



Dr. Beyers Naudé

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1ST DRAFT ANNUAL REPORT 2022/2023



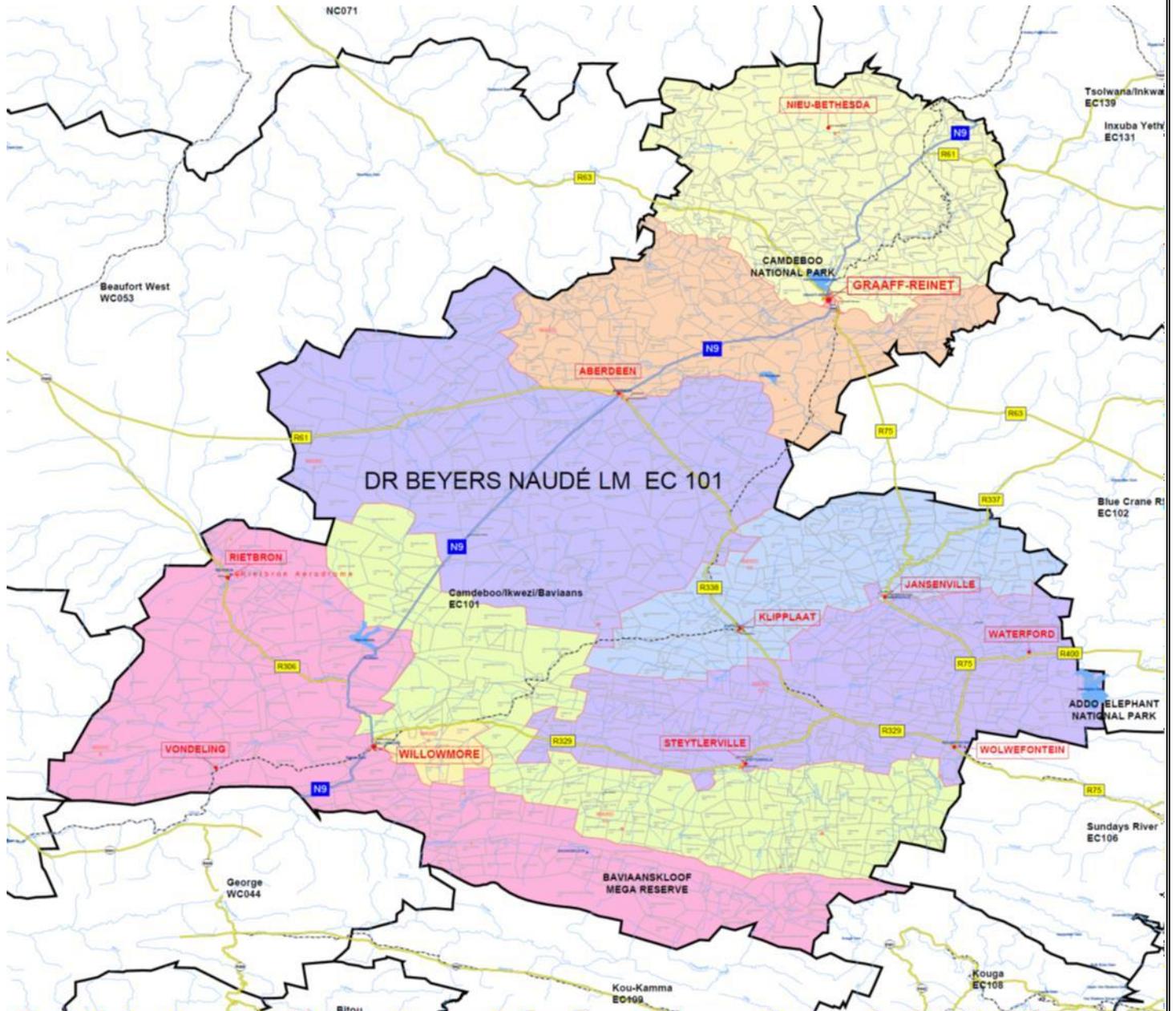


TABLE OF CONTENTS

COMPONENT & SECTION HEADINGS		PAGE
CHAPTER 1 : MAYOR'S FOREWORD & EXECUTIVE SUMMARY		
Comp. A	Mayor's Foreword	8
Comp. B	Executive Summary	10
1.1	Municipal Manager's Overview	10
1.2	Municipal Functions, Population and Environmental Overview	12
1.3	Service Delivery Overview	20
1.4	Financial Health Overview	21
1.5	Organizational Development Overview	23
1.6	Auditor-General's Report	24
1.7	Statutory Annual Report Process	25
CHAPTER 2 : GOVERNANCE		
Comp. A	Political and Administrative Governance	28
2.1	Political Governance	28
2.2	Administrative Governance	31
Comp. B	Intergovernmental Relations	32
2.3	Intergovernmental Relations	33
Comp. C	Public Accountability and Participation	34
2.4	Public Meetings	36
2.5	IDP Participation and Alignment	42
Comp. D	Corporate Governance	42
2.6	Risk Management	42
2.7	Anti-Corruption and Fraud	43
2.8	Supply Chain Management	43
2.9	By-Laws	44
2.10	Websites	45
2.11	Public Satisfaction on Municipal Services	46
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT : PART 1)		
Comp. A	Basic Services	48
3.1	Water Provision	48
3.2	Waste Water (Sanitation) Provision	56
3.3	Electricity	61
3.4	Waste Management (Refuse Collection, Waste Disposal, Street Cleaning, Recycling)	65
3.5	Housing / Human Settlements	70
3.6	Free Basic Services (FBS) and Indigent Support	73
Comp. B	Road Transport	75
3.7	Roads	75
3.8	Transport (including Vehicle Licensing and Public Bus Operation)	81
3.9	Stormwater Drainage	81
Comp. C	Planning and Development	82
3.10	Planning	82
3.11	Local Economic Development (including Tourism and Market Places)	85
Comp. D	Community and Social Services	91
3.12	Libraries, Archives, Museums, Community Facilities & Other (theatres, zoos, etc.)	91

3.13	Cemeteries and Crematoria	95
