllr F de Villiers	PT		PR Councillor	95%	5%
Cllr G Wiehahn	PT		PR Councillor	95%	5%
Cllr J Lomborg	PT		PR Councillor	95%	5%
Cllr K Hendricks	PT		PR Councillor	63%	37%
Cllr K Kekana	PT		PR Councillor	95%	5%
Cllr M Deyzen	PT		PR Councillor	95%	5%
Cllr T Plaatjies	PT		PR Councillor	95%	5%
					T A

COMMENTS ON COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Up until the 1 November 2021 Local Government Elections, there were a total of 27 Councillors, of which 14 were elected Ward Councillors with 13 PR Councillors, appointed on a proportional basis. Concurrent with the Local Government Elections, 12 newly delimited Wards came into being, as promulgated in Government Gazette No. 45216 on 23 September 2021, and 12 Ward Councillors were duly elected, with 12 PR Councillors, making up a total of 24 Councillors.

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.

T A.1

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
Budget Steering Committee	Planning and managing the preparation of the annual budget

DIRECTORATE	DIRECTOR / MANAGER
Municipal Manager	Municipal Manager: Dr E.M. Rankwana
	Chief Operations Officer: Mr H. Hendricks
	Internal Audit Executive: Mr G. Maya
	IDP Manager: Miss L. Fouché (until 30 October 2021. Position vacant.)
	PMS Manager: Mrs E. Abader
Corporate Services	Director Corporate Services: Ms. Z.V. Kali
	Manager: Human Resources: Ms D Klassen
	Manager: Administration: Ms. N. W. Oliphant (from 1 March 2021)
	Manager: Records and Archives: Ms. C. Cona (from 1 March 2021)
	Acting Area Manager: Mr Nico Barnard (from 1 March 2021 / Willowmore)
	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
	Manager Protection Services: Mr Koster (from 1 July 2021 to 25 Feb. 2022)
	Manager Community Services: Mr Melvin Pietersen (from 1 April 2021)
Budget & Treasury	Acting Chief Financial Officer: Mr Jimmy Joubert (from 1 September 2021)
	Manager Reporting: Mr S. Mbotya
	Manager Revenue: Ms D. Sauls
	Manager Assets & Supply Chain Management: Mr R. Jegels (from 1 March 2021)
Infrastructure Services	Director Infrastructure Services: Mr Bennie Arends
	Manager, Electrical Services : Mr Tos Van Zyl
	Manager, Planning & Spatial Development : Mr Ndumiso Camngca
	Manager, PMU (EPWP/MIG) : Mr Stephan Fourie

T C

APPENDIX D**FUNCTIONS OF MUNICIPALITY / ENTITY**

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

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

APPENDIX E
WARD REPORTING

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
14 WARDS UP UNTIL 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS					
1	Cllr Willem Säfers - 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 2021/22	0	4	0
2	Cllr Ricardo Smith - Jerome Schots - Welma Theron - Brian Heugh - E.A. Savage - Elain Stanley - Hilary Palmé - Hestie Van Der Mescht - Dennis Davidson - Shirley Haarhoff	Yes, during 2021/22	0	4	0
3	Cllr Katie Hoffman - Roseline Reid - Johnna Jaftha - Lilly Williams - André Pokpas - August Steyn - Joe Deurling - Johannes Delmas - Moos Mbodla - Michael Hector	Yes, during 2021/22	0	4	0
4	Cllr Xolile Galada - Ayanda Mjada - Mandisa Cebele - Nozuko Mantayi - Irene Meintjies - Sinethemba Qoqo - Westerfield Sodladla - K. M. Ndoni - Siphon Bafo - Asemahle Novemba	Yes, during 2021/22	0	4	0

5	Cllr Glenda Mackelina - Margaret Baartman - Shaun Baartman - Dorothy Baardman - P.A. Reid - Isabel Sondag - A. Meyer - Joe Jaftha	Yes, during 2021/22	0	4	0
6	Cllr Thembile Tshona - L.E. Fula - M. Volontiya - Nobendiba Jack - Nomayaza Ntsodwa	Yes, during 2021/22	0	4	0
7	Cllr Rudy Jacobs - 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 2021/22	0	4	0
8	Cllr Ewald Loock - 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 2021/22	0	4	0
9	Cllr Piet Bees - Willem Matola - Gideon Malan - P. Korkei - Jacoba Dunn - Rodney W.Human - Madeline Wolhurter - Annie Wagenaar - Sussana Magielies - Adriaan Jordaan - Channel Cornelius	Yes, during 2021/22	0	4	0
10	Cllr Louis Langeveldt - Abraham Brouwers - Patrick Douws - Vuyokazi Oliphant - Meyer D.D.Wikken - Thembekile Kock - Pieter Chabe - Thanduxolo Mgwali - Vuyolweyhu Desha - Miranda Sidonga - Stephane Mlolomba	Yes, during 2021/22	0	4	0

11	Cllr Abraham Arries - 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 2021/22	0	4	0
12	Cllr Daniel Bezuidenhout - Kiewiet Booysen - Annie Hemley - Marius Herselman - S.S. Stout - Willem Jaftha - W.T. Hayward - Elwean Fisher	Yes, during 2021/22	0	4	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
12 NEWLY DELIMITED WARDS, AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS					
1	Cllr Yvonne Frazenburg - Brendan Flippies - Bernardo De Vos - Godwin Grobbelaar - Johnika Arries - Jane Saayman - Wongalethu Magewu - Pamela Mgazi - Xolelwa Dlayedwa - Loyiso Skosana - Johannes Mauply	Yes, during 2021/22	0	4	0

2	Cllr Ricardo Smith - Sakkie Van Zyl - Michelle Erasmus - Jacobus Petrus Grobbelaar - Kim van Behr Imrie - Althea Jesersky - Shirley Haarhoff - Collen Haarhoff - Ulrich Engelbrecht - Gert Jonkers - Bernard Fillies	Yes, during 2021/22	0	4	0
3	Cllr A Mfundisi - Booi Smith - Cynthia Jaftha - Gilbert Vers - Alfred Damoms - Paul Skut - Selina Davids - Romano Jaftha - Cynthia Mabie - Deon Prins - Martha Hart	Yes, during 2021/22	0	4	0
4	Cllr Joy Williams - James Piet - Alfred Arries - Eldorique Gouws - Rienie Gouws - Nella Reid - Benjamin Jaftha - Jonathan Wessels - David Adams - Mariana Williams - Chantel Maitland	Yes, during 2021/22	0	4	0
5	Cllr Xolile Galada - Jacoba Baartman - Maureen Malaya - Emelda Fletcher - Cindy Davids - Magareth Jaftha - Charlotte Davids - Thembinkosi Booysen - Solly Saul - Linda Jaftha - William Simons	Yes, during 2021/22	0	4	0
6	Cllr A Nofemela - Barthwell Goliath - Kwanele Jantjies - Portia Volontiya - Vuyisa Jantjies - Svuyile Thanda - Sphiwo Giyose - Dan Memese - Vuyelwa Fisani - Maria Meishek	Yes, during 2021/22	0	4	0

7	Cllr Nathan Jacobs - Margie Du Plooy - Ayrton Travill - Heinie Pienaar - Pieter Erasmus - Hanna Makoba - Gerald Erasmus - Evenise Weman - Jonathan Demas - Lilly Williams - Jesmina Stuurman	Yes, during 2021/22	0	4	0
8	Cllr Ewald Look - Abbey-Gail Lukas - Henry Blou - Jane Zaayman - El-Christo Gouws - Kenward Neil Sarels	Yes, during 2021/22	0	4	0
9	Cllr H Booysen - Christopher De Vos - Euna De Vos - Chris De Vos - Madeline Wolhurter - Stephanus Matyeka - Sussana Magilies - Zenobia Kitas - Jurieda Jordan - Will be co-opted - Andrew Diedericks	Yes, during 2021/22	0	4	0
10	Cllr Bolligelo - Madoda Jeyi - Vuyolwethu Desha - Jackson Ngayiza - Shirley Brouwers - Thembekile Kock - Luthando Sikiwe - Stanley Desha - Ntombizandile Nkasayi - Bukiwe Kock - Angeline Sakata	Yes, during 2021/22	0	4	0
11	Cllr Abraham Arries - Mavis Ngqeza - Anne Sauls - Thandokazi Nkasayi - Loretta Plaatjies - Sandisiwe Pheyi - Brenda Cola - Gladys Ketchem - Yolandi Afrika - Johnny Lewis - Mugabe Vanda	Yes, during 2021/22	0	4	0
12	Cllr Daniel Bezuidenhout - Sophia Stout - Willem Jafta - Kiewiet Witbooi - Elwean Fischer - Joe Kobe - Nonzaliseko Ntshsiza - Thozamile Jack - Portia Erasmus	Yes, during 2021/22	0	4	0

PPENDIX 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 ❖ Willowmore (new housing for Vondeling)	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.

	<ul style="list-style-type: none"> ❖ Rietbron (40 houses built – identification of beneficiaries) ❖ Baviaanskloof (for people living in mud dwellings) 	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 Steytlerville.
2	Waste Management (Steytlerville Landfill and refuse removal service required for Wolwefontein)	Refuse not collected in Wolwefontein for several months. Work at Steytlerville 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 (Steytlerville)	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 Steytlerville 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 Steytlerville 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.

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.

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DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS 2021/22	RECOMMENDATIONS ADOPTED (Y or N)
15 July 2021	<p><u>INSTITUTIONAL OVERVIEW REPORT</u></p> <p>Any valuable recommendations need to be extracted onto a matrix to indicate who will perform what and when for the audit committee members to keep track of progress.</p> <p>It should also be in an action plan manner which indicate the progress on implementation with timelines.</p>	Y
15 July 2021	<p><u>INTERNAL AUDIT REPORTS</u></p> <p>(a) Disciplinary hearings: That the turnover time of hearings needs to improve.</p> <p>(b) Revenue: That the responses by management to address the findings raised needs to change to address the findings.</p> <p>(c) Will implement tight controls in Jansenville cashier office. (Access control)</p> <p>(d) Internal audit report: Water and Electricity losses: There needs to be a regular update to audit committee to monitor the progress and implementation of the finding raised by internal audit.</p>	Y
15 July 2021	<p><u>RISK MANAGEMENT</u></p> <p>(a) There needs to be a column to indicate progress in addressing the risks.</p> <p>(b) The top 5 risks need to be discussed in detail at the audit committee and management meetings.</p> <p>(c) The deadlines need to be updated as they are expired.</p> <p>(d) The risk registers to be sent to provincial treasury for input.</p>	Y
15 July 2021	<p><u>COVID-19 EXPENDITURE REPORT</u></p> <p>The report is not user friendly, and a summary report must be given by municipality.</p>	Y

15 July 2021	<u>REPORTS FROM CHIEF FINANCIAL OFFICER</u> The SCM quarterly report to be submitted as part of the report from chief financial officer, going forward.	Y
15 July 2021	<u>LITIGATIONS</u> Insert column to indicate start date of a case and column for last activity on the case.	Y
29 November 2021	<u>INSTITUTIONAL OVERVIEW REPORT</u> (a) Any valuable recommendations need to be extracted onto a matrix to indicate who will perform what and when for the audit committee members to keep track of progress. (b) The Audit committee was pleased to be informed that the report was shared with the Parliamentary Committee. (c) The Audit committee also recommended that the better solution is cash injection or refinancing of the municipality due to the historical debts it inherited from the previous entities. (d) The Audit committee also recommended that it is advisable to send the documents or the report timeously to the committee so that the committee could study and make comments, then to only see the report in the meeting.	Y
29 November 2021	<u>INTERNAL AUDIT REPORT</u> (a) Review of SDBIP – SMART criteria: That all findings that were raised be considered. (b) ICT Review: That there must be a review and sign off on logs daily. (c) Prepaid vending machine amendment report: That the return of the municipal property should be ensured on the presentation of the suspension letter.	Y
29 November 2021	<u>PROGRESS REPORT, ANNUAL REVIEW OF DOCUMENTS AND FMCMM</u> That the Accounting Officer should resource the Internal Audit Unit by submitting recommendations to the Council, although the institution is faced with financial challenges.	Y

29 November 2021	<u>RISK MANAGEMENT</u> (a) That the dates be updated as some of the dates has already passed. (b) That responses must be provided by the directors on the risks. (c) That a timeline should be included indicating by when the risk will be addressed.	Y
29 November 2021	<u>REPORTS FROM THE CHIEF FINANCIAL OFFICER:</u> (a) SCM Quarterly Report: That Sky Metro deviation be part of the next meeting. (b) Irregular expenditure: That MPAC Reports be submitted to the Audit committee meeting.	Y
29 November 2021	<u>LITIGATIONS</u> That all reports be submitted with the Agenda to save time instead of presenting reports during the meeting.	Y
10 February 2022	<u>DRAFT MANAGEMENT REPORT</u> (a) That reviews should start early, and regular meetings be held to eliminate material misstatements. (b) That electricity losses are still very high and should be included in the Audit Action Plan. (c) The placement should finalise as it has been on the radar screen for some time. (d) Compliance and consequence management is a repeat finding – it must be implemented and considered seriously. (e) That Audit Action Plans and commitments from 2018, 2019, 2020 and 2021 are still in progress. Indication on progress made and report on outstanding actions be provided. (f) That red faces in the management report of the Auditor General should be assessed quarterly by management and draft quarterly report to improve. (g) That Risk Management Unity does not have an adequate resources section, same applies with the Internal Audit Unit and the council should be approached by the Accounting Officer.	Y

<p>10 February 2022</p>	<p><u>INTERNAL AUDIT REPORTS</u></p> <p>(a) The AC recommended that the Accounting Officer should prepare a submission to the council with a view to augment the capacity of the Internal Audit Unit as it was previously recommended on the 29/8/2021.</p> <p>(b) The AC recommended the implementation of the Standard Operating Procedures (SOPs).</p> <p>(c) That Municipal Management should document their responses instead of responding verbally in the meeting.</p> <p>(d) That Management should meet prior the AC meetings to ensure that their reports are complete.</p> <p>(e) The Audit Committee was concerned about the IA Plan not being fully implemented and the same recommendation was raised in the resolutions of the meeting of the 29/8/2021.</p> <p>(f) That the internal controls are not monitored seriously should be brought to the attention of Council.</p> <p>(g) That the shortage of human resources in the IA Unit was identified by the Auditor General and should be addressed by management and brought to the attention of the council.</p>	<p>Y</p>
<p>10 February 2022</p>	<p><u>RISK MANAGEMENT REPORTS</u></p> <p>(a) The Audit Committee indicated its discomfort on the dates for risk intervention that are in the second quarter and if the targets would be achieved.</p> <p>(b) That the Risk Management Unit is poorly resourced, and the Accounting Officer should report to the council and requests for additional human resources.</p> <p>(c) That the Internal Audit Plan should be linked to the Risk Management Plan.</p>	<p>Y</p>
<p>10 February 2022</p>	<p><u>CONFIRMATION OF THE MINUTES AND RESOLUTION REGISTER</u></p> <p>(a) AC resolved that ACAE should forward a presentation of the Institutional overview to the Audit Committee together with a municipal presentation to SALGA and Parliamentary committee</p> <p>(b) AC recommended that the better solution to the cashflow challenges of the municipality is for the two spheres of government to assist with cash injection due to historical debts inherited during amalgamation.</p> <p>(c) AC emphasised the need of an updated Consolidated Resolution Register so that the committee could track and monitor the implementation.</p>	<p>Y</p>

	<p>(d) That the council should use the Audit Report as an oversight tool.</p> <p>(e) That Irregular and Unauthorised expenditure should be referred to the MPAC so that after investigations, it should be submitted to council for a decision.</p> <p>(f) That the Audit Committee noted with great concern that some IA Projects have not been completed from the previous financial year.</p> <p>(g) That the Accounting Officer should table before the council on the challenge of the acute shortage of personnel corps in the IA Unit.</p>	
<p>10 February 2022</p>	<p><u>REPORTS FROM THE CHIEF FINANCIAL OFFICER</u></p> <p>S71 and S52</p> <p>(a) That the AC be kept abreast on the latest developments in the settling of ESKOM account.</p> <p>(b) That municipal senior management should present a plan on the recovery of municipal debt from officials which is R800 000 plus and was also raised as a recommendation in the meeting of the 29/8/2021.</p> <p>(c) That the AC is concerned with electricity and water losses although the Director: Infrastructure assured the members that DBNLM is still under the national norm. The municipality is within the Karoo Cluster area; hence water must be conserved, and illegal electricity connections be disconnected.</p> <p>(d) That there must be a plan to curb the high indigent debt for water provision.</p> <p>(e) That there should be a timeframe for the writing off, of IGG debt.</p> <p>(f) That R3.1m is considered high for overtime emoluments per quarter.</p> <p>SCM Reports</p> <p>(g) The AC raised a concern on a long list of deviations.</p> <p>(h) The municipality must comply with the AGSA Report and intervene on findings made.</p> <p>(i) The AC encouraged the municipal senior management to hold preparatory meeting and perused the reports before submitting them to the committee. The report must be tabled to MPAC with recommendations to Council.</p> <p>MSCOA Quarterly Report</p> <p>(j) That a roadmap for each outstanding modules be provided in the next meeting.</p>	<p>Y</p>

<p>10 February 2022</p>	<p><u>PERFORMANCE MANAGEMENT REPORT</u></p> <p>The report be noted, and the committee also noted that unimplemented projects due to lack of funding will be readjusted during the Adjustment Budget Process.</p>	<p>Y</p>
<p>10 February 2022</p>	<p><u>REPORTS FROM HUMAN RESOURCES</u></p> <p>The report was noted by the Audit Committee. Litigation registers to be circulated to Audit Committee members.</p>	<p>Y</p>
<p>27 May 2022</p>	<p><u>AUDIT ACTION PLAN (APP)</u></p> <p>(a) AC resolved that the Charters to be circulated/ finalised before end of June 2022.</p> <p>(b) AC resolved that the Accounting Officer facilitate the review and establishment of the Disciplinary Board through the Council so that issues to be dealt with by the committee be attended to accordingly.</p>	<p>Y</p>
<p>27 May 2022</p>	<p><u>INTERNAL AUDIT REPORTS</u></p> <p>(a) The AC resolved that the Audit Committee Charter be circulated before the 30/6/2022.</p> <p>(b) That the Internal Audit Unit must improve the report to incorporate the recommendations of the Audit Committee should be included in the Audit Action Plan.</p> <p>(c) That the Internal Audit Committee should present a Catch-Up Plan on the unfinished Internal Audit Projects.</p> <p>(d) That the attempts being made by the municipality to reduce electricity losses are noted although a lot must be done as DBNLM cannot afford to lose revenue due to financial constraints.</p> <p>(e) That the above-mentioned efforts should also be directed to water losses since the municipality falls within a Karroo Cluster of municipalities.</p> <p>(f) That security arrangements should be stepped up in the stores to eliminate the break-ins.</p> <p>(g) That the segregation of duties is essential in the Leave Office as an official cannot be both a referee and a player.</p> <p>(h) That care should be taken when dealing with leave as leave is money and could be easily misused if internal controls are weak.</p> <p>(i) On FMCMM, the municipality should clearly indicate the level of implementation of various modules and the status of implemented modules.</p>	<p>Y</p>