3.14	Child Care, Aged Care, Social Programmes (SPU)	98
Comp. E	Environmental Protection	100
3.15	Pollution Control	100
3.16	Bio-Diversity, Landscape (including Open Spaces) & Other	101
Comp. F	Health	101
3.17	Clinics	101
3.18	Ambulance Services	101
3.19	Health Inspection, Food & Abattoir Licensing and Inspection, etc.	101
Comp. G	Security and Safety	104
3.20	Police (Traffic Control & Road Safety)	105
3.21	Fire	110
3.22	Other (Disaster Management, Animal Licensing & Control, Public Nuisances, etc.)	114
Comp. H	Sport and Recreation	117
3.23	Sport & Recreation	117
Comp. I	Corporate Policy Offices and Other Services	119
3.24	Executive & Council	119
3.25	Financial Services	120
3.26	Human Resource Services	121
3.27	Information & Communication Technology (ICT) Services	123
3.28	Property, Legal, Risk Management & Procurement Services	127
Comp. J	Miscellaneous	129
Comp. K	Organizational Performance Scorecard	131
CHAPTER 4 : ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT: PART 2)		
Comp. A	Introduction to the Municipal Personnel	134
4.1	Employee Totals, Turnover and Vacancies	134
Comp. B	Managing the Municipal Workforce	136
4.2	Policies	137
4.3	Injuries, Sickness and Suspensions	139
4.4	Performance Rewards	141
Comp. C	Capacitating the Municipal Workforce	141
4.5	Skills Development and Training	141
Comp. D	Managing the Workforce Expenditure	145
4.6	Employee Expenditure	145
CHAPTER 5 : FINANCIAL PERFORMANCE		
Comp. A	Statements of Financial Performance	149
5.1	Statements of Financial Performance	149
5.2	Grants	152
5.3	Asset Management	153
5.4	Financial Ratios based on Key Performance Indicators (KPIs)	154
Comp. B	Spending against Capital Budget	157
5.5	Capital Expenditure	157
5.6	Sources of Finance	157
5.7	Capital Spending on the 5 Largest Projects	159
5.8	Basic Service & Infrastructure Backlogs - Overview	160
Comp. C	Cash Flow Management and Investments	162
5.9	Cash Flow	162
5.10	Borrowing & Investments	163