	<ul style="list-style-type: none"> (j) Senior Management to sort out disagreements before presenting their report to the AC. (k) That the Directors review the actual standing operating procedures and controls within each department. (l) The internal controls to be covering the compliance within the municipality. (m) The reports were appreciated and noted by the AC. (Risk Management). 	
27 May 2022	<p><u>REPORTS FROM THE CHIEF FINANCIAL OFFICER</u></p> <ul style="list-style-type: none"> (a) That Senior Management to keep the AC abreast of the latest developments in ESKOM Account. (b) That Senior Management to update the AC on the implementation of the Incentive Scheme for outstanding debtors. (c) That the CFO should share with the AC on the Apex List of Municipal Debtors and the progress made in the collection of outstanding debt. (d) The AC noted that the National Treasury Circular after the decided case on supply chain management has not affected the expenditure of the municipality. 	Y
27 May 2022	<p><u>PERFORMANCE MANAGEMENT</u></p> <ul style="list-style-type: none"> (a) That the only source to get the municipality to survive is from the sale of land. (b) That the reports are noted and where indicated, the necessary adjustments be made accordingly. 	Y
27 May 2022	<p><u>REPORTS FROM HR</u></p> <ul style="list-style-type: none"> (a) That the contents of the Litigation Register be appreciated and noted. (b) That the Audit Committee be updated on the Herotel matter. (c) That the Disciplinary and Suspension Reports be consolidated to avoid duplication of information 	Y

LONG-TERM CONTRACTS					
(20 Largest Contracts Entered into during 2021/22)					
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					

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING 2021/22					
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					

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)	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)
(Insert Name)									
(Insert Name)									
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> NOT APPLICABLE. NO PERFORMANCE AGREEMENTS ENTERED INTO </div>									
(Insert Name)									
(Insert Name)									

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 Looock	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>		<i>T J</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 2021	Current: Year 2022			Year 2022 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - COUNCIL (10: IE)	162	53	53	36	68%	68%	
Vote 2 - MUNICIPAL MANAGER (11: IE)	0	21	21	0	-	-	
Vote 3 - CORPORATE SERVICES: ADMINISTRN (12: IE)	24 083	3 379	3 379	7 905	234%	234%	
Vote 4 - CORPORATE SERVICES: COMM SERV (13: IE)	45 935	35 026	35 026	33 126	95%	95%	
Vote 5 - CORPORATE SERVICES: PROTECTION (14: IE)	4 989	7 847	8 184	3 885	50%	47%	
Vote 6 - FINANCIAL SERVICES (16: IE)	65 374	252 495	252 495	155 133	61%	61%	
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18: IE)	151 805	154 445	150 502	141 031	91%	94%	
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)	125 549	157 701	157 701	126 984	81%	81%	
Total Revenue by Vote	417 896	610 968	607 362	468 101	77%	77%	

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 2021	Year 2022			Year 2022 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	36 899	50 291	50 291	40 403	80%	80%	
Property rates - penalties & collection charges					-	-	
Service charges - electricity revenue	110 962	154 947	154 947	126 955	82%	82%	
Service charges - water revenue	37 872	46 335	46 335	44 979	97%	97%	
Service charges - sanitation revenue	25 260	34 523	34 523	26 869	78%	78%	
Service charges - refuse revenue	30 473	32 145	32 145	32 227	100%	100%	
Service charges - other	-				-	-	
Rental of facilities and equipment	811	1 049	1 049	1 225	117%	117%	
Interest earned - external investments	169	1 500	1 500	308	21%	21%	
Interest earned - outstanding debtors	5 156	4 991	4 991	5 651	113%	113%	
Dividends received	-	-	-	-	-	-	
Fines	80	35	35	728	2068%	2068%	
Licences and permits	1 108	1 854	1 854	963	52%	52%	
Agency services	2 197	4 082	4 082	1 918	47%	47%	
Transfers recognised - operational	122 764	112 741	113 078	106 712	95%	94%	
Other revenue	7 317	94 910	94 910	11 794	12%	12%	
Total Revenue (excluding capital transfers and contributions)	381 066	539 403	539 740	400 730	-34,61%	-34,69%	

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

EC101 Dr Beyers Naude - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		117 702	106 216	106 216	-	103 968	106 216	(2 248)	-2,1%	106 216
Equitable Share		110 693	99 316	99 316	-	99 316	99 316	-		99 316
Expanded Public Works Programme Integrated Grant		1 186	1 552	1 552	-	1 552	1 552	-		1 552
Integrated National Electrification Programme Grant		-	2 248	2 248	-	-	2 248	(2 248)	-100,0%	2 248
Local Government Financial Management Grant		3 000	3 100	3 100	-	3 100	3 100	-		3 100
Municipal Disaster Relief Grant		866	-	-	-	-	-	-		-
Water Services Infrastructure Grant		1 957	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Provincial Government:		1 600	1 864	2 201	301	301	2 201	(1 901)	-86,3%	2 201
GRANT CACADU (FIRE)		1 600	1 864	2 201	301	301	2 201	(1 901)	-86,3%	2 201
0		-	-	-	-	-	-	-		-
District Municipality:		3 318	4 328	4 328	-	2 308	4 328	(2 020)	-46,7%	4 328
ENVIRONMENTAL HEALTH GRANT SBDM		1 010	2 020	2 020	-	-	2 020	(2 020)	-100,0%	2 020
GRANTS RECEIVED UTILIZED		2 308	2 308	2 308	-	2 308	2 308	-		2 308
0		-	-	-	-	-	-	-		-
Other grant providers:		144	333	333	-	135	333	(198)	-59,4%	333
Construction, Education and Training SETA		144	333	333	-	135	333	(198)	-59,4%	333
Regional Tourism		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	122 764	112 741	113 078	301	106 712	113 078	(6 366)	-5,6%	113 078
Capital Transfers and Grants										
National Government:		36 829	71 564	67 621	247	67 371	67 621	(250)	-0,4%	67 621
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Disaster Relief Grant		-	-	6 057	-	6 057	6 057	-		6 057
Municipal Infrastructure Grant		30 286	28 564	28 564	-	28 564	28 564	-		28 564
Regional Bulk Infrastructure Grant		6 543	31 000	21 000	247	20 750	21 000	(250)	-1,2%	21 000
Water Services Infrastructure Grant		-	12 000	12 000	-	12 000	12 000	-		12 000
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	36 829	71 564	67 621	247	67 371	67 621	(250)	-0,4%	67 621
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	159 593	184 305	180 699	548	174 083	180 699	(6 617)	-3,7%	180 699

References

- Each grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Grant expenditure must be separately listed for each grant received
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred
- Total recurrent/capital grants and subsidies must reconcile to the 'Financial Performance' Statement

APPENDIX M (i) : CAPITAL EXPENDITURE (NEW ASSETS PROGRAMME)

COMBINED WITH....

**APPENDIX M (ii) : CAPITAL EXPENDITURE (NEW AND UPGRADE / RENEWAL
PROGRAMMES)**

ON NEXT PAGE.



Vote Description	2021/2022							2020/2021				
	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: ADMINISTRN (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)		-				-						
Capital multi-year expenditure												
Single-year expenditure												
Vote 9 - COUNCIL (30: CS)		-				-		0%				
Vote 10 - MUNICIPAL MANAGER (31: CS)	43	-	43		(43)	(43)		0%				
Vote 11 - CORPORATE SERVICES: ADMINISTRN (32: CS)	600	-	600		(600)	(600)		0%				98
Vote 12 - CORPORATE SERVICES: COMM SERV (33: CS)	20 380	7 400	12 980		-	(12 980)						343
Vote 13 - CORPORATE SERVICES: PROTECTION (34: CS)		(1 350)	1 350		(1 350)	(1 350)						608
Vote 14 - FINANCIAL SERVICES (36: CS)	1 200	-	1 200		(1 200)	(1 200)						358
Vote 15 - TECHNICAL SERVICES: ENGINEERING (38: CS)	61 696	8 423	53 273		-	(53 273)						37 108
Vote 16 - TECHNICAL SERVICES: ELECTRICAL (39: CS)	2 980	2 980			-	-						1 480
Capital single-year expenditure	86 898	17 453	69 445		(3 193)	(69 445)						39 994
Total Capital Expenditure - Vote	86 898	17 453	69 445		(3 193)	(69 445)						39 994
Capital Expenditure - Standard												
Governance and administration	1 843	-	1 843	0	(1 842)	(1 842)	0%	0%				456
Executive and council												
Finance and administration	1 800	-	1 800	0	(1 800)	(1 800)	0%	0%				456
Internal audit	43	-	43	(0)	(43)	(43)	0%	0%				
Community and public safety	8 980	(1 350)	10 330	0	(10 330)	(10 330)	0%	0%				379
Community and social services												
Sport and recreation	8 980	-	8 980	0	(8 980)	(8 980)	0%	0%				159
Public safety		(1 350)	1 350		(1 350)	(1 350)						220
Housing												
Health												
Economic and environmental services												3 576
Planning and development												
Road transport												3 576
Environmental protection												
Trading services	76 076	18 803	57 273		(57 273)	(57 273)						35 584
Energy sources	2 980	2 980										1 480
Water management	50 120	6 503	43 617	0	(43 617)	(43 617)	0%	0%				19 276
Waste water management	11 576	1 920	9 656	(0)	(9 656)	(9 656)	0%	0%				14 644
Waste management	11 400	7 400	4 000		(4 000)	(4 000)						184
Other												
Total Capital Expenditure - Standard	86 898	17 453	69 445	0	(69 445)	(69 445)	0%	0%				39 994
Funded by:												
National Government	70 196	3 943	66 253	0	(66 253)	(66 253)	0%	0%				34 829
Provincial Government												
District Municipality			1 350			(1 350)						
Other transfers and grants												
Transfers recognised - capital	70 196	3 943	67 603	0		(67 603)	0%	0%				34 829
Public contributions & donations												
Borrowing	14 860	14 860										
Internally generated funds	1 843		1 843		0	(1 843)						4 907
Total Capital Funding	86 898	18 803	69 445	0	(69 445)	(69 445)	0%	0%				39 736

CAPITAL PROGRAMME BY PROJECT : 2021/22					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
WATER					
Graaff Reinet Bulk Water Supply Scheme: Phase 2	2 053	2 053	2 053	100%	100%
Drilling of Additional Boreholes Southern Wellfield	9 946	9 946	9 946	100%	100%
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	16 000	16 000	15 995	99.96%	99.96%
Ikwezi Bulk Water Supply 18/19	10 000	5 000	4 999	99.98%	50%
Ground Water Development in Jansenville, Klipplaat and Rietbron	6 057	6 057	6 057	100%	100%
New Bulk Water Reticulation Steel Pipeline, Willowmore 2020/21	4 500	4 500	4 478	99.5%	99.5%
SANITATION / SEWERAGE					
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	9 655	9 655	9 655	100%	100%
ELECTRICITY					
REFUSE REMOVAL					
Steytlerville Upgrading of Solid Waste Site	4 000	4 000	3 999	99.97%	99.97%
ROADS & STORMWATER					
SPORTS, ARTS & CULTURE					
Upgrading Of Kollie Koeberg Sport Complex	8 979	8 979	8 979	100%	100%
LOCAL ECONOMIC DEVELOPMENT					
SAFETY AND SECURITY					
ICT & OTHER					
ENVIRONMENT					
HOUSING					

CAPITAL PROGRAMME BY PROJECT BY WARD : 2021/22		
Capital Project	Ward(s) affected	Works completed (Yes/No)
WATER		
Graaff Reinet Bulk Water Supply Scheme: Phase 2	Ward 2-7	Yes
Drilling of Additional Boreholes Southern Wellfield	Ward 2-7	Yes
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	Ward 2-7	Yes
Ikwezi Bulk Water Supply 18/19	Ward 10 & 11	No, Multi Year Project
Ground Water Development in Jansenville, Klipplaat and Rietbron	Ward 9,10 & 11	Yes
New Bulk Water Reticulation Steel Pipeline, Willowmore 2020/21	Ward 8 & 9	No, Multi Year Project
SANITATION / SEWERAGE		
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	Ward 2-7	No, Multi Year Project
ELECTRICITY		
REFUSE REMOVAL		
Steytlerville Upgrading of Solid Waste Site	Ward 12	No, Multi Year Project
ROADS & STORMWATER		
SPORTS, ARTS & CULTURE		
Upgrading Of Kollie Koeberg Sport Complex	Ward 7	No, Multi Year Project
LOCAL ECONOMIC DEVELOPMENT		
SAFETY AND SECURITY		
ICT & OTHER		
ENVIRONMENT		
HOUSING		
Graaff Reinet Bulk Water Supply Scheme: Phase 2		

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
SCHOOLS (names, locations)				
CLINICS (names, locations)				
<i>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.</i>				<i>TP</i>

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:		
<i>TQ</i>		

APPENDIX R
**DECLARATION OF LOANS AND GRANTS
MADE BY THE MUNICIPALITY**

Dr Beyers Naudé Municipality made the following donations/grants during the 2021/22 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
NOT APPLICABLE. NO LOANS OR GRANTS PROVIDED BY THE MUNICIPALITY.				

** Loans / Grants - whether in cash or in kind*

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		
* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.		T S

ANNEXURE 1 : ANNUAL FINANCIAL STATEMENTS

The 2021/22 Annual Financial Statements will be attached hereto.

ANNEXURE 2 : AUDITOR-GENERAL REPORT

The 2021/22 Auditor-General's Report will be attached hereto.

ANNEXURE 3 : AUDIT ACTION PLAN

The 2022/23 Audit Action Plan (in response to 2021/22 Audit Outcome) is attached hereto.

ANNEXURE 4 : ANNUAL PERFORMANCE REPORT

The 2021/22 Annual Performance Report is attached hereto.



Dr. Beyers Naudé

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ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

AUDITED

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

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 2022

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		
Mayor	Cllr W.J Safers	
Speaker	Cllr C Felix	
Executive Committee	Cllr K.E Kekana Cllr E.L Looock	Cllr E.A Ruiters
Councillors	Cllr A Arries Cllr I.J Bolligelo Cllr I Van Zyl Cllr Y.D Frazenburg Cllr K Hendricks Cllr J.D Lomborg Cllr A.S Nofemele Cllr T Spogter Cllr A.R Van Heerden Cllr J.J Williams	Cllr D.J Bezuidenhout Cllr H Booyesen Cllr M Deysel Cllr X.N Galada Cllr N.A.V Jacobs Cllr A Mfundisi Cllr T.L.A Plaatjies Cllr R.L Smith Cllr G.J Wiehahn
Grading of local authority	Grade Three (3)	
Accounting Officer	Dr. E.M Rankwana	
Acting Chief Financial Officer	J. Joubert	
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 2022

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.

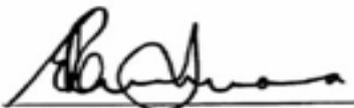
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting 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 2023 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 78, which have been prepared on the going concern basis, were approved by the accounting officer on 31 AUGUST 2022 and were signed by him:



Dr E.M RANKWANA
ACCOUNTING OFFICER
31 AUGUST 2022

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

Figures in Rand	Notes	2022	2021 Restated*
ASSETS			
Current Assets			
VAT Receivable	3	22 494 590	10 222 643
Inventories	4	3 337 782	3 562 051
Other Receivables	5	6 377 992	6 312 535
Receivables from Non-exchange Transactions	6	4 463 256	3 728 445
Receivables from Exchange Transactions	7	19 733 992	17 128 868
Cash and Cash Equivalents	8	1 318 838	2 634 445
		57 726 450	43 588 987
Non-Current Assets			
Investment Property	9	27 375 496	27 416 862
Property, Plant and Equipment	10	1 069 002 437	1 073 453 257
Intangible Assets	11	5	8 724
Heritage Assets	12	11 097 670	11 097 670
		1 107 475 608	1 111 976 513
Total Assets		1 165 202 058	1 155 565 500
LIABILITIES			
Current Liabilities			
Other financial liabilities	13	7 608 092	10 240 951
Payables from Exchange Transactions	14	471 032 129	360 306 845
Payables from Non-exchange Transactions	15	2 499 231	4 537 324
Consumer Deposits	16	3 819 562	3 576 774
Unspent Conditional Grants and Receipts	17	-	-
Provisions	18	1 872 820	65 000
Employee benefit obligation	19	2 116 409	2 626 746
		488 948 243	381 353 640
Non-Current Liabilities			
Other financial liabilities	13	13 153 240	7 373 669
Provisions	18	22 656 150	18 570 200
Employee benefit obligation	19	46 748 829	46 732 653
		82 558 219	72 676 522
Total Liabilities		571 506 462	454 030 162
Net Assets		593 695 596	701 535 338
NET ASSETS			
Accumulated Surplus		593 695 596	701 535 338

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Figures in Rand	Notes	2022	2021 Restated*
REVENUE			
Revenue from Exchange Transactions			
Service charges	20	216 228 422	184 078 560
Agency services	21	2 080 418	2 052 429
Interest earned	22	9 995 498	9 044 010
Interest earned - Investments	22	308 051	168 666
Rental of facilities and equipment	23	1 224 933	810 706
Other revenue	24	4 277 417	2 816 215
Licences and permits	25	800 259	919 342
		234 914 998	199 889 928
Revenue from Non-exchange Transactions			
Taxation revenue			
Property Rates	26	40 403 016	36 899 140
Transfer revenue			
Fines, penalties and forfeits	27	699 200	79 611
Government grants and subsidies	28	174 082 540	159 834 547
Public contributions and donations	29	4 691 227	2 238 225
		219 875 983	199 051 523
Total Revenue		454 790 981	398 941 451
EXPENDITURE			
Employee related costs	30	(174 354 719)	(170 961 675)
Remuneration of councillors	31	(9 073 831)	(10 189 108)
Debt impairment	32	(67 945 628)	(45 440 053)
Depreciation and amortisation	33	(60 622 238)	(59 797 303)
Impairment losses	34	(2 327 873)	-
Finance cost	35	(29 682 391)	(23 020 371)
Bulk purchases	36	(115 745 654)	(99 081 752)
Operational Cost	37	(56 288 505)	(45 621 524)
Contracted Services	38	(45 118 817)	(53 797 099)
Operating Leases	40	(6 328 478)	(4 158 029)
Loss on disposal of assets and liabilities	39	(1 013 344)	(1 271 495)
Total Expenditure		(568 501 478)	(513 338 409)
Deficit before actuarial gains and release from obligation		(113 710 497)	(114 396 958)
Actuarial gain and release from obligation	41	5 870 755	1 355 601
DEFICIT FOR THE YEAR		(107 839 742)	(113 041 357)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

Figures in Rand	Accumulated Surplus	Total of Net Assets
Opening balance as previously reported	816 720 337	816 720 337
Adjustments for correction of errors		
Property, Plant and Equipment	2 250 774	2 250 774
Payables from exchange transactions	(4 394 416)	(4 394 416)
Balance at 01 July 2020 as restated*	814 576 695	814 576 695
Changes in net assets		
Deficit for the year	(113 041 357)	(113 041 357)
Balance at 01 July 2021 as restated*	701 535 338	701 535 338
Changes in net assets		
Deficit for the year	(107 839 742)	(107 839 742)
Balance at 30 June 2022	593 695 596	593 695 596

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

Figures in Rand	2022	2021 Restated*
Cash flow from operating activities		
Receipts		
Rates and services	191 573 811	183 786 037
Government grants and subsidies	174 082 540	157 754 679
Interest - investment	308 051	168 665
	365 964 402	341 709 381
Payments		
Employee cost	(179 018 877)	(169 892 443)
Suppliers	(132 203 896)	(136 042 610)
	(311 222 773)	(305 935 053)
Net cash flow from operating activities	42 54 741 629	35 774 328
Cash flow from investing activities		
Purchase of property, plant and equipment	10 (60 782 039)	(41 557 663)
Proceeds from sale of property, plant and equipment	1 578 088	281 084
Net cash flow from investing activities	(59 203 951)	(41 276 579)
Cash flow from financing activities		
Movement in financial liabilities	3 146 712	5 859 159
Net cash flow from financing activities	3 146 712	5 859 159
Net increase/(decrease) in cash and cash equivalents	(1 315 610)	356 908
Cash and cash equivalents at the beginning of the year	2 634 445	2 277 537
Cash and cash equivalents at the end of the year	8 1 318 835	2 634 445

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

Figures in Rand

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 not monitor performance geographically and 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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

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	238 506 319	-	238 506 319	216 228 422	22 277 897	9%	N1
Agency services	3 649 330	-	3 649 330	2 080 418	1 568 912	43%	N2
Interest earned	8 484 085	-	8 484 085	9 995 498	(1 511 413)	-18%	N3
Interest earned - Investments	1 500 000	-	1 500 000	308 051	1 191 949	79%	N4
Rental of facilities & equipment	1 049 390	-	1 049 390	1 224 933	(175 543)	-17%	N5
Other revenue	2 741 128	-	2 741 128	4 277 417	(1 536 289)	-56%	N6
Licences and permits	2 286 642	-	2 286 642	800 259	1 486 383	65%	N7
Gains/(Loss) on disposal of assets and liabilities	89 116 249	-	89 116 249	-	89 116 249	100%	N8
	347 333 143	-	347 333 143	234 914 998	112 418 145		
Revenue from Non-exchange Transactions							
Taxation revenue							
Property Rates	50 290 992	-	50 290 992	40 403 016	9 887 976	20%	N9
Transfer revenue							
Fines, penalties and forfeits	33 664	-	33 664	699 200	(665 536)	-1977%	N10
Government grants and subsidies	184 305 390	(3 606 270)	180 699 120	174 082 540	6 616 580	4%	N11
Public contributions and donations	-	-	-	4 691 227	(4 691 227)	100%	N12
	234 630 046	(3 606 270)	231 023 776	219 875 983	11 147 793		
Total Revenue	581 963 189	(3 606 270)	578 356 919	454 790 981	123 565 938		
EXPENDITURE							
Employee related costs	173 471 266	6 497 133	179 968 399	174 354 719	5 613 680	3%	N13
Remuneration of councillors	10 103 806	(103 040)	10 000 766	9 073 831	926 935	9%	N14
Debt impairment	10 146 111	-	10 146 111	67 945 628	(57 799 517)	-570%	N15
Depreciation and amortisation	45 243 089	15 542 140	60 785 229	60 622 238	162 991	0%	N16
Impairment losses	-	-	-	2 327 873	(2 327 873)	-100%	N17
Finance cost	8 427 546	8 181 945	16 609 491	29 682 391	(13 072 900)	-79%	N18
Bulk purchases	115 999 787	-	115 999 787	115 745 654	254 133	0%	N19
Contracted Services	10 527 884	8 746 786	19 274 670	56 288 505	(37 013 835)	-192%	N20
Operational Cost	79 180 651	4 671 056	83 851 707	45 118 817	38 732 890	46%	N21
Operating Leases	1 899 088	5 326 729	7 225 817	6 328 478	897 339	12%	N22
Gains/(Loss) on disposal of assets and liabilities	-	-	-	1 013 344	(1 013 344)	100%	N8
Total Expenditure	454 999 228	48 862 749	503 861 977	568 501 478	(64 639 501)		
Operating deficit	126 963 961	(52 469 019)	74 494 942	(113 710 497)	188 205 439		

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Budget on cash basis

Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	
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Statement of financial position

Current Assets

Inventories	4 199 631	-	4 199 631	3 337 782	861 849	21%	N23
Other Receivables	4 935 778	-	4 935 778	28 872 582	(23 936 804)	-485%	N24
Consumer Debtors	22 568 195	-	22 568 195	24 197 248	(1 629 053)	-7%	N25
Cash and Cash Equivalents	73 524 958	(3 606 270)	69 918 688	1 318 838	68 599 850	98%	N26
	105 228 562	(3 606 270)	101 622 292	57 726 450	43 895 842		

Non Current Assets

Investment Property	69 034 773	-	69 034 773	27 375 496	41 659 277	60%	N27
Property, Plant and Equipment	1 153 814 861	(17 453 000)	1 136 361 861	1 069 002 437	67 359 424	6%	N28
Intangible Assets	31 447	-	31 447	5	31 442	100%	N29
Heritage Assets	11 266 460	-	11 266 460	11 097 670	168 790	1%	N30
	1 234 147 541	(17 453 000)	1 216 694 541	1 107 475 608	109 218 933		

TOTAL ASSETS

	1 339 376 103	(21 059 270)	1 318 316 833	1 165 202 058	153 114 775		
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Current Liabilities

Borrowings	-	-	-	7 608 092	(7 608 092)	-100%	N31
Trade and other payables	178 285 108	-	178 285 108	473 531 360	(295 246 252)	-166%	N32
Consumer Deposits	3 454 715	-	3 454 715	3 819 562	(364 847)	-11%	N33
Provisions	19 504 430	-	19 504 430	3 989 229	15 515 201	80%	N34
Total Current Liabilities	201 244 253	-	201 244 253	488 948 243	(287 703 990)		

Non Current Liabilities

Borrowings	11 755 461	-	11 755 461	13 153 240	(1 397 779)	-12%	N31
Provisions	64 998 542	-	64 998 542	69 404 979	(4 406 437)	-7%	N35
Total Non Current Liabilities	76 754 003	-	76 754 003	82 558 219	(5 804 216)		

TOTAL LIABILITIES

	277 998 256	-	277 998 256	571 506 462	(293 508 206)		
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NET ASSETS

	1 061 377 847	(21 059 270)	1 040 318 577	593 695 596	446 622 981		
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DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Financial Performance

- N1** The municipality has been carting water to areas which cannot receive water due to low pressure, this has a negative impact on the revenue generation as the municipality cannot bill for water.
- N2** Shortages in staffing and consumables resulted in the traffic office being unable to operate at full capacity through the year.
- N3** Slow payment of accounts by debtors have resulted in more interest charge than anticipated. The debtors values are increasing mostly due to inability of consumers to pay their accounts as a result of the economic situation.
- 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** Over performance related to the implementation of market related rentals
- 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 personnel for a significant part of the financial year
- N8** Anticipated proceeds from sale of property not realised for unexpected reasons.
- N9** The budget is based on the valuation roll with actuals including the impact of the subsidy and rebates applied for.
- N10** Budgeted on a cash basis where the current year includes the accruals not yet paid
- N11** RBIG grant budgeted for however this is an indirect grant received through claims based on the progress of the projects.
- N12** Discount received from National Treasury (1% rebate), through regular payments made towards the audit fee debt
- N13** Budget considered all positions vacant being filled and anticipated increased employee related expenditure
- N14** Low variance from actual (some council positions vacant for some time during the year e.g mayor). Budget is in line with the upper limits regulations
- N15** Significant increase of debtors during the financial year due to FBS (IGG) review process
- N16** Low variance from actual
- N17** Impairment losses was not predicted given the history
- N18** Estimated interest severely affected by non payment of creditors within legislated 30 days period due to severe cashflow constraints
- N19** Low variance from actual
- N20** Significant increase in sanitation and security services as a result of environmental health risks and an increase in theft and break-ins
- N21** Financial position has resulted in significant reduction of expenditure. While municipal vehicle expenditure increased, the rest of the operational costs decreased significantly.
- N22** Reduction of vehicles leases since new vehicles were purchased

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Financial Position

- N23** Shortages also resulting from stock inavailability and high turnaround times. No use of stock minimum levels affect ability to budget accurately.
- N24** 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
- N25** Low variance from actual
- N26** The failure to materialize the planned land sales and low collection of long outstanding debt resulting in below budget.
- N27** The budget was based on the Investment properties prior to the adjustment to the AFS for restatements
- N28** Under performance because of RBIG projects which were delayed
- N29** Low variance from actual
- N30** Low variance from actual
- N31** Security debt repayments were not made in line with the signed agreement hence the outstanding amount remains high
- N32** Reduction of creditors were expected with the land sales which did not materialize
- N33** Increased accounts being opened for water and electricity
- N34** Settlement of major provision in prior year resulted in the much lower provision amount (current)
- N35** Low variance from actual. Under budget of employee benefits liability and rehabilitation provision reduction

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 statements.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 asset.

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 amounts.

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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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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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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1.7 Investment property (continued)

Impairments

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

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

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

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

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

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

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

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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. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued 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, a 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-imburement 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.

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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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.

DR BEYERS NAUDE MUNICIPALITY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1.32 Segment reporting

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.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

The entity has adopted the standard for the first time in the 2021/2022 annual financial statements.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. NEW STANDARDS AND INTERPRETATIONS

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:

- IGRAP 7: Limit on a Defined Benefit Asset Min Fund requirement and interact
- GRAP 25 Employee benefits
- GRAP 103 Heritage assets
- GRAP 104 Financial instruments

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
3. VAT RECEIVABLE		
VAT	22 494 590	10 222 643

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	2 802 259	2 946 440
Water	535 523	615 611
	3 337 782	3 562 051

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 R140,959 (2021: R139,267) was written off during the year.

No Inventories have been pledged as collateral for Liabilities of the municipality.

5. OTHER RECEIVABLES

Sundry deposits	460 900	320 900
Sundry debtors	552 747	609 170
Meter readings not yet billed	4 725 980	5 382 465
Fines accrual	638 365	-
	6 377 992	6 312 535

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Consumer debtors - Rates	4 463 256	3 728 445
--------------------------	-----------	-----------

Rates	31 882 900	25 208 671
Less: Allowance for impairment	(27 419 644)	(21 480 226)
Net Balance	4 463 256	3 728 445

Ageing

Current (0-30 days)	2 491 146	1 324 933
31 - 60 days	659 507	480 356
61 - 90 days	517 808	406 169
91 - 120 days	466 365	376 252
121 days +	27 748 074	22 620 961
	31 882 900	25 208 671

Summary of debtors by customer classification

Residential

Current (0-30 days)	1 369 981	600 757
31 - 60 days	346 077	273 445
61 - 90 days	245 371	218 805
91 - 120 days	215 816	198 254
121 days +	12 025 692	9 289 890
	14 202 937	10 581 151

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated*
		R
6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (Continued)		
Summary of debtors by customer classification (Continued)		
Industrial/commercial		
Current (0-30 days)	382 968	368 064
31 - 60 days	290 127	205 602
61 - 90 days	249 994	186 424
91 - 120 days	231 992	177 059
121 days +	14 123 760	11 063 068
	<u>15 278 841</u>	<u>12 000 217</u>
National and provincial government		
Current (0-30 days)	(384 852)	356 112
31 - 60 days	23 304	1 308
61 - 90 days	22 442	940
91 - 120 days	18 557	940
121 days +	2 721 671	2 268 003
	<u>2 401 122</u>	<u>2 627 303</u>
Total		
Current (0-30 days)	1 368 097	1 324 933
31 - 60 days	659 508	480 355
61 - 90 days	517 807	406 169
91 - 120 days	466 365	376 253
121 days +	28 871 123	22 620 961
Less: Impairment	(27 419 644)	(21 480 226)
	<u>4 463 256</u>	<u>3 728 445</u>
Total debtors past due but not impaired		
61 - 90 days	171 348	66 111
91 - 120 days	120 479	30 312
121 days +	2 846 206	2 544 573
Reconciliation of allowance for impairment		
Balance at beginning of the year	(21 480 226)	(19 660 036)
Bad debts written off against allowance	806 442	793 382
Current year's impairment	(6 745 860)	(2 613 572)
	<u>(27 419 644)</u>	<u>(21 480 226)</u>

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 municipality's 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 2022

	2022	2021
	R	Restated*
		R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Gross balances		
Electricity	14 940 846	13 676 822
Water	59 962 747	42 966 300
Sewerage	35 430 110	23 333 928
Refuse	49 706 186	33 733 145
Housing	160 008	159 090
Sundry	4 939 933	4 162 187
	<u>165 139 830</u>	<u>118 031 472</u>
Less: Allowance for impairment		
Electricity	(5 492 772)	(4 607 622)
Water	(55 674 011)	(39 895 805)
Sewerage	(32 847 894)	(22 244 612)
Refuse	(47 025 571)	(30 491 053)
Housing	(159 012)	(158 990)
Sundry	(4 206 578)	(3 504 522)
	<u>(145 405 838)</u>	<u>(100 902 604)</u>
Net balance		
Electricity	9 448 074	9 069 200
Water	4 288 736	3 070 495
Sewerage	2 582 216	1 089 316
Refuse	2 680 615	3 242 092
Housing	996	100
Sundry	733 355	657 665
	<u>19 733 992</u>	<u>17 128 868</u>
Electricity		
Current (0-30 days)	8 365 519	6 778 400
31 - 60 days	958 869	1 228 206
61 - 90 days	473 202	899 988
91 - 120 days	327 212	745 373
121 days +	4 816 044	4 024 855
	<u>14 940 846</u>	<u>13 676 822</u>
Water		
Current (0-30 days)	5 900 230	3 131 821
31 - 60 days	2 818 169	2 513 852
61 - 90 days	2 167 559	2 188 879
91 - 120 days	2 110 216	2 196 349
121 days +	46 966 573	32 935 399
	<u>59 962 747</u>	<u>42 966 300</u>
Sewerage		
Current (0-30 days)	2 274 707	1 322 425
31 - 60 days	1 445 226	918 397
61 - 90 days	1 336 048	863 458
91 - 120 days	1 163 878	815 375
121 days +	29 210 251	19 414 273
	<u>35 430 110</u>	<u>23 333 928</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Refuse		
Current (0-30 days)	2 573 368	1 766 629
31 - 60 days	1 915 154	1 371 694
61 - 90 days	1 790 220	1 297 236
91 - 120 days	1 607 088	1 226 988
121 days +	41 820 356	28 070 598
	49 706 186	33 733 145
Housing rental		
Current (0-30 days)	1 620	295
31 - 60 days	295	295
61 - 90 days	295	295
91 - 120 days	-	295
121 days +	157 798	157 910
	160 008	159 090
Sundry		
Current (0-30 days)	1 053 528	142 362
31 - 60 days	87 948	88 231
61 - 90 days	85 209	87 094
91 - 120 days	87 137	89 160
121 days +	3 626 111	3 755 340
	4 939 933	4 162 187
Summary of debtors by customer classification		
Residential		
Current (0-30 days)	7 944 453	6 829 317
31 - 60 days	5 881 815	4 673 170
61 - 90 days	5 051 176	4 164 281
91 - 120 days	4 790 071	4 101 413
121 days +	116 171 832	75 380 992
	139 839 347	95 149 173
Industrial/commercial		
Current (0-30 days)	5 042 323	4 662 854
31 - 60 days	651 529	819 251
61 - 90 days	421 934	594 478
91 - 120 days	341 742	516 405
121 days +	10 560 041	8 913 335
	17 017 569	15 506 323
National and provincial government		
Current (0-30 days)	1 969 188	1 649 760
31 - 60 days	692 317	628 254
61 - 90 days	379 422	578 192
91 - 120 days	163 719	455 723
121 days +	5 078 266	4 064 046
	8 282 912	7 375 975

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Total		
Current (0-30 days)	14 955 964	13 141 931
31 - 60 days	7 225 661	6 120 675
61 - 90 days	5 852 532	5 336 951
91 - 120 days	5 295 532	5 073 541
121 days +	131 810 139	88 358 373
Less: Impairment	<u>(145 405 838)</u>	<u>(100 902 604)</u>
	<u>19 733 990</u>	<u>17 128 867</u>

Impairment: (145 405 838) (100 902 604)

Total debtors past due but not impaired

61 - 90 days	1 099 801	1 036 278
91 - 120 days	666 898	650 682
121 days +	6 201 228	4 728 991

Reconciliation of allowance for impairment

Balance at beginning of the year	(100 902 604)	(84 880 764)
Bad debts written off against allowance	16 696 534	26 804 641
Current year's impairment	<u>(61 199 768)</u>	<u>(42 826 481)</u>
	<u>(145 405 838)</u>	<u>(100 902 604)</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	5 005	5 005
Bank Accounts	342 917	1 673 256
Current Investments	<u>970 916</u>	<u>956 184</u>
Total Bank, Cash and Cash Equivalents	<u>1 318 838</u>	<u>2 634 445</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
FNB - 52300007898	-	84 681	-	-
ABSA - Cheque Account - 4053623514	69 902	4 581	-	-
Standard Bank - Cheque Account - Prim	72 375	1 524 272	220 461	1 642 568
Standard Bank - Cheque Account - 033210	77 136	21 678	122 456	30 689
ABSA Investments - 9257114251	28 938	28 231	28 938	28 231
FNB Investments - 74374220066	-	1 221	-	1 221
Investec - 1100458805501	2 938	2 938	2 938	2 938
Standard bank - FMG Call account - /002	4 456	1 754	4 456	1 754
Standard bank - FMG Call account - /003	3 012	2 986	3 012	2 986
Standard bank - FMG Call account - /004	10 224	33 282	10 224	33 282
Standard bank - FMG Call account - /006	921 348	885 771	921 348	885 771
	<u>1 190 328</u>	<u>2 591 395</u>	<u>1 313 833</u>	<u>2 629 440</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	28 951 841	(1 576 345)	27 375 496	28 951 841	(1 534 979)	27 416 862