5.11	Public Private Partnerships	164
Comp. D	Other Financial Matters	164
5.12	Supply Chain Management	164
5.13	GRAP Compliance	165
5.14	mSCOA Implementation	165
CHAPTER 6 : AUDITOR-GENERAL AUDIT FINDINGS		
Comp. A	Auditor-General Opinion of Financial Statements : Year-1	167
6.1	Auditor-General Report : 2020/21	167
Comp. B	Auditor-General Opinion of Financial Statements : Year 0	168
6.2	Auditor-General Report : 2021/22	168
GLOSSARY AND APPENDICES		
GLOSSARY	Explanation of references in the Annual Report	170
APPENDIX A	Councillors, Committee Allocation and Council Attendance	172
APPENDIX B	Committees and Committee Purposes	175
APPENDIX C	Third Tier Administrative Structure	176
APPENDIX D	Functions of Municipality / Entity	177
APPENDIX E	Ward Reporting	179
APPENDIX F	Ward Information	184
APPENDIX G	Recommendations of the Municipal Audit Committee Year 0	188
APPENDIX H	Long-term Contracts and Public Private Partnerships	195
APPENDIX I	Municipal Entity / Service Provider Performance Schedule	196
APPENDIX J	Disclosures of Financial Interest	197
APPENDIX K	Revenue Collection Performance by Vote and by Source	199
APPENDIX K (i)	Revenue Collection Performance by Vote	199
APPENDIX K (ii)	Revenue Collection Performance by Source	199
APPENDIX L	Conditional Grants Received	200
APPENDIX M	Capital Expenditure : New & Upgrade / Renewal Programmes	201
APPENDIX M (i)	Capital Expenditure : New Assets Programme	201
APPENDIX M (ii)	Capital Expenditure : Upgrade / Renewal Programmes	201
APPENDIX N	Capital Programme by Project Year 0 (2021/22)	206
APPENDIX O	Capital Programme by Project by Ward Year 0 (2021/22)	207
APPENDIX P	Service Connection Backlogs at Schools and Clinics	208
APPENDIX Q	Service Backlogs experienced by Community where another sphere of Government is responsible for Service Provision	209
APPENDIX R	Declaration of Loans and Grants made by the Municipality	210
APPENDIX S	National and Provincial Outcomes for Local Government	210
VOLUME II : ANNEXURES		
ANNEXURE 1	Annual Financial Statements (AFS)	As listed on page 211
ANNEXURE 2	Auditor-General Report	
ANNEXURE 3	Audit Action Plan	
ANNEXURE 4	Annual Performance Report (SDBIP)	

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 BNLM 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



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CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY





I have great pleasure in presenting the Draft 2022/23 Annual Report of Dr Beyers Naudé Local Municipality, which is both a legislative and an accountability requirement.

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 2022/2023 financial year. The report is an account of the achievements of Dr Beyers Naudé Local Municipality in the year under review and 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.

The Municipality has made great strides in addressing the key priorities as documented in the Integrated Development Plan. Notwithstanding the many challenges still faced, such as limited financial resources, uninterrupted water provision and vandalism of municipal water and electricity infrastructure. The latter is becoming a growing concern, as the theft and vandalism of municipal assets places tremendous strain on an already restricted municipal budget, and an inconvenience to communities who are left without services during repairs and or replacements. The Municipality is investigating these cases and, if found, the perpetrators will be brought to book. The support of the Community is crucial in this regard. The Municipality has performed exceptionally well in implementation of municipal capital projects, which resulted in additional grant funding being directed to the municipality. All grants were 100% spent at financial year end.

I am delighted to announce that DBNLM has received an unqualified audit opinion for the 2022/2023 financial year. This achievement is a testament to our unity in delivering effective and efficient services to our communities. An unqualified audit opinion is indicative of our transparent financial statements that comply with the generally accepted accounting principles. I would like to extend my gratitude and commendation to the entire council for their dedication and hard work towards improving the audit. Let's remain committed to maintaining this standard.

I must mention the substantial amount of good work carried out between our residents and the business community, which is further encouragement for us not to fail them.