Reconciliation of investment property - 2022

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	511 660	(41 366)	470 294
	27 416 862	(41 366)	27 375 496

Reconciliation of investment property - 2021

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	553 026	(41 366)	511 660
	27 458 228	(41 366)	27 416 862

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

	2022			2021		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	121 266 061	-	121 266 061	121 266 061	-	121 266 061
Buildings	54 830 177	(18 271 289)	36 558 888	54 830 177	(15 536 533)	39 293 644
Infrastructure	1 134 079 871	(316 523 637)	817 556 234	1 094 374 000	(262 842 808)	831 531 192
Community	29 854 350	(4 690 682)	25 163 668	21 941 133	(3 849 129)	18 092 004
Work-in-progress	28 800 514	-	28 800 514	25 313 488	-	25 313 488
Landfill sites	20 717 368	(3 214 659)	17 502 709	17 221 161	(2 634 863)	14 586 298
Transport assets	19 039 161	(9 362 249)	9 676 912	18 199 312	(8 027 200)	10 172 112
Other assets	22 180 856	(9 703 405)	12 477 451	21 569 201	(8 370 743)	13 198 458
Total	1 430 768 358	(361 765 921)	1 069 002 437	1 374 714 533	(301 261 276)	1 073 453 257

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

					2022	2021
					R	Restated*
						R
10. PROPERTY, PLANT AND EQUIPMENT (Continued)						
Reconciliation of property, plant and equipment - 2022						
	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 266 061	-	-	-	-	121 266 061
Buildings	39 293 644	-	-	-	(2 734 756)	36 558 888
Infrastructure	831 531 192	33 617 283	(2 055 344)	9 862 752	(55 399 650)	817 556 234
Community	18 092 004	7 808 817	-	104 400	(841 553)	25 163 668
Work-in-progress	25 313 488	13 472 878	-	(9 985 852)	-	28 800 514
Landfill sites	14 586 298	3 477 507	-	18 700	(579 796)	17 502 709
Transport assets	10 172 112	1 775 202	(440 321)	-	(1 830 081)	9 676 912
Other assets	13 198 458	919 460	(126 275)	-	(1 514 192)	12 477 451
	1 073 453 257	61 071 148	(2 621 940)	-	(62 900 028)	1 069 002 437

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 266 061	-	-	-	-	121 266 061
Buildings	41 963 389	65 000	-	-	(2 734 745)	39 293 644
Infrastructure	738 992 496	21 874 575	(1 549 489)	125 113 117	(52 899 507)	831 531 192
Community	18 887 709	-	-	-	(795 705)	18 092 004
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	8 307 804	3 294 011	(3 084)	-	(1 426 619)	10 172 112
Other assets	12 582 340	1 923 306	-	-	(1 307 188)	13 198 458
	1 093 181 382	41 557 662	(1 552 573)	-	(59 733 214)	1 073 453 257

The Property, Plant and Equipment balance has been 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

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.

Impairment Losses on Property, Plant and Equipment to the amount of R2 327 873 (2021: R0) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 34

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 2022

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	362 563	(362 558)	5	362 563	(353 839)	8 724

Reconciliation of intangible assets - 2022	Opening balance	Amortization	Total
Computer software	8 724	(8 719)	5
Total Cost of intangible assets	8 724	(8 719)	5

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

12. HERITAGE ASSETS

	2022			2021		
	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	11 097 670	-	11 097 670	11 097 670	-	11 097 670

Reconciliation of heritage assets - 2022	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	11 097 670	11 097 670

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	11 097 670	11 097 670

No heritage assets have been pledged as collateral for Liabilities of the municipality.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
13. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Performance security deposit- Utilities world	<u>20 761 332</u>	<u>17 614 620</u>
Total other financial liabilities	<u>20 761 332</u>	<u>17 614 620</u>

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	<u>13 153 240</u>	<u>7 373 669</u>
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Current liabilities

At amortised cost	<u>7 608 092</u>	<u>10 240 951</u>
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14. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables and other accruals	398 895 499	295 993 535
Retentions	4 327 223	2 066 114
Leave pay accrual	10 825 275	11 715 694
Bonus accrual	5 703 275	5 523 218
Debtors with credit balances	3 981 292	2 922 640
Statutory and non-statutory deductions	<u>47 299 565</u>	<u>42 085 644</u>
Total Payables	<u>471 032 129</u>	<u>360 306 845</u>

The Payables from exchange transactions balance has been restated. Refer to prior period errors note for information

15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Prepayment of electricity	165 193	165 193
Unallocated receipts	1 329 312	3 503 557
Debtors with credit balances	<u>1 004 726</u>	<u>868 574</u>
Total Payables	<u>2 499 231</u>	<u>4 537 324</u>

16. CONSUMER DEPOSITS

Electricity	2 580 545	2 404 070
Water	1 213 436	1 147 026
Other sundry deposits	<u>25 581</u>	<u>25 678</u>
	<u>3 819 562</u>	<u>3 576 774</u>

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 2022

	2022	2021
	R	Restated*
		R
17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Total Unspent Conditional Grants	-	-
Movement during the year		
Balance at the beginning of the year	-	2 079 868
Repayment of unspent grant	-	(1 214 033)
Additions during the year	70 470 794	42 971 706
Income recognition during the year	(70 470 794)	(43 837 541)
Balance at the end of the year	-	-

See note 28 for reconciliation of grants from National/Provincial Government.

18. PROVISIONS

Reconciliation of provisions - 2022	Opening balance	Additions	Total
Legal proceedings	65 000	1 807 820	1 872 820
Rehabilitation of landfill sites	18 570 200	4 085 950	22 656 150
Total Provisions	18 635 200	5 893 770	24 528 970
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
Non-current liabilities		22 656 150	18 570 200
Current liabilities		1 872 820	65 000
		24 528 970	18 635 200

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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	R	Restated* R
18. PROVISIONS (Continued)		
The following are the landfill sites of the Dr Beyers Naude LM:		
Sites		Remaining useful life
Jansenville		4 years remaining
Klipplaat		7 years remaining
Steytlerville		9 years remaining
Willowmore		7 years remaining
Rietbron		6 years remaining
Aberdeen		19 years remaining
Graaff-Reinet		14 years remaining
Nieu-Bethesda		3 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	(36 347 762)	(37 654 853)
Present value of long service award	<u>(12 517 476)</u>	<u>(11 704 546)</u>
	<u>(48 865 238)</u>	<u>(49 359 399)</u>
Non-current liabilities	(46 748 829)	(46 732 653)
Current liabilities	<u>(2 116 409)</u>	<u>(2 626 746)</u>
	<u>(48 865 238)</u>	<u>(49 359 399)</u>
Changes in the present value of the employee benefit obligation are as follows:		
Opening balance	(49 359 399)	(46 703 000)
Benefits paid	2 626 746	2 869 000
Net expense recognised in the statement of financial performance	<u>(2 132 585)</u>	<u>(5 525 399)</u>
Balance at end of Year	<u>(48 865 238)</u>	<u>(49 359 399)</u>
Net expense recognised in the statement of financial performance		
Current service cost	(2 532 866)	(2 460 000)
Interest cost	(5 470 474)	(4 421 000)
Actuarial gains/(losses)	<u>5 870 755</u>	<u>1 355 601</u>
	<u>(2 132 585)</u>	<u>(5 525 399)</u>
Key assumptions used		
Assumptions used at the reporting date:		
Discount Rate used	12,50%	12,35%
Health Care Cost Inflation Rate	9,48%	9,08%
Net Discount Rate used	2,76%	3,00%

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	R	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 2022 was 70.03, with an average employer monthly contribution of R3,415.		
Number of active employees: 224		
Average age of active employees as at 30 June 2022 was 44.92, with an average employer monthly contribution of R2,455.		
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 2022 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 7,73% (2021 - 6,12%)		
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 6,73% (2021 - 5,12%)		
6. Discount rate used 10,41% (2021 - 8,17%).		
7. Net Discount rate used 2,49% (2021 - 3,21%)		
20. SERVICE CHARGES		
Sale of Electricity	126 541 469	110 657 508
Sale of Water	40 693 038	37 835 856
Sewerage and Sanitation Charges	22 283 790	15 941 253
Refuse Removal	26 710 125	19 643 943
Total Service Charges	<u>216 228 422</u>	<u>184 078 560</u>
21. AGENCY SERVICES		
eNatis commission	<u>2 080 418</u>	<u>2 052 429</u>

The municipality is part of a principle-agent arrangements with the department of roads and transport to act as agent on their behalf where the municipalities collect the fees due from motor vehicle owners and simultaneously issue the new licences on behalf of the provincial government.

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	2022	2021
	R	Restated* R
22. INTEREST EARNED		
Outstanding Debtors:		
Outstanding Billing Debtors	<u>9 995 498</u>	<u>9 044 010</u>
External Investments:		
Bank Account	13 498	29 465
Investments	<u>294 553</u>	<u>139 201</u>
	<u>308 051</u>	<u>168 666</u>
Total Interest Earned	<u>10 303 549</u>	<u>9 212 676</u>
23. RENTAL OF FACILITIES AND EQUIPMENT		
Premises		
Rental of Facilities and Equipment	<u>1 224 933</u>	<u>810 706</u>
24. OTHER REVENUE		
Administrative charge	89 373	208 506
Building plan fees	217 704	525 994
Commission received	248 344	258 084
Tender deposits	58 390	87 603
Connections - Electricity	478 846	353 474
Cost recoveries	5 387	145 926
Burial and cemetery fees	89 001	95 144
Insurance proceeds	233 740	391 254
Library fees	5 735	2 565
Unallocated deposits revenue	2 367 273	-
Valuation certificates	341 903	327 283
Sundry income	<u>141 721</u>	<u>420 382</u>
Total Other Revenue	<u>4 277 417</u>	<u>2 816 215</u>
25. LICENCES AND PERMITS		
Licences and permits	<u>800 259</u>	<u>919 342</u>
Included above are Drivers licence fees and learners licence fees.		
26. PROPERTY RATES		
Rates received		
Residential	14 563 384	12 885 653
Commercial	10 285 766	9 418 841
State	9 508 223	8 800 208
Small holdings and farms	<u>6 045 643</u>	<u>5 794 438</u>
	<u>40 403 016</u>	<u>36 899 140</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
26. PROPERTY RATES (Continued)		
Valuations		
Residential	2 431 056 121	2 412 069 650
Commercial	736 292 400	740 596 810
State	690 401 260	658 948 960
Municipal	320 317 360	320 317 360
Agricultural	8 548 055 800	8 545 690 300
Exempt	279 281 200	255 893 200
Industrial	76 327 300	62 342 800
Multiple	18 805 100	19 142 000
Total Property Rates	13 100 536 541	13 015 001 080

The last valuation was done prior to 1 July 2019. This valuation roll is effective for the period 1 July 2019 to 30 June 2024.

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 Propety Act, 2004 (Act 6 of 2004).

27. FINES, PENALTIES AND FORFEITS

Traffic fines	699 200	79 611
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28. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants

Equitable Share	99 316 000	110 935 033
Sarah Baartman - fire grant	300 500	1 600 000
DSRAC Library Grant	2 308 000	2 308 000
EPWP integrated grant	1 552 000	1 186 000
Finance management grant	3 100 000	3 000 000
SETA Training Grant	135 246	143 973
Environmental affairs grant	-	1 010 000
Municipal Disaster Relief Grant	-	865 835
	106 711 746	121 048 841

Capital grants

Municipal infrastructure grant	28 564 000	25 243 000
Municipal Disaster Relief Grant	6 057 000	-
Water conservation and demand grant	12 000 000	7 000 000
Regional bulk infrastructure grant	20 749 794	6 542 706
	67 370 794	38 785 706

Total Government Grants and Subsidies	174 082 540	159 834 547
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	2022	2021
	R	Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
National: Equitable Share		
Current year receipts	99 316 000	110 935 033
Transferred to Revenue	<u>(99 316 000)</u>	<u>(110 935 033)</u>
	<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
Repayment of unspent grant	-	(1 214 033)
Current year receipts	28 564 000	25 243 000
Conditions met - transferred to Revenue	<u>(28 564 000)</u>	<u>(25 243 000)</u>
	<u>-</u>	<u>-</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	<u>(2 308 000)</u>	<u>(2 308 000)</u>
	<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	20 749 794	6 542 706
Conditions met - transferred to Revenue	<u>(20 749 794)</u>	<u>(6 542 706)</u>
	<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	135 246	143 973
Conditions met - transferred to Revenue	<u>(135 246)</u>	<u>(143 973)</u>
	<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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	R	Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Finance Management Grant		
Current year receipts	3 100 000	3 000 000
Conditions met - transferred to Revenue	<u>(3 100 000)</u>	<u>(3 000 000)</u>
	<u>-</u>	<u>-</u>
<p>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.</p>		
Sarah Baartman district - Fire services Grant		
Current year receipts	300 500	1 600 000
Transferred to Revenue	<u>(300 500)</u>	<u>(1 600 000)</u>
	<u>-</u>	<u>-</u>
<p>Received from Sarah Baartman DM to part fund the municipality carrying out the district mandate for fire services.</p>		
Expanded Public Works Programme Integrated Grant		
Current year receipts	1 552 000	1 186 000
Transferred to Revenue	<u>(1 552 000)</u>	<u>(1 186 000)</u>
	<u>-</u>	<u>-</u>
<p>This grant is used pay stipends for unemployed youths through the EPWP programme.</p>		
Environmental Health grant		
Current year receipts	-	1 010 000
Transferred to Revenue	<u>-</u>	<u>(1 010 000)</u>
	<u>-</u>	<u>-</u>
<p>This grant subsidizes the environmental health function, a mandate of the district municipality performed by the municipality</p>		
Water service infrastructure grant		
Current year receipts	12 000 000	7 000 000
Transferred to Revenue	<u>(12 000 000)</u>	<u>(7 000 000)</u>
	<u>-</u>	<u>-</u>
<p>The water services infrastructure grant is allocated to the municipality to assist in drought relief</p>		
Municipal Disaster Relief Grant - Operational		
Current year receipts	6 057 000	-
Transferred to Revenue	<u>(6 057 000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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	2022	2021
	R	Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Municipal Disaster Relief Grant - Capital		
Balance unspent at beginning of year	-	865 835
Transferred to Revenue	-	<u>(865 835)</u>
	<u>-</u>	<u>-</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>4 691 227</u>	<u>2 238 225</u>
The Sarah Baartman District Municipality donated two vehicles to the value of R258,600. An amount of R4,432,627 is attributable to the 1% donation from the National Treasury		
30. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	122 310 616	121 227 697
Bonus	9 083 384	9 389 444
Medical aid - company contributions	7 146 213	6 886 765
Unemployment insurance fund	850 706	873 775
Skills Development Levy	1 498 387	1 482 924
Pension fund contributions	20 202 741	19 844 331
Travel, Motor Car, Accommodation, Subsistence allowance	3 490 439	2 286 810
Overtime Payments	7 865 867	7 151 056
Housing Benefits and Allowances	446 126	602 250
Other allowances	1 460 240	1 216 623
Total Employee Related Costs	<u>174 354 719</u>	<u>170 961 675</u>
Remuneration of Municipal Manager		
Annual Remuneration	1 470 357	1 112 164
Contributions to UIF, Medical and Pension Funds	167 989	161 428
Allowances	265 687	184 800
	<u>1 904 033</u>	<u>1 458 392</u>
Remuneration of Chief Financial Officer		
Annual Remuneration	880 024	1 162 433
Contributions to UIF, Medical and Pension Funds	11 521	11 673
Allowances	149 503	40 800
	<u>1 041 049</u>	<u>1 214 906</u>
Acting chief financial officer since September 2021		
Remuneration of Director - Corporate Services		
Annual Remuneration	751 162	764 198
Contributions to UIF, Medical and Pension Funds	160 385	155 454
Allowances	226 576	305 799
	<u>1 138 123</u>	<u>1 225 451</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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	R	Restated* R
30. EMPLOYEE RELATED COSTS (Continued)		
Remuneration of the Director - Planning and Engineering		
Annual Remuneration	1 035 560	1 018 086
Contributions to UIF, Medical and Pension Funds	14 499	12 307
Allowances	216 142	301 099
	1 266 201	1 331 492
Remuneration of Director - Community Services		
Annual Remuneration	951 560	872 263
Contributions to UIF, Medical and Pension Funds	14 065	11 876
Allowances	300 142	275 131
	1 265 767	1 159 270

31. REMUNERATION OF COUNCILLORS

Councillor remuneration and allowances	9 073 831	10 189 108
	9 073 831	10 189 108

Councillor	Remuneration	Allowances	Total 2022
Mayor - Cllr W.J Safers	384 477	44 400	428 877
Former Mayor Cllr D.W.S De Vos - End of term	339 671	22 200	361 871
Speaker - Cllr C.W Feliz - Newly elected	267 605	18 500	286 105
Former Speaker - Cllr T.L Nonnies - End of term	221 913	15 483	237 396
Executive committee - Cllr K.E Kekana	208 312	29 600	237 912
Executive committee - Cllr E.L Loock	586 985	44 400	631 385
Executive committee - Cllr E.A Ruiters	360 193	44 400	404 593
Former Executive committee - Cllr P.W Koeberg - Deceased	68 344	11 100	79 444
Former Executive committee - Cllr N.P Vanda - End of term	125 606	15 483	141 089
MPAC chairperson - Cllr X.N Galada	278 855	44 400	323 255
Cllr A Arries	272 430	44 400	316 830
Cllr P Bees - End of term	95 001	15 483	110 484
Cllr D.J Bezuidenhout	272 430	44 400	316 830
Cllr I.J Bolligelo - Newly elected	175 683	29 600	205 283
Cllr A Booysen - End of term	109 066	15 483	124 549
Cllr H Booysen	272 430	44 400	316 830
Cllr E.A Carolus - Deceased	22 703	3 700	26 403
Cllr F.D.T De Villiers - Newly elected	175 683	29 600	205 283
Cllr M Deyzel - Newly elected	222 135	37 000	259 135
Cllr Y Frazenburg - Newly elected	175 683	29 600	205 283
Cllr K Hendricks - Newly elected	175 683	29 600	205 283
Cllr K Hoffman - End of term	95 001	15 483	110 484
Cllr L.G Hoffman - Resigned	111 239	11 100	122 339
Cllr N.A.V Jacobs - Newly elected	175 683	29 600	205 283
Cllr R.B Jacobs - End of term	95 001	15 483	110 484
Cllr L.L Langeveldt - End of term	95 001	15 483	110 484
Cllr W.Z Le Grange - End of term	95 001	15 483	110 484
Cllr J.D Lomberg - Newly elected	175 683	29 600	205 283
Cllr G.C Mackelina - End of term	95 001	15 483	110 484
Cllr H Makoba - Interim councillor	25 147	4 383	29 531
Cllr A. Mboneni - End of term	95 001	15 483	110 484

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	R	Restated* R	
31. REMUNERATION OF COUNCILLORS (Continued)			
Councillor	Remuneration	Allowances	Total 2022
Cllr A Mfundisi - Newly elected	175 683	29 600	205 283
Cllr A.S Nofemele - Newly elected	175 683	29 600	205 283
Cllr A.L Nortje - End of term	95 001	15 483	110 484
Cllr T.L.A Plaatjies - Newly elected	175 683	29 600	205 283
Cllr E.V.R Rossouw - End of term	95 001	15 483	110 484
Cllr B.W Seekoei - End of term	95 001	15 483	110 484
Cllr R.L Smith	313 735	44 400	358 135
Cllr T.R Spogter - Newly elected	152 071	18 500	170 571
Cllr T.M Tshona - End of term	95 001	15 483	110 484
Cllr A.R Van Heerden - Newly elected	175 683	29 600	205 283
Cllr G.J Wiehahn - Newly elected	175 683	29 600	205 283
Cllr D Williams - End of term	95 001	15 483	110 484
Cllr J.J Williams	272 430	44 400	316 830
	7 960 301	1 113 529	9 073 831
Councillor	Remuneration	Allowances	Total 2021
Mayor - Cllr D.W.S De Vos	877 622	44 400	922 022
Speaker - Cllr T.L Nonnies	658 634	44 400	703 034
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
Cllr E.A Carolus	281 152	44 400	325 552
Cllr A Booysen	281 152	44 400	325 552
Cllr H Booysen	281 152	44 400	325 552
Cllr B.W Seekoei	281 152	44 400	325 552
Cllr K Hoffman	281 152	44 400	325 552
Cllr X.N Galada	281 152	44 400	325 552
Cllr G.C Mackelina	281 152	44 400	325 552
Cllr T.M Tshona	281 152	44 400	325 552
Cllr R.B Jacobs	281 152	44 400	325 552
Cllr P Bees	281 152	44 400	325 552
Cllr L.L Langeveldt	281 152	44 400	325 552
Cllr A Arries	281 152	44 400	325 552
Cllr D.J Bezuidenhout	281 152	44 400	325 552
Cllr E.V.R Rossouw	281 152	44 400	325 552
Cllr J.J Williams	281 152	44 400	325 552
Cllr R.L Smith	281 152	44 400	325 552
Cllr A.L Nortje	264 235	44 400	308 635
	8 990 308	1 198 800	10 189 108

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	2022	2021
	R	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	50 442 651	17 842 031
Bad debts written off	17 502 977	27 598 022
	67 945 628	45 440 053
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	60 572 154	59 733 214
Amortisation: Intangible Assets	8 719	22 723
Depreciation: Investment Property	41 366	41 366
Total Depreciation and Amortisation	60 622 238	59 797 303
34. IMPAIRMENT LOSS		
Property, plant and equipment	2 327 873	-
35. FINANCE COST		
Long service award	905 363	728 000
Post retirement medical benefit	4 565 111	3 693 000
Trade and other payables	24 211 917	18 599 371
	29 682 391	23 020 371
36. BULK PURCHASES		
Electricity	115 745 654	99 081 752
Total Bulk Purchases	115 745 654	99 081 752
37. OPERATIONAL COST		
Adjustment for provision of landfill sites obligation	4 085 950	(3 095 800)
Advertising, Publicity and Marketing	223 940	496 041
Audit Fees - External	7 191 532	6 984 906
Bank Charges	798 858	843 428
Cash Shortage	2 170	55 597
Chemicals	3 082 510	1 557 221
Commissions	1 718 183	1 496 280
Communication	3 424 842	3 560 510
Consumables	5 961 902	8 013 447
Cost recoveries	95 388	68 390
Courier and Delivery Services	724 357	657 660
External Computer Services	3 349 880	2 419 031
Grants and Donations Made	18 000	18 000

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	2022	2021
	R	Restated* R
37. OPERATIONAL COST (Continued)		
Hire charges	929 090	4 246
Insurance underwriting	1 462 897	2 419 750
Inventories losses/write-downs	140 959	139 267
Settlement fees cost	-	536 304
Levies	32 258	521 511
Motor vehicle expenses	7 818 260	5 230 454
Municipal service charges	8 995 850	7 197 729
Pauper Burials	2 300	-
Professional Bodies, Membership and Subscription	1 884 380	1 905 347
Remuneration to Ward Committees	218 500	714 950
Training and Seminars	1 086 033	252 004
Travel and subsistence	1 927 728	2 740 377
Uniform and Protective Clothing	228 456	-
Workmen's Compensation Fund	884 282	884 874
Total Operational Cost	56 288 505	45 621 524

38. CONTRACTED SERVICES

Consultants and professional services	6 774 149	1 606 468
Outsourced services	38 344 668	52 190 631
Total Contracted Services	45 118 817	53 797 099

REPAIRS AND MAINTENANCE

Repairs and maintenance is removed as a line item from the statement of financial performance in line with GRAP and implementation of mSCOA as it does not reflect the nature of the expense. It is disclosed in various other expenditure line items as stated below:

The following expenditure relating to repairs and maintenance projects were identified by the municipality:

Contracted services	3 007 220	27 496 105
Outsourced service - Technical	3 007 220	27 496 105
Operational cost	3 293 219	5 821 834
Consumables	2 605 231	4 456 726
IT maintenance	687 988	1 365 108
Total	6 300 439	33 317 940

GRAP 17 requires disclosure of repairs and maintenance per asset class:

Buildings	-	167 850
Transport assets	2 769 883	26 506 494
Other assets	2 970 686	5 378 118
Infrastructure assets	559 870	1 265 478
	6 300 439	33 317 940

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	2022	2021
	R	Restated* R
39. LOSS ON DISPOSAL OF ASSETS AND LIABILITIES		
Loss on disposal of property, plant and equipment	<u>1 013 344</u>	<u>1 271 495</u>

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.

40. OPERATING LEASES

Furniture and Office Equipment	1 098 575	715 347
Transport Assets	<u>5 229 903</u>	<u>3 442 682</u>
Total Operating Leases	<u>6 328 478</u>	<u>4 158 029</u>

Lease of voltage optimization System

The Municipality is a lessee as it has entered into operating leases for the use of voltage optimization equipment with Sky Metro Equipment (Pty) Ltd. These leases were negotiated for a three year term from 3 February 2021 to 31 January 2023, 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: R420 588 (2021: R420 588) 2 – 5 years inclusive: R245 343 (2021: R665 931) over 5 years: R0 (2021: R0)

Lease of photocopiers

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 two year term from 1 January 2020 to 31 December 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: R0 (2021: R210 294) 2 – 5 years inclusive: R0 (2021: R0) over 5 years: R0 (2021: R0)

Lease of vehicles

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, 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: R0 (2021: R889 199).

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	420 588	1 520 081
Payable within 2 to 5 years	<u>245 343</u>	<u>665 931</u>
	<u>665 931</u>	<u>2 186 012</u>

41. ACTUARIAL GAIN / (LOSS) AND RELEASE FROM OBLIGATION

Actuarial gain	<u>5 870 755</u>	<u>1 355 601</u>
	<u>5 870 755</u>	<u>1 355 601</u>

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	2022	2021
	R	Restated* R
42. CASH GENERATED BY OPERATIONS		
Deficit for the Year	(107 839 742)	(113 041 357)
Adjustment for:		
Depreciation and Amortisation	60 622 238	59 797 302
Losses / (Gains) on Disposal of Property, Plant and Equipment	1 013 344	1 271 495
Provision	5 893 770	(12 865 119)
Public contributions and donations	(258 600)	-
Impairment loss	2 327 873	-
Operating surplus before working capital changes	(38 241 117)	(64 837 679)
Changes in working capital:		
Decrease/(Increase) in Inventories	224 269	637 580
Decrease/(Increase) in Receivables Exchange	(2 605 127)	(3 288 087)
Decrease/(Increase) in Receivables Non Exchange	(734 811)	(83 673)
Decrease/(Increase) in Other receivables	(65 457)	(1 261 145)
Increase/(Decrease) in Payables Exchange	110 725 283	107 839 838
Increase/(Decrease) in Payables Non Exchange	(2 038 093)	1 621 820
Decrease/(Increase) in VAT	(12 271 946)	(5 552 912)
Increase/(Decrease) in Unspent conditional grants Liability	-	(2 079 868)
Increase/(Decrease) in Consumer Deposits	242 786	122 061
Increase/(Decrease) in Employee Benefit Obligations	(494 161)	2 656 399
Cash generated by / (utilised in) Operations	54 741 626	35 774 334

43. 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 2021
Current Assets			
VAT Receivable	9 832 247	390 396	10 222 643
Non-Current Assets			
Property, Plant and Equipment	1 071 271 265	2 181 993	1 073 453 258
Current Liabilities			
Payables from Exchange Transactions	(349 161 017)	(11 145 827)	(360 306 844)
TOTAL ASSETS	1 152 993 113	2 572 389	1 155 565 502
TOTAL LIABILITIES	(442 884 336)	(11 145 827)	(454 030 163)
NET ASSETS	710 108 777	(8 573 438)	701 535 339

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		2022	2021
		R	Restated* R
43. PRIOR PERIOD ERRORS (Continued)			
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue from Exchange Transactions			
Agency services	2 372 921	(320 492)	2 052 429
Licences and Permits	932 026	(12 684)	919 342
Expenditure			
Employee related costs	170 943 454	18 221	170 961 675
Depreciation and amortisation	59 728 518	68 784	59 797 302
Finance cost	22 131 990	888 381	23 020 371
Operational Cost	43 362 884	2 258 640	45 621 524
Contracted Services	50 934 502	2 862 597	53 797 099
ACCUMULATED SURPLUS adjustments			
	Previously reported	Correction of error	Restated 2021
Opening balance as previously reported	816 720 335	-	816 720 335
Prior period errors impacting opening balance:			
Property, Plant and Equipment		2 250 774	2 250 774
Payables from exchange transactions		(4 394 416)	(4 394 416)
Balance at 01 July 2020 as restated	816 720 335	(2 143 642)	814 576 693
Deficit for the year	(106 611 558)	-	(106 611 558)
Prior period errors impacting deficit for the year:			
Agency services	-	(320 492)	(320 492)
Licences and permits	-	(12 684)	(12 684)
Employee related costs	-	(18 221)	(18 221)
Depreciation and amortization	-	(68 784)	(68 784)
Finance cost	-	(888 382)	(888 382)
Contracted services	-	(2 862 597)	(2 862 597)
Operational cost	-	(2 258 640)	(2 258 640)
Balance at 01 July 2021 as restated	710 108 777	(8 573 442)	701 535 335

DISCLOSURE PRIOR PERIOD ERROR ADJUSTMENTS

Irregular expenditure (note 47)	217 890 529	150 526 610	368 417 139
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DESCRIPTION OF ERRORS

Property, plant and Equipment

Upon the annual verification, some items of infrastructure was identified that was not updated on the infrastructure register. These items were now brought on and impacted the prior year opening balances

Other financial statement line items impacted by this error:

- Depreciation and amortization

Payables from Exchange Transactions

Various invoices related to the 2021 financial year were not presented to creditors departments for processing and for purposes of raising an accrual for work done not yet invoiced. A monthly reconciliation was done subsequently on the accrual movement where a list of invoices were identified accordingly.

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	2022	2021
	R	Restated* R
43. PRIOR PERIOD ERRORS (Continued)		
Other financial statement line items impacted by this error:		
- VAT receivable		
- Agency services		
- Licences and permits		
- Employee related cost		
- Finance cost		
- Contracted services		
- Operational cost		

Restatement of disclosure in the notes

Irregular expenditure: The restatement in the 2021 closing balance is due to the incorrect measurement of irregular expenditure balances excluding vat. The vat portion has been included in line with the updated mfma circular 68. Also, a completeness exercise was done to ensure that the municipality recognizes all expenditure classified as irregular expenditure on accrual instead of payment basis

44. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	<u>102 932 294</u>	<u>51 598 441</u>
Total Capital Commitments	<u>102 932 294</u>	<u>51 598 441</u>

The committed expenditure relates to Infrastructure and will be financed by Government Grants and own resources

45. UNAUTHORISED EXPENDITURE

Reconciliation of Unauthorised Expenditure:

Opening balance	455 881 165	411 804 962
Add: Unauthorised Expenditure current year	<u>60 984 868</u>	<u>44 076 203</u>
Unauthorised Expenditure awaiting authorisation	<u>516 866 033</u>	<u>455 881 165</u>

The unauthorised expenditure additions are primarily related to the overspending of budget votes as defined in the MFMA:

Budgeted votes exceeded:-	Amount	Status
Vote 3 - CORPORATE SERVICES: ADMINISTRN	3 439 016	To be investigated and considered by council
Vote 4 - CORPORATE SERVICES: COMM SERV	10 385 966	To be investigated and considered by council
Vote 6 - FINANCIAL SERVICES	31 884 521	To be investigated and considered by council
Vote 7 - TECHNICAL SERVICES: ENGINEERING	14 836 652	To be investigated and considered by council
Vote 8 - TECHNICAL SERVICES: ELECTRICAL	438 713	To be investigated and considered by council

60 984 868

46. FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of Fruitless and Wasteful expenditure:

Opening balance	42 447 451	24 736 461
Add: Fruitless and Wasteful Expenditure current year	<u>21 165 224</u>	<u>17 710 990</u>
Fruitless and wasteful expenditure awaiting authorisation	<u>63 612 675</u>	<u>42 447 451</u>

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	2022	2021
	R	Restated* R
46. FRUITLESS AND WASTEFUL EXPENDITURE (Continued)		
Details of Fruitless and Wasteful Expenditure		
Interest charged by Telkom	49 547	215 630
Interest charged by Utilities World	-	1 944 236
Interest charged by Auditor General	457 243	4 971
Interest Charged by Eskom	17 836 676	11 975 879
SARS penalties and interest	1 496 208	3 332 182
Interest charged by the department of water and sanitation	-	151 077
Government Printing works	-	1 934
Interest charged by Workmans compensation fund	404 618	-
Interest and Penalties charged by Consolidated Retirement Fund	658 635	3 484
Interest charged to J.R NIEUWENHUIZEN	9 211	41 486
Interest charged by NFMW	253 086	-
Interest charged by other	-	3 005
Interest charged by Bytes people solution	-	6 989
Interest charged by Momentum	-	951
Interest charged by SAMRO	-	29 166
	<u>21 165 224</u>	<u>17 710 990</u>
47. IRREGULAR EXPENDITURE		
Reconciliation of Irregular Expenditure:		
Opening balance	368 417 139	300 947 076
Add: Irregular Expenditure current year	39 447 032	67 470 063
Less: Written off by Council	<u>(146 799 074)</u>	<u>-</u>
Irregular Expenditure awaiting authorisation	<u>261 065 097</u>	<u>368 417 139</u>
48. 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 R34 923 253 (2021 - R32 317 524) 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	15 529 515	6 998 937
Deviations due to Sole supplier procurement	3 883 986	1 672 314
Deviations due to Specifications difficult to compile	198 835	-
Deviations due to impracticality of following SCM processes	<u>15 310 917</u>	<u>23 646 273</u>
	<u>34 923 253</u>	<u>32 317 524</u>

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	2022	2021
	R	Restated* R
49. RELATED PARTIES		
Relationships		
Mayor		Cllr W.J Safers
Speaker		Cllr C Felix
Executive committee		Cllr E.A Ruiters
Executive committee		Cllr E.L Looock
Executive committee		Cllr K.E Kekana
MPAC chairperson		Cllr X.N Galada
Councillor		Cllr A Arries
Councillor		Cllr D.J Bezuidenhout
Councillor		Cllr I.J Bolligelo
Councillor		Cllr H Booysen
Councillor		Cllr I Van Zyl
Councillor		Cllr M Deysel
Councillor		Cllr Y.D Frazenburg
Councillor		Cllr K Hendricks
Councillor		Cllr N.A.V Jacobs
Councillor		Cllr T Spogter
Councillor		Cllr J.D Lomborg
Councillor		Cllr A Mfundisi
Councillor		Cllr A.S Nofemele
Councillor		Cllr T.L.A Plaatjies
Councillor		Cllr R.L Smith
Councillor		Cllr A.R Van Heerden
Councillor		Cllr G.J Wiehahn
Councillor		Cllr J.J Williams
Municipal manager		Dr. E.M Rankwana
Director of engineering and planning		B Arends
Acting Chief financial officer		J. Joubert
Director of Corporate Services		Z. Kali
Director of Community Services		G.W Hermanus

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
50. FINANCIAL INSTRUMENTS		
50.1 Classification		
The Municipality recognised the following financial instruments at <i>amortised cost</i> :		
<u>Financial Assets</u>		
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:		
Cash and Cash Equivalents	1 318 838	2 634 445
Receivables from Exchange transactions	19 733 992	17 128 868
Other receivables	6 377 992	6 312 535
Total	27 430 822	26 075 848
<u>Financial Liabilities</u>		
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:		
Other financial liabilities	20 761 332	17 614 620
Payables from exchange transactions	471 032 129	360 306 845
Total	491 793 461	377 921 465

50.2 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 2022	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	471 032 129	-	471 032 129
Other financial liabilities	13 153 240	7 608 092	20 761 332
At 30 June 2021	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	360 306 845	-	360 306 845
Other financial liabilities	10 240 951	7 373 669	17 614 620

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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	2022	2021
	R	Restated* R
50. FINANCIAL INSTRUMENTS (Continued)		
50.2 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	1 318 838	2 634 445
Receivables from exchange transactions	19 733 992	17 128 868
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.		
51. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
51.1 Contributions to organised local government - SALGA		
Opening Balance	7 607 374	6 537 373
Current year subscription/fee	1 860 245	2 070 001
Amount Paid - current year	<u>(2 941 000)</u>	<u>(1 000 000)</u>
Balance Unpaid (included in Creditors)	<u><u>6 526 619</u></u>	<u><u>7 607 374</u></u>
51.2 Audit Fees		
Opening Balance	5 467 305	5 610 713
Current year Audit Fee	8 270 261	7 055 767
Credit note and adjustments	(3 606 126)	(2 423 175)
Amount Paid - current year	<u>(5 546 304)</u>	<u>(4 776 000)</u>
Balance Unpaid (included in Creditors)	<u><u>4 585 136</u></u>	<u><u>5 467 305</u></u>
51.3 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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	2022	2021	
	R	Restated* R	
51. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)			
51.4 PAYE, Skills Development Levy and UIF			
Opening Balance	12 838 409	10 442 926	
Current year Payroll Deductions	25 619 710	27 299 028	
Amount Paid - current year	<u>(22 379 097)</u>	<u>(24 903 545)</u>	
Balance Unpaid (included in Creditors)	<u>16 079 022</u>	<u>12 838 409</u>	
51.5 Pension and Medical Aid Deductions			
Opening Balance	23 757 620	15 966 591	
Current year Payroll Deductions and Council Contributions	35 135 998	37 330 511	
Amount Paid - current year	<u>(34 396 702)</u>	<u>(29 539 482)</u>	
Balance Unpaid (included in Creditors)	<u>24 496 916</u>	<u>23 757 620</u>	
51.6 Councillor's arrear Consumer Accounts			
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2022			
	Outstanding up to 90 days	Outstanding more than 90 days	Total
30 June 2022			
Cllr I Bolligelo	550	9 597	10 147
Cllr H Booysen	1 252	-14	1 239
Cllr M Deyzel	383	413	795
Cllr Y Frazenburg	1 116	9 623	10 739
Cllr X Galada	1 566	22 833	24 400
Cllr K Hendricks	485	8	494
Cllr N Jacobs	910	226	1 136
Cllr E Kekana	1 231	3 743	4 974
Cllr A Mfundisi	581	7 779	8 360
Cllr J.J Williams	605	40	646
Cllr T Plaatjies	1 179	21 226	22 405
Cllr E Ruiters	938	13 908	14 846
Cllr R Smith	712	1 895	2 606
Cllr T Spogter	385	1	386
	<u>15 480</u>	<u>91 279</u>	<u>106 759</u>
30 June 2021			
Cllr P.W Koeberg	1 289	-	1 289
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 Loock	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
	<u>16 025</u>	<u>33 476</u>	<u>49 501</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
52. DISTRIBUTION LOSSES - ELECTRICITY		
Electricity units (kWh) purchased from Eskom	80 010 429	82 122 942
Electricity units (kWh) sold to customers	<u>(74 777 772)</u>	<u>(68 628 984)</u>
	<u>5 232 657</u>	<u>13 493 958</u>

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 6,5% (2021 - 16,43%) of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2022 is R5 923 088 (2021 - R16 586 786)

53. DISTRIBUTION LOSSES - WATER

Balance at the beginning of the year in reservoirs and pipes	25 080	28 783
Water Units produced	4 172 029	5 020 060
Water Units sold	(3 027 442)	(2 404 695)
Balance at the end of the year in reservoirs and pipes	<u>(25 080)</u>	<u>(25 080)</u>
Non revenue water	<u>1 144 586</u>	<u>2 619 068</u>

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 27,43% (2021 - 48,78%) of water produced. The Rand value of the water losses for the period ending 30 June 2022 is R26 445 989 (2021 - R29 809 964).

54. 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

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	Restated* R
54. 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.		
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 *	-	-
	<u>1 269 768</u>	<u>1 269 768</u>
<u>Contingent Liabilities</u>		
SL Mvunelwa	825 256	825 256
Aurecon *	-	81 028
JH Vermaak vs Dr Beyers Naude Local Municipality	650 000	650 000
	<u>1 475 256</u>	<u>1 556 284</u>

* Matters which has been resolved, finalized or no longer applies

55. EVENTS AFTER REPORTING DATE

Council considered the old debts of individuals who was on the IGG register during Covid lockdown. All beneficiaries on the IGG register would have been removed and required to reapply in 2020. Council resolved to extend the validity of the beneficiaries of IGG until 30 June 2021 before removal of all beneficiaries from the register. Council has now resolved that the position must be upheld and that all benefits received by the beneficiaries during the 2021 financial year be considered appropriate and not recoverable and similarly those beneficiaries not on the 2022 IGG register after removal and reapplication would not be charged back the benefit received and is considered as irrecoverable.

No additional events occurred post year end that requires specific disclosure

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022	2021
R	Restated* R

56. 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 following elements of the financial statements are noted which casts significant doubt on the ability of the municipality's going concern status

The current assets of the municipality of R57 726 450 (2021 - R43 588 987) are exceeded by the current liabilities of R488 948 243 (2021 - R381 353 640). The net current liabilities amounts to R431 221 793 (2021 - R337 764 653) and results in a current ratio of 0,12:1 (2021 - 0,11:1). The position above casts some doubt on the ability to continue as a going concern.

The municipality incurred a deficit of R107 839 742 during the 2022 financial year and is a significant decrease in the deficit from the 2021 financial year of R113 041 357.

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 its 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 is monitor frequently.

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 2022, the statement of financial performance, the statement of changes in net assets, the 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 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Irregular expenditure

3. 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. This was due to expenditure incurred in contravention of the supply chain management (SCM) requirements not being detected and appropriately disclosed in the financial statements. 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 47 to the financial statements at R261,1 million.

Context for the opinion

4. 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.
5. 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.

6. 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

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. As disclosed in note 56 to the annual financial statements, which indicates that the municipality incurred a net deficit of R107,8 million during the year ended 30 June 2022 and, as of that date, the municipality's current liabilities exceed its total assets. These events and conditions, along with other matters as set forth in note 56, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern. The steps taken by management to address the risk and ensure the municipality's financial sustainability are also highlighted in note 56 to the financial statements.

Emphasis of matters

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

Material allowance for impairment – receivables

10. As disclosed in note 6 to the financial statements, material allowance for impairment of receivables from non-exchange transactions of R27,4 million (2021: R21,4 million) was incurred as a result of non-payment by consumer debtors.
11. As disclosed in note 7 to the financial statements, material impairments for receivables from exchange transactions of R145,4 million (2021: R100,9 million) were incurred as a result of non-payment by trade debtors.

Restatement of corresponding figures

12. As disclosed in note 43 to the financial statements, the corresponding figures for the 30 June 2021 financial year were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Distribution losses – electricity

13. As disclosed in note 52 to the financial statements, material electricity losses of R5,9 million (2021: R16,5 million) were incurred, which represents 6,5% (2021: 16,4%) of total electricity purchased.

Distribution losses – water losses

14. As disclosed in note 53 to the financial statements, material water losses of R26,5 million (2021: R29,8 million) were incurred, which represents 27,4% (2021: 48,8%) of total water production.

Other matter

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

Unaudited disclosure notes

16. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA 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 accounting officer for the financial statements

17. 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.
18. 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

19. 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.
20. 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

21. 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.
22. 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.
23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priorities	Pages in the annual performance report
Development priority 1 – infrastructure development	x – x

24. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year of targets.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Development priority 1 – infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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:

Expenditure management

31. 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 comprised deviations not in line with SCM regulations.
32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R61,0 million, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budgeted votes within the approved budget of the municipality.
33. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R21,2 million as disclosed in note 46 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.
34. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

35. Some irregular expenditure incurred by the municipality were not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
36. Unauthorised expenditure of R455,9 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.
37. Fruitless and wasteful expenditure of R42,4 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. Some contracts were awarded to bidders based on preference points that were not allocated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations.

Other information

40. 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.
41. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
42. 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.
43. 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

44. 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.
45. Management did not perform their oversight responsibility over the internal controls of the municipality on a regular basis. This is evidenced by the significant errors in the annual financial statements submitted for audit.
46. Material non-compliance with key legislations and policies of the municipality was identified. This indicates 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

47. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Status of previously reported material irregularities

Interest paid on late payments of Eskom invoices

48. The municipality paid interest to Eskom on invoices which were not paid within 30 days. The payments not made within 30 days constitutes non-compliance with section 65 (2)(e) of the MFMA, which requires the accounting officer to take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
49. The interest paid is a financial loss to the municipality, as the payment of interest could have been avoided if the payments were made within the required 30 days from receipt of invoices. The non-compliance has resulted in a material financial loss of R22,1 million as at 30 June 2022 and is likely to result in further material financial losses for the municipality.
50. The accounting officer was notified of the material irregularity on 18 January 2022. The accounting officer performed a preliminary investigation and identified that some of the issues with Eskom debt is non-payment by customers and there is no individual person or group that can be held accountable for the municipality incurring interest from Eskom or the inability to make payments as the municipality has been in financial distress. The municipality has been in dispute with Eskom regarding the outstanding balance. The

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.

arbitration process is still ongoing at year-end. The matter will be followed up during the next audit.

Interest paid on late payments of Sars invoices

51. The municipality did not pay employees tax, deducted from employees, over to the South African Revenue Service (Sars) within seven days after the end of the month during which the amount was deducted. This was in contravention of section 2(1) of the fourth schedule of the Income Tax Act and section 210 of the Tax Administration Act. The municipality was required to pay interest and penalties to Sars due to non-compliance with the Income Tax Act and Tax Administration Act.
52. The interest and penalties paid are a financial loss to the municipality as the payment of interest and penalties could have been avoided if the payments were made within the required seven days from receipt of invoices. The non-compliance has resulted in a material financial loss of R11,6 million as at 30 June 2022 and is likely to result in further material financial losses for the municipality.
53. The accounting officer was notified of the material irregularity on 31 January 2022. The municipality has entered into a payment arrangement with Sars to service the outstanding debts. In addition, the municipality has implemented revenue-enhancing strategies and cost-containment measures to improve its financial position. The matter will be followed up during the next audit.

Auditor General

East London

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Dr Beyers Naude Local Municipality
Audit Action Plan 2021/22

TOTAL ACTIONS	18
Not Started	18
Past due not completed	-
In Progress	-
Completed	-

Nr	FSLI	COAF#	Audit Finding	Prior Year	Audit Action Plan	Responsible Designation and Official	Target Date
1	Procurement and contract management	2	It was noted that the municipality deviated from the established procurement processes to procure the goods/service below, however it is not evident that the reasons documented are reasonable and justifiable	Yes	Reduce the deviations procurement by 75% from prior year.	CFO	30/06/2023
2	Procurement and contract management	2	It was noted that the municipality deviated from the established procurement processes to procure the goods/service below, however it is not evident that the reasons documented are reasonable and justifiable	Yes	Compile methodology document (or review policy) for council approval on appropriateness of deviations from SCM regulations	SCM manager	31/03/2023
3	Procurement and contract management	AR	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.	No	Monthly reconciliation of all deviations on the deviation register with the 1) D order on the system, 2) creditors system, 3) contract register and 4) with the irregular expenditure listing. Also perform monthly reconciliation of irregular expenditure listing with reference to all tenders	SCM manager	Monthly - 30/06/2023
4	Procurement and contract management	AR	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.	No	Confirm position on timing of disclosure of irregular expenditure. (should accruals be disclosed if invoice not yet received and captured)	SCM manager	31/01/2023
5	Procurement and contract management	13	Bids were identified for using locality as a Functionality as a criterion	Yes	Confirm that no tenders are evaluated for locality criterion for functionality in line with the SCM regulations and circulars	SCM manager	30/06/2023
6	Consequence management	15	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	Ensure that all unauthorised expenditure at 30 june 2022 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2023
7	Consequence management	15	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	Ensure that all fruitless and wasteful expenditure at 30 june 2022 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2023
8	Consequence management	15	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	Ensure that all irregular expenditure at 30 june 2022 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2023
9	Procurement and contract management	AR	Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA	Yes	Implementation of the UIFW strategy	CFO	30/06/2023
10	Procurement and contract management	AR	Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA	Yes	Implementation of the UIFW strategy	CFO	30/06/2023

Dr Beyers Naude Local Municipality
Audit Action Plan 2021/22

TOTAL ACTIONS	18
Not Started	18
Past due not completed	-
In Progress	-
Completed	-

Nr	FSLI	COAF#	Audit Finding	Prior Year	Audit Action Plan	Responsible Designation and Official	Target Date
11	Revenue and receivables	7	Indigents (or their spouses) in the employment of one or another government department or organisation approved for IGG. How does the applicant get approved with income criteria?	Yes	Instances of this exception be investigated and full report issued to standing council	Revenue manager	30/06/2023
12	Revenue and receivables	7	Indigents (or theirs spouses) that has an interest in suppliers of government and/or municipalities. How does the applicant get approved with income criteria?	Yes	Instances of this exception be investigated and full report issued to standing council	Revenue manager	30/06/2023
13	Revenue and receivables	7	The application forms identified and categorised by CAATs exceptions were requested on the 19th of September 2022 through RFI 26 of 2022 and the following application forms were not submitted for audit	No	Monthly reconciliation between the system linked IGG recipients (receiving the benefit) and the IGG register to be performed	Revenue manager	Monthly - 30/06/2023
14	Revenue and receivables	17	It was noted that the 10% surcharge as it appears on debtors statements was not included on the Credit Control, Debt Collection Policy. The auditors could therefore not find the basis for the 10% charge to confirm the accuracy.	Yes	Update the relevant policies to ensure that council resolves on the surcharge	Revenue manager	31/03/2023
15	Revenue and receivables	17	Revenue from exchange transaction has differences between the general ledger and the billing reports which are the underlying information that support what is recorded in the general ledger for revenue from exchange transactions (service charges)	No	Perform monthly reconciliation of service charges	Revenue manager	31/07/2023
16	Planning	1	The municipality has not developed and implemented a combined assurance plan	No	Develop a combined assurance plan	CAE	28/02/2023
17	Payables	8	The municipality has failed to submit supplier statements for certain third party deductions disclosed as a payable as at 30 June 2022	No	Obtain monthly reconciliations for third party payables (especially material suppliers) by requesting monthly statements. Furthermore, all suppliers without statements, requires monthly reconciliations of the payroll reports and the subsequent payments for audit file purposes	Expenditure manager	Monthly - 30/06/2023
18	Payables	8	The municipality has failed to submit supplier statements for certain creditors disclosed as a payable as at 30 June 2022	No	Obtain monthly reconciliations for exchange payables (that are causing irregular expenditure) by requesting monthly statements.	Expenditure manager	Monthly - 30/06/2023
19	Revenue and receivables	PR	Completeness Issue : Properties per the deeds site was not noted on the valuation roll.	Yes	Ensure that reconciliation has been performed between the valuation roll properties and the deeds website to ensure that all properties are accounted for	Revenue manager	31/03/2023

**DR. BEYER'S NAUDE LOCAL
MUNICIPALITY**

2021/2022



Dr. Beyers Naudé
MUNICIPALITY | MUNISIPALITEIT | UMASIPALA
rising together for development

**ANNUAL
PERFORMANCE
REPORT
(YEAR ENDED
30TH JUNE 2022)**

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 2021/2022 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 2021 to 30 June 2022 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 2021/2022.

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 2021/22
- 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. Water tanks, standpipes and toilet facilities were installed for informal settlements in Graaff-Reinet and Jansenville.

- 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%;
- 84% 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

The Department of Water and Sanitation (DWS) assisted with the provision of 2 water tankers supplied by Amatola Water, 1 water tanker supplied by DWS and the Municipality utilised their two water tankers to cart water to areas affected by shortage in supply. COGTA also assisted with the provision of one water tanker.

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
- 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 and Jansenville.
- 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 expanded, 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 2021/22 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 7 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.

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 within the Municipality and the intention is that individual performance will be evaluated in the 2022/2023 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?	√	√	√	X	√	√

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 2021/2022 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 2021/2022
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	3
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%

Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2021/2022
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 2021/2022
The Number of jobs created through the Municipality EPWP Labour intensive programme to address high unemployment rate	524

Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2021/2022
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	100%

SDBIP REPORT FOR 2021/2022

CAPITAL BUDGET PROJECTS - 2021/2022

Infrastructure Development

Number of projects: 9

Number of projects Completed/ On Target: 8

Number of projects Not on Target: 1

Percentage on Target: 89%

Community Development

Number of projects: 1

Number of projects Completed/ On Target: 1

Number of projects Not on Target: 0

Percentage on Target: 100%

Institutional Development

Number of projects: 18

Number of projects Completed/ On Target: 13

Number of projects Not on Target: 5

Percentage on Target: 72%

OVERALL CAPITAL BUDGET PROJECT ACHIEVEMENT

Total Number of Capital Budget Projects per KPA = 28

Number of Key Performance Indicators on Target/Completed = 22

Number of Key Performance Indicators Not on Target = 6

Percentage on Target = 79%

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2021/22

Development Priority: Infrastructure Development

Number of Indicators: 8

Number of indicators on Target: 6

Number of indicators Not on Target: 2

Percentage on Target: 75%

Development Priority: Community Development

Number of Indicators: 5

Number of indicators on Target: 4

Number of indicators Not on Target: 1

Percentage on Target: 80%

Development Priority: Institutional Development

Number of Indicators: 18

Number of indicators on Target: 14

Number of indicators Not on Target: 4

Percentage on Target: 78%

Development Priority: Local Economic Development

Number of Indicators: 6

Number of indicators on Target: 2

Number of indicators Not on Target: 4

Percentage on Target: 33%

Development Priority: Back to Basics – Good Governance

Number of Indicators: 10
Number of indicators on Target: 3
Number of indicators Not on Target: 7
Percentage on Target: **30%**

Development Priority: Back to Basics – Sound Financial Management

Number of Indicators: 12
Number of indicators on Target: 9
Number of indicators Not on Target: 3
Percentage on Target: 75%

OVERALL SERVICE DELIVERY KEY PERFORMANCE INDICATOR ACHIEVEMENT

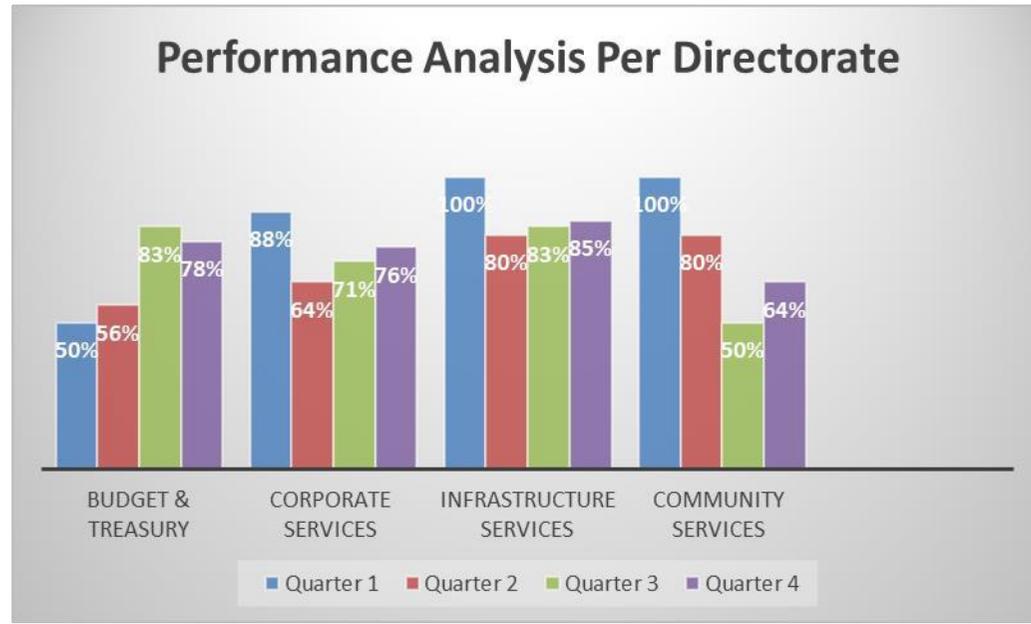
Total Number of Key Performance Indicators per KPA = 59
Number of Key Performance Indicators on Target/Completed = 38
Number of Key Performance Indicators Not on Target = 21
Percentage on Target = 65%

OVERALL KEY PERFORMANCE INDICATOR TARGET ACHIEVEMENT

Total Number of Key Performance Indicators = 87
Number of Key Performance Indicators on Target = 60
Number of Key Performance Indicators Not on Target = 27
Percentage on Target = 69%

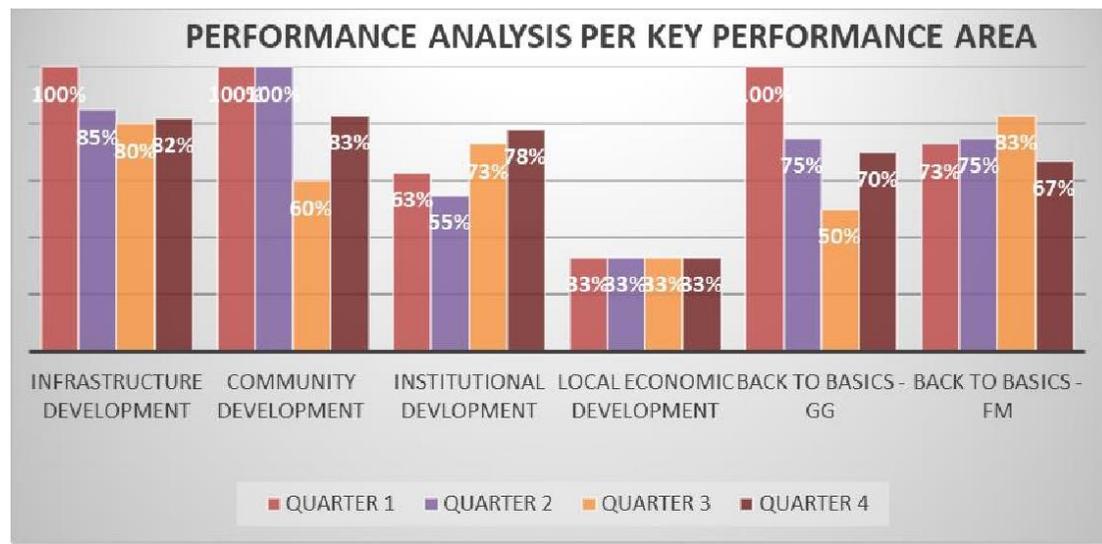
DEPARTMENTAL SDBIP OVERALL PERFORMANCE

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 - 2021/2022

Infrastructure Development

Number of projects: 9

Number of projects Completed/ On Target: 8

Number of projects Not on Target: 1

Percentage On Target: 89%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	OVERALL PERFORMANCE 2021/2022				
									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	Construct new ESKOM supply point for borehole, Clean and Repair Klipfontein Dam channel and repair weir in Klipplaat by 30 th June 2022.	10,11	Engineering and Planning	External RBIG	5,000,000	4,999,446	99.9%	Eskom supply point constructed, Klipfontein Dam cleaned and repaired, and Weir repaired.	Not on Target	Annual Target not achieved No Eskom supply point constructed. The Klipfontein Dam has not been cleaned nor has the weir been repaired.	No Eskom supply point constructed. The Klipfontein Dam has not been cleaned nor has the weir been repaired.	Municipality paid Eskom for a new supply point. As per Eskom quotation, the new point of installation can only be considered 90 days after payment. The Eskom supply point will be constructed in the

													2022/2023 financial year. The Klipfontein Dam will be cleaned and repaired in the 2022/23 Financial year. Progress will be reported on in the Mid-Year SDBIP Performance report 2022/23.
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 boreholes drilled and equipped in +Rietbron by 30 th June 2022.	8	Engineering and Planning	External COGTA	2,036,000.00	2,036,021	100	1 Borehole drilled and equipped	On Target	1 Borehole drilled and equipped	none	n/a
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 boreholes drilled and equipped in Jansenville by 30 th June 2022.	11	Engineering and Planning	External COGTA	2,151,000.00	2,157,708	100%	1 Borehole drilled and equipped	On Target	1 Borehole drilled and equipped	none	n/a

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 boreholes drilled and equipped in Klippaap by 30 th June 2022.	10	Engineering and Planning	External COGTA	1,870,000.00	1,870,270	100%	1 Borehole drilled and equipped	On Target	1 Borehole drilled and equipped	none	n/a
To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular maintenance thereof	Conduct an audit of electrification needs and infrastructure in the Dr Beyers Naudé LM.	4km steel pipeline purchased for Willowmore by 30 th June 2022.	8,9,13	Engineering and Planning	External MIG	4,500,000.00	4,478,890	99 %	Purchase 4km pipeline	On Target	Purchased 4km pipeline	none	n/a
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.	Number of boreholes drilled in Southern Well Field in Graaff-Reinet by 30 th June 2022.	2-7 & 14	Engineering and Planning	External WSIG	12,000,000.	12,000,000	100	Drill 10 boreholes	On Target	Drilled 19 boreholes	+9	As a result of low yields of boreholes during drilling, No water could be abstracted and additional boreholes were drilled.

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	New Rising main to Umasizakhe Reservoir and connect 3 boreholes in the Camdeboo Park by 30 th June 2022.	1-7 & 14	Engineering and Planning	External RBIG	16,000,000.	15,995,975	99.97%	New Rising main to Umasizakhe Reservoir Connect 3 Boreholes in Camdeboo Park	On Target	New Rising Main to Umasizakhe reservoir Completed, 3 Boreholes in Camdeboo Park connected.	none	n/a
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 pump stations refurbish in Graaff-Reinet by 30 th June 2022.	1-7 & 14	Engineering and Planning	External MIG	9 655 860.00	9,655,823	100 %	Refurbish 3 Sewer Pump Stations	On Target	3 pump stations completed	none	n/a
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.	Construct a new security building at Steytleville solid waste site by 30 th June 2022.	12, 13	Community Services	External MIG	4,000,000.00	3,999,132	99.9%	Construct New security building and install all services	On Target	Security building constructed and services installed.	none	n/a

Community Development

Number of projects: 1

Number of projects Completed/ On Target: 1

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 2021/2022				
									Annual Target	On Target/ Not on Target	Brief Description of actual output	Variance	Reason for variance and plan of action
Stadiums and sport fields that have been upgraded and properly equipped to function properly and be fully utilized.	Upgrade and maintain sport fields and ensure that personnel are on site.	Install 1.5km security fence, construct tennis/netball court, and pave entrance of Collie Koeberg sports complex by 30 th June 2022.	2-7 & 14	Community Services	External MIG	8 979 940.00	8,979,939	100%	1.5km security fence installed, tennis/ netball court constructed , and stadium entrance paved by 30 th June 2022.	On Target	1.5km security fence installed, tennis/ netball court constructed, and stadium entrance paved by 30 th June 2022.	none	n/a

Institutional Development

Number of projects: 18

Number of projects Completed/ On Target: 13

Number of projects Not on Target: 5

Percentage On Target: 72%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	OVERALL PERFORMANCE 2021/2022				
									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.	Number of Vehicles purchased by Finance Directorate by 31 st March 2022.	Institutional	Budget & Treasury	External FMG	800,000.00	755 812.13	95%	3 vehicles	On Target	3 Vehicles procured and delivered	none	n/a

<p>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</p>	<p>Equip offices and areas of service delivery with adequate resources.</p>	<p>Number of Vehicles purchased by Community Services by 30th June 2022.</p>	<p>Institutional</p>	<p>Community Services</p>	<p>External SBDM</p>	<p>530,000.00</p>	<p>0</p>	<p>0%</p>	<p>1 vehicle</p>	<p>Not on Target</p>	<p>National Treasury prohibited all SCM processes from February 2022. SBDM did the procurement although the amount was included in the approved funding for fire services. Tender was advertised by SBDM and close 29 July 2022.</p>	<p>1 Vehicle</p>	<p>The procurement for Fire vehicles as budgeted for was done by SBDM and the tender process are not done yet. The allocated amounts do reflect on the business plan but procurement is handled by SBDM</p>
<p>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</p>	<p>Equip offices and areas of service delivery with adequate resources.</p>	<p>Number of Vehicles purchased by Community Services by 30th June 2022.</p>	<p>Institutional</p>	<p>Community Services</p>	<p>External SBDM</p>	<p>600,000.00</p>	<p>0</p>	<p>0%</p>	<p>1 vehicle</p>	<p>Not on Target</p>	<p>National Treasury prohibited all SCM processes from February 2022. SBDM did the procurement although the amount was included in the approved funding for fire services. Tender was advertised by SBDM and close 29 July 2022.</p>	<p>1 Vehicle</p>	<p>The procurement for Fire vehicles as budgeted for was done by SBDM and the tender process are not done yet. The allocated amounts do reflect on the business plan but procurement is handled by SBDM</p>

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.	Purchase of cashier's counter with security features for Revenue section in Jansenville by 31 September 2021.	Institutional	Budget & Treasury	External FMG	10,000.00	8,690.00	87%	1 Cashier counter	On Target	1 Cashier counter procured.	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 filing cabinets procured by 31 September 2021.	Institutional	Budget & Treasury	External FMG	20,000	6,185.02	31%	2	On Target	2 Filing cabinets procured	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 office chairs procured by 31 December 2021.	Institutional	Budget & Treasury	External FMG	50,000	24,931.30	50%	10 office chairs	Not on Target	5 high back chairs and 4 visitors chairs procured	1	Only 9 chairs were required
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 office furniture procured for internal audit unit by 31 September 2021.	Institutional	MM's Office (Internal Audit Unit)	External FMG	42 500,00	20,199.97	48%	3 Office chairs 1 Boardroom table with 6 chairs 1 Office desk	Not on Target	3 office chairs and 1 office desk.	7	No boardroom furniture purchased.

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 security cameras installed in Jansenville Cahier office by 31 December 2021.	Institutional	Budget & Treasury	External FMG	45 000,00	294.00	0.65%	3 security cameras	On Target	Installation of security cameras occurred in the 4 th quarter. Invoice outstanding from supplier.	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 Firefighting equipment procured by 30 th June 2022	Institutional	Community Services	External SBDM	150,000,00	0	0%	30 pairs of rescue gloves, 30 pairs of fire gloves, 20 x 6% FFF foam, 20 Cones, 30 x headlamps and 20 x helmets.	On Target	Fire equipment procured and delivered to Fire Department	none	n/a

<p>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</p>	<p>Equip offices and areas of service delivery with adequate resources.</p>	<p>Number of Skid Units procured by 30th June 2022.</p>	<p>Institutional</p>	<p>Community Services</p>	<p>External SBDM</p>	<p>70,000,00</p>	<p>0</p>	<p>0%</p>	<p>1 skid unit</p>	<p>Not on Target</p>	<p>National Treasury prohibited all SCM processes from February 2022. SBDM did the procurement although the amount was included in the approved funding for fire services. Tender was advertised by SBDM and close 29 July 2022.</p>	<p>1 Skid Unit</p>	<p>The procurement for the skid unit as budgeted for, was done by SBDM and the tender process is not done yet. The allocated amounts do reflect on the business plan but procurement is handled by SBDM</p>
<p>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</p>	<p>Equip offices and areas of service delivery with adequate resources.</p>	<p>Number of cash registers procured for cahier's office in Jansenville by 31 September 2021.</p>	<p>Institutional</p>	<p>Budget & Treasury</p>	<p>External FMG</p>	<p>5000.00</p>	<p>956.52</p>	<p>20%</p>	<p>1 cash register</p>	<p>On Target</p>	<p>1 Cash register procured.</p>	<p>none</p>	<p>n/a</p>

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 Shredders procured by 31 December 2021.	Institutional	Budget & Treasury	External FMG	20,000.00	7 084.00	35%	1 Shredder	On Target	1 Shredder procured	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 desktops procured by 31 December 2021.	Institutional	Budget & Treasury	External FMG	50,000.00	53 589.83	100%	5 desktops	On Target	Desktops 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 laptops procured by 31 December 2021.	Institutional	Budget & Treasury	External FMG	200,000.00	222 223.87	100%	10 laptops	On Target	10 laptops 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 laptops procured by 31 December 2021.	Institutional	Infrastructure Services	External PMU	60,000.00	66 190.15	100%	4 laptops	On Target	ITQ process completed, and laptops 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 laptops procured by 31 December 2021.	Institutional	Corporate Services (IT Unit)	External FMG	200,000.00	222 466.18	100%	10 laptops	On Target	10 laptops 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 desktops procured by 31 December 2021.	Institutional	Corporate Services (IT Unit)	External FMG	200,000.00	216 141.83	100%	10 desktops	On Target	10 desktops 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 buildings Installed with WIFI in Klipplaat by 31 December 2021.	Institutional	Corporate Services (IT Unit)	External FMG	10,000.00	8,400.00	84%	1 building	On Target	Installation of Wi-Fi in Klipplaat was done in March 2022.	none	n/a
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SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS

INFRASTRUCTURE DEVELOPMENT					OVERALL PERFORMANCE 2021/2022				
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	341 samples	+293	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	94.30%	+ 9.3%	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 maintenance thereof.	Improve reticulation losses and improve revenue by replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce electricity losses to at least 15% by 30 th June 2022.	15%	On Target	6.41% electricity losses for 2021/22 FY	8.59%	n/a
Infrastructure Development & Service Delivery	To have all Municipal water-supply consumers connected to a metering system	Improve reticulation losses and improve	Infrastructure Services	Reduce water losses to at least 45% by 30 th June 2022.	45%	On Target	28% water losses	17%	n/a

	and registered on the debtor's database for monthly billing purposes.	revenue by replacing old non-functional electricity and water meters.							
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 Waste management plans developed and approved by Council by 31 March 2022.	1	Not On Target	0	1	The Municipality Awaits the Draft IWMP from Department of Fisheries, Forestry and Environmental Affairs. Plan to be implemented in 2022/23 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 Campaigns held by 30 th June 2022.	4	On Target	5 Waste management campaigns - Sumara Sport Festival at Botanics in Graaff-Reinet, - Abor Day celebration in Rietbron. - Municipal Newsletter - Awareness campaign in conjunction with SANPARKS Isibane Primary School, and Lincom Primary School	+1	n/a
Infrastructure Development & Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and	Develop a new Integrated waste management plan for Dr.	Community Services	Number of illegal dumping sites cleaned within DBNLM by 30 th June	20	On Target	21 illegal dumping sites cleaned	+1	Additional sites cleaned due to illegal dumping.

	surrounding environment.	Beyers Naude Municipality and review it regularly.		2022					
Infrastructure Development & Service Delivery	An effective Land-Use Management System and Zoning Scheme that responds to the developmental needs of the Community.	Develop a new Spatial Development Framework that coherently maps the desired state within the Municipal area, as informed by the IDP and other plans.	Infrastructure Services	Develop a Spatial Development Framework by 31 st March 2022.	1	Not on Target	0	1	Draft SDF in place. Amendments to SDF document only received from MISA mid-May 2022 and not enough time for Public Participation. New process for SDF to start in the 2022/23 Year.
COMMUNITY DEVELOPMENT					OVERALL PERFORMANCE 2021/2022				
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 2022.	1	Not on Target	Policy in draft form and not yet tabled before Council.	1	The plan is to revive the youth forum and present the draft policy with input from the youth council. The new date for the workshop is before end of September 2022

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	SPU reports have been tabled before Standing Committee Meetings and Council. Q1 - 11 August 2021 Q2 – No report due to LG elections, however, the 2 nd quarter report was tabled with the 3 rd quarter report on the 15 th March 2022. Q3 - 15 March 2022 Q4 – 9 th May 2022	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 Public Holidays commemorated in 2021/2022	10	On Target	16 July 2021 - Mandela Day Commemoration – Door Ministry to the Homeless with the Karoo Community Church, Graaff – Reinet Women's Month-8 th August 2021 Women's Prayer against GBV 30 August 2021 – Women's Summit. GBV & World Aids Day Celebrated in Steytleville on 7 December 2021. Celebrated disabled day in Jansenville on 3 December 2021. Human Rights Day was commemorated on the 17 th & 18 th	n/a	n/a

							March 2022. Freedom Day Sports Tournament on 27 April 2022 in Graaff-Reinet Youth Day - Social Dialogue (GBV & Alcohol Abuse) in partnership with the District Municipality was held in Steytlerville. Willowmore Sports Youth Day. Klipplaat Sports day		
Good Governance	To significantly reduce and mitigate the negative impact of disasters.	Regularly review and update the Municipality's Disaster Management Plan and ensure that it incorporates threats identified throughout the region.	Community Services	Number of Disaster Management Plans developed by 31 March 2022.	1	On Target	The Disaster Management Plan has been compiled by the SBDM and approved by Council on 24 th August 2021. Res nr: SCOUN-089.2/21	none	n/a
Good Governance	To provide facilities and services that will address the recreational and other social needs of the community.	Identify suitable projects and programmes.	Community Services	Number of library programmes implemented by 30 th June 2022.	2	On Target	Reading Competition – September 2021 Freedom Day was celebrated in April 2022 World Play Day – 27 th May 2022.	+1	n/a

INSTITUTIONAL DEVELOPMENT					OVERALL PERFORMANCE 2021/2022				
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 31 st December 2021.	1	Not on Target	Draft Organogram	1	To be tabled before Council for adoption in the new financial year
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Commence with placement process.	Corporate Services	100% Implementation of direct placement by 31 December 2021.	100%	On Target	Direct Placement finalised.	n/a	n/a
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 December 2021.	100%	Not On Target	Recruitment and Selection is an ongoing process	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 December 2021.	100%	On Target	All job descriptions were developed.	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 evaluations completed for all filled post on the staff establishment by 30 June 2022.	100%	Not on Target	Not all Job descriptions are evaluated. Process of receiving the signed job descriptions delayed by departments 5% of JD's evaluated.	95%	Job evaluation processes to be prioritised by all departments.
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 employment equity plans revised/ developed by 30 June 2022.	1	On Target	Revised Equity plan approved by Council on 30 th June 2022, subject to workshop.	n/a	Plan to be workshopped with Council by 30 th December 2022.
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 December 2021.	1	On Target	HR Plan approved by 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	Develop a workplace skills plan with an annual training report by 31 March 2022	1	On Target	The Workplace Skills Plan and Annual Training Report was successfully submitted to LGSETA and approved.	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	Number of WSP training meetings held by 30 th June 2022.	4	Not on Target	Training Committee Meeting was held in Q1 - 14 September 2021 Q2 – No meetings due to LG elections Q3 -17 th March 2022 Q4 – 14 th April 2022	1	No meeting held in the 2 nd quarter due to the Local Government elections
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	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and	Corporate Services	Develop a Records Management Policy by 31 December 2021	1	On Target	Records Management Policy was approved by Council on the 07 th October 2021.	n/a	n/a

	compliant.	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	Number of municipal policies reviewed 30 June 2022	12	On Target	18 financial policies revised.	+6	Additional policies developed
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	Number of municipal policies reviewed 30 June 2022	12	On Target	14 HR policies reviewed and approved by Council	+2	Additional policies developed
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of	Implement Plan & Policies and upgrade systems accordingly; provide suitable	Finance	Prepare Supply Chain Management Implementation Compliance through 3 quarterly reports by 30 June	3	On Target	3 SCM quarterly reports developed and submitted to BTO standing Committee and Council.	n/a	n/a

	all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	training to enable staff to utilize these systems optimally and correctly		2022					
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 2022	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 2022, to inform Council of Institutional Performance.	4	On Target	4 SDBIP Performance reports developed by 30 th June, however fourth quarter report only tabled to portfolio committees.	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	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to	Municipal Manager	Monitor Council resolutions by providing 4 quarterly reports on the implementation of council resolutions.	4	On Target	A report on the implementation of Council Resolutions was submitted and approved by Council during an Ordinary Council Meeting held on the 30th June	n/a	n/a

	staff and the Municipality's levels of service delivery, as well as be legally compliant.	enable staff to utilize these systems optimally and correctly					2022.		
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	Not on Target	Disciplinary report submitted to EXCO Q1 - 8 September 2021 No Meetings in Quarter 2 due to LG elections, however quarter 2 and quarter 3 report tabled before EXCO on - 31 March 2022 Q4 – Meeting schedule for 15 th June 2022. However, there was no quorum for the meeting to proceed.	1	n/a

LOCAL ECONOMIC DEVELOPMENT					OVERALL PERFORMANCE 2021/2022				
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 2022	200	On Target	524 people employed	+324	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	15 SMME's were trained. 6 received job opportunities and 4 received funding.	n/a	n/a
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ LED Unit	LED strategy developed and approved by 30 September 2021.	1	Not on Target	Final Draft LED Strategy	1	Ready to be presented to Council for approval. Deadline end of September 2022

	MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN								
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 September 2021.	1	Not on Target	Tourism and Marketing Strategy dependent on LED strategy.	1	LED Strategy (basis for tourism and marketing strategy) to be completed later than expected.
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 31 December 2021	1	Not on Target	An interim executive committee for the Dr Beyers Naude Umbrella forum has been elected. The Interim Executive Committee held several meetings with all the local structures leading to the development of the MOU. Inputs and comments on how and what information should be outlined in the MOU has been received.	1	Non-cooperation of local structures.

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 policies developed, aimed at increasing participation in local economy by 30 th June 2022	2	Not on Target	Draft Informal trade Policy in place, still to be workshopped. Emerging contractor framework could not be developed due to insufficient information	2	Policies to be finalised and adopted in 2022/23 financial year
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BACK TO BASICS - KPA – Good Governance & Public Participation					OVERALL PERFORMANCE 2021/2022				
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	Development of a new 5-year credible IDP and Ward-based Plans for 2022 – 2027, by 30 June 2022.	1	Not On Target	Council resolved to adopt the predecessors IDP for a period of 12 months. Delays in implementing the IDP process plan and election of ward committees.	n/a	Revised process plan adopted by Council to commence with development of new IDP for DBNLM.
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 2022. (4 Ordinary Council Meetings, 4	8	On Target	Standing Committee Meetings were held on the 09 & 10 th May 2022. The Community Services Committee Meeting could not proceed as there was no quorum. An EXCO Meeting was	n/a	n/a

				Standing Committee meetings and 4 EXCO Meetings)			<p>scheduled for the 15th June 2022 but the meeting could not proceed as there was no quorum. An Ordinary Council Meeting was held on the 11th May 2022 and 30th June 2022.</p> <p>11&12 August 2021 – Steering committee meetings EXCO – 3 August 2021, 8 & 28 September 2021 Council Meeting – 4 & 24 August 2021</p> <p>11,15,16 March 2022 – Committee meetings Council – 18th February 2022 EXCO – 31 March 2022 EXCO – 15th June 2022 – could not commence due to no quorum. Council meeting – 30th June 2022</p>		
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 2022	4	Not on Target	2 MPAC meetings held in 1 st quarter. 1 held in 2 nd quarter on 7 th October 2021. After elections of new Council, MPAC Committee established on the 14 th June 2022.	1	MPAC Committee established 14 th June 2022. Meetings to convene in the 2022/23 FY

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 2022.	4	On Target	Audit Committee Meeting held: Q1 - 27 th August 2022 Q2 - 29 th November 2022 Q3 – 10 th February 2022 Q4- 26 th May 2022	none	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	Not on Target	ICT Steering Committee Meeting held: Q1 - 27 th September 2021 Q2 – No meetings held due to LG elections Q -3 March 2022 Q4 – 1 June 2022	1	No meeting held in the 2 nd quarter due to the Local Government elections
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	Ensure that the LLF is functioning properly and fulfilling its mandate by having 6 Meetings annually	6	Not on Target	An LLF Meeting was held Q1 - 22 & 29 September 2022 Q2 – No meetings due to LG elections Q3 - 16 th March 2022 Q4 – Meeting scheduled for 06 th April 2022, but the meeting could not proceed as there was no quorum. A further meeting was arranged for the 08 th June 2022 but could also not proceed due to other commitments by Labour.	3	No meetings held during the 2 nd quarter due to LG elections. Meetings scheduled in the 4th Quarter did not occur due to no quorum.

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	Number of Occupational Health and Safety Committee Meetings held by 31 st June 2022.	4	Not on Target	OHS Meeting held: Q1 - 9 September 2021 Q2 – No meetings held due to LG elections Q3- 3 March 2022 Q4 –14 th June 2022	1	No meetings held during the 2 nd quarter due to the LG elections
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	Not on Target	Notices/Municipal news shared via website, municipal facebook page and social media platforms.	n/a	Communication Strategy to be revised, and action plan to be implemented.
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been	Corporate services	Quarterly consolidated reports on Ward	4	Not on Target	1 quarterly report tabled to EXCO on 3 September and Council on 7 th October 2021	3	The MEC was informed accordingly and approved an

		established and are functioning properly, and that a CDW has been appointed in each Ward.		Committee meetings by 30 June 2020.			No reports in 2 nd quarter – due to elections After Local Government elections, Ward committee establishment commenced late due to municipal political delays. Ward Committee induction was held by COGTA on 27 to 28 June 2022		extension. To date, 9 ward committee has been established and will only be functional as of July 2022.
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	Quarterly Customer Care report submitted to EXCO Q1 - 3 September 2021 Q2 – No meetings held due to LG elections, however quarter 2 report was tabled with quarter 3 report on 31 st March 2022. Q3 - 31 st March 2022 Q4 – EXCO meeting scheduled for 15 th June 2022 could not proceed as there was no quorum	none	n/a

BACK TO BASICS – KPA – Sound Financial Management					OVERALL PERFORMANCE 2021/2022				
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 2022	100%	On Target	100%	none	RBIG funding not received in full, however all received funds were spent 100%
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 2022	100%	Not on Target	Not all compliance deadlines were met.	n/a	Year-end procedures took longer than anticipated 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 2022.	1	On Target	All findings addressed in the audit action plan. Unqualified audit opinion achieved for 2020/21	n/a	n/a
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance	Verification of the completeness of the Asset Register (Asset	100%	On Target	100% of action completed as per quarterly SDBIP targets	n/a	n/a

				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%	On Target	100% expenditure, with commitments.	n/a	Total of RBIG allocation not received. All allocations spent.
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	99.78% 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 only adopted 27 th July 2022, and not as per SDBIP target date.	1	n/a
Sound Financial Management	To become financially viable and sustainable Municipality	The development and implementation of a funding strategy.	Budget & Treasury	Number of reports on the implementation of the Budget Funding Plan by 30 th June 2022.	12	On Target	12 Monthly reports developed and tabled to the Municipal Manager and EXCO	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	Finance	Improve collection rate on service debtors to address cash flow constraints by 30 June 2022 (Service	90%	On Target	112% collection rate.	n/a	n/a

		debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.		debtors/service debt collected)					
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 2022	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 2022 Property rates collected/ property rate debtors.	Ensure average 95% recovery rate of property rates billed by 30 June 2022.	On Target	95% 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	Finance	Average number of days taken for creditors to be	30 days	Not on Target	Due to cashflow constraints, creditors not paid within 30 days.	n/a	n/a

		– robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.		paid: Creditors Payment Period Creditors Outstanding/Cr edit Purchases (Operating & Capital) x 365 (Norm is 30 days)					
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2020/2021 PERFORMANCE – TARGET ACHIEVEMENT VS 2021/2022 PERFORMANCE – TARGET ACHIEVEMENT

<u>2020/2021 - CAPITAL BUDGET PROJECTS</u>	<u>2021/2022 – CAPITAL BUDGET PROJECT</u>
<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>	<p><u>Infrastructure Development</u></p> <p>Number of projects: 9 Number of projects completed/ on target: 8 Number of projects Not on Target: 1 Percentage on targets: 89%</p> <p><u>Community Development</u></p> <p>Number of projects: 1 Number of projects completed/ on target: 1 Number of projects Not on Target: 0 Percentage on targets: 100%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 18 Number of projects completed/ on target: 13 Number of projects Not on Target: 5 Percentage on targets: 72%</p> <p>Total Number of Capital Budget Projects per KPA = 28 Number of Key Performance Indicators on Target/Completed = 22 Number of Key Performance Indicators Not on Target = 6 Percentage on Target = 79%</p>

2020/2021 - OPERATIONAL KPI'S / PROJECTS	2021/2022 – OPERATIONAL KPI'S / PROJECTS
<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: 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: 8 Number of indicators on target: 6 Number of indicators not on target: 2 Percentage on target: 75%</p> <p>Development Priority: Community Development Number of Indicators: 5 Number of indicators on target: 4 Number of indicators not on target: 1 Percentage on target: 80%</p> <p>Development Priority: Institutional Development Number of Indicators: 18 Number of indicators on target: 14 Number of indicators not on target: 4 Percentage on target: 78%</p> <p>Development Priority: Local Economic Development Number of Indicators: 6 Number of indicators on target: 2 Number of indicators not on target: 4 Percentage on target: 33%</p> <p>Development Priority: Back to Basics - Good Governance Number of Indicators: 10 Number of indicators on target: 3 Number of indicators not on target: 7 Percentage on target: 30%</p> <p>Development Priority: Back to Basics - Sound Financial Management Number of Indicators: 12 Number of indicators on target: 9 Number of indicators not on target: 3 Percentage on target: 70%</p>

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%

Total Number of Key Performance Indicators per KPA = 87
Number of Key Performance Indicators on Target/Completed = 60
Number of Key Performance Indicators Not on Target = 27
Percentage on Target = 69%

OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 69%

SERVICE PROVIDER PERFORMANCE 2021/2022

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

	<u>Dr Beyers Naude Local Municipality</u>					<u>TOTAL ACTIONS</u>	24		
	<u>Audit Action Plan 2020/21</u>					Not Started	-	0%	
					Past due not completed	8	35%		
					In Progress	-	0%		
					Completed	16	65%		
<u>Nr</u>	<u>FSLI</u>	<u>COAF#</u>	<u>Audit Finding</u>	<u>Audit Action Plan</u>	<u>Responsible Designation and Official</u>	<u>Target Date</u>	<u>Status</u>	<u>COMMENT</u>	
1	Receivables Revenue	1 & 20	- Limitation of scope for invalid IGG register and application forms not submitted/available - Inability to prove that indigent debtors qualify for the benefit	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	30/06/2022	Completed	-	

2	Irregular expenditure	PY/27	- Certain items of irregular expenditure not included on the irregular expenditure listings (including opening balance) - Items included at incorrect amounts	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	Completed	95% completion. Final inputs outstanding on irregular figures	
3	Fines revenue	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	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	30/06/2022	Past due not completed	Informed that the dept does not have a data capturer and were following up with HR	

4	Operating leases	24	Lease agreements were not submitted for audit purposes	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	Completed		
5	Receivables Interest	9	Interest on arrears rate and surcharge rate not reviewed and approved by the 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	Completed		

6	Expenditure	10	No proof of satisfactory receipt of goods/services (signature or stamp) were observed	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	30/06/2022	Completed		
7	PPE WIP	13	Retention amounts withheld are not maintained in a retentions register and not appropriately recorded in the accounting records therefore resulting in understatement	Maintain retentions register with reference to each payment certificate	Manager: Assets	30/06/2022	Completed	Register as of January 2022 on evidence file. The maintenance of the retentions register is included on the SOP's workshopped	

			of PPE WIP and retentions					during February 2022 with all assets staff.	
8	PPE	13	Assets have been fully depreciated and their useful lives have not been adequately evaluated as the assets are still in use	Review asset management policy to include position on fully depreciated assets and the accounting to be applied accordingly	Manager: Assets	31/05/2022	Completed		
9	Employee cost	14	No supporting documentation was in the employee file to support termination	All terminations files will be checked for applicable supporting documents, as well as the appointments letters indicating relevant benefits	Manager: HR	30/06/2022	Completed		

10	Employee cost	14	Inadequate support provided for allowances paid to employees who may not be qualifying for such allowance	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	30/04/2022	Completed	1) Rental has been revoked to be workshopped 2) Travel allowance has been approved 3) Communicated	
11	Planning	16	Policies not approved, reviewed, and implemented timeously	Review current register of policies and allocate to responsible manager for review of the policies during	Chief Accountant	28/02/2022	Completed	Register of policies on evidence file. Emails submitted to all relevant responsible individuals (18	

				the 2022 financial year				Feb) for review and approval required before year end.	
12	Receivables from exchange transactions	17	Information related to housing debtors was not submitted for audited. There has been no to minimal movement on this balance	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	31/03/2022	Completed		
13	Receivables from exchange transactions	17	Internal Control Deficiency: Impairment methodology not properly defined in the Debt Management Policy	Ensure that the impairment methodology is defined in the relevant policy	Chief Accountant	31/05/2022	Completed	Evidence on file	
14	Valuation roll	18	Completeness Issue : Properties per the deeds site was not noted on	Ensure that reconciliation has been performed between the	Manager: Revenue	31/03/2022	Past due not completed		

			the valuation roll. Disagree with the finding	valuation roll properties and the deeds website to ensure that all properties are accounted for					
15	Employee cost	21	An employee was being paid a salary even though he had been absent from work for an extended period without a valid reason	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	28/02/2022	Completed		

16	Payables from non-exchange transactions	23	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	Review of all unmoved balances for the last few years and information obtained. Any unsubstantiated amounts to be dealt with and removed	Manager: Expenditure	28/02/2022	Completed		
17	Planning	24	Audit charter not in place for the relevant financial years. Only updated charter was in place for 2021/22 financial year	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	Past due not completed	The charters are updated and will be tabled to audit committee for their reviewal in meeting in April 2022.	
18	Finance cost	PY 47	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	Monthly reconciliations to be performed every month to ensure that all interest is adequately recorded. At least all major third	Manager: Expenditure	30/04/2022	Past due not completed	Statements requested for Pension funds. Awaiting June 2022 for final reconciliation.	

			Fruitless & Wasteful Expenditure	party creditors balances (SARS, Pension etc). Update the fruitless and wasteful expenditure listings					
19	Consequence management	31	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.	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	Past due not completed		
20	Consequence management	31	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)	Ensure that expenditure to the value of R42 447 451 (24 736 461 plus 17 710 990) is investigated by the relevant oversight	COO	30/06/2022	Past due not completed	An amount of R17m was recommended by MPAC to council but not considered yet in council	

			of the MFMA.	committees and dealt with by council					
21	Consequence management	31	For the irregular expenditure 46 there is no evidence that any investigations were conducted by management as required by s32(2) 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	Past due not completed	An amount of R168m was taken to council and written off during the year.	
22	Procurement and contract management	25	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	All contractors performance should be evaluated monthly in terms of section 116 of the MFMA	Manager: SCM	30/06/2022	Completed		

			methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA						
23	Distribution losses	23	The evidence submitted for water carting cannot be relied upon as there is a weakness in controls.	Log sheets 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 The manager / director should at least monthly	Director: Engineering & Planning	30/06/2022	Completed		

				confirm by signature that the control is being performed daily and adequate records are maintained					
24	Procurement and contract management	4, 5, 6, 7, 8, 16, 22	Various non submission COAF's raised for information not 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	Past due not completed	Continuous process. For the 2022 financial year it is about 90% complete	

Conclusion

Dr. Beyers Naudé Local Municipality is proud to present this Annual Performance Report for 2021/2022. A decrease in target achievement is evident, compared to the last financial year. The Municipality was faced with various challenges throughout the year, and implementation of certain key performance indicators were negatively affected with the local government elections, and thereafter with interruptions in council operations. The Municipality however remains committed to respond to the expectations of communities within our jurisdiction, by providing quality and affordable services.