The achievements reflected in this annual report is a direct result of the combined efforts of the political leadership, administrative management and all municipal officials who work tirelessly to ensure that the service delivery needs of residents are met.

HONOURABLE MAYOR, CLLR WILLEM SÁFERS

1.1 MUNICIPAL MANAGER'S OVERVIEW

As the Municipal Manager of Dr Beyers Naude Local Municipality, I am pleased to present the annual report for the year 22/2023. This document displays the Municipality's Performance of the past financial year in attaining the strategic objectives as embodied in our Integrated Development Plan (IDP).

The annual report is a culmination of the implementation of 2022/2023 Integrated Development Plan (IDP) and the 2022/2023 Service Delivery and Budget Implementation Plan (SDBIP). It reflects a record of the municipalities service delivery achievements and challenges in line with the commitments of the financial year under review.

The Municipality has utilised 100% of the total 2022/2023 allocation of the Municipal Infrastructure Grants and due to good performance, this led to a top up of 10 million MIG and 21 million RBIG funding for the municipality.

In terms of the additional MIG and RBIG the following were implemented:

Upgrading of Collie Koeberg Sports Complex – R12,416,245 and

Willowmore bulk water supply: steel pipes from Wanhoop replacement – R9,428,800

In terms of the Annual Performance Report 2022/2023, the institution has achieved 82% of planned targets, with 100% being address by mid-year 2023/2024.

We are also very proud to announce the achievement of our Municipality in obtaining an Unqualified Audit Opinion in the 2022/2023 financial year and remain committed to maintain this opinion throughout the term and beyond.

I wish to express my gratitude to the political leadership and administrative staff who have contributed towards the achievement of milestones for 2022/2023 financial year.

MUNICIPAL MANAGER
DR EM RANKWANA

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

The introductory information given below was sourced from the Municipality's 2023 – 2027 Integrated Development Plan.

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%. For the financial year ending 30 June 2023 has been reduced to 43%.
- Electricity losses has also been reduced to 8.8% for the financial year ending 30 June 2023.

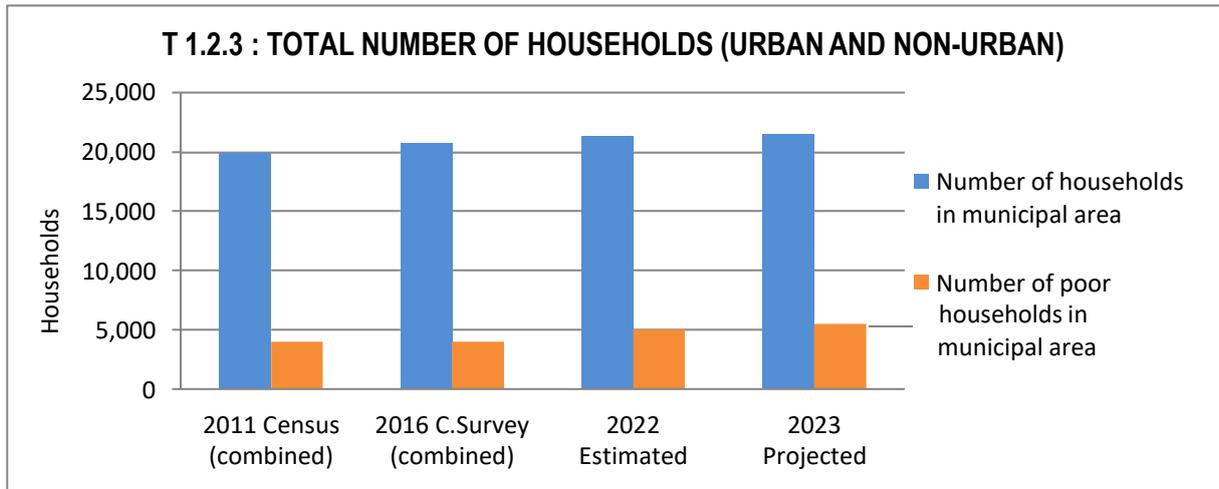
IMPACT OF AUGUST 2016 MUNICIPAL AMALGAMATIONS

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 focused support is required to overcome these challenges.

T 1.2.2 : POPULATION DETAILS

(Figures are given in units of a Thousand)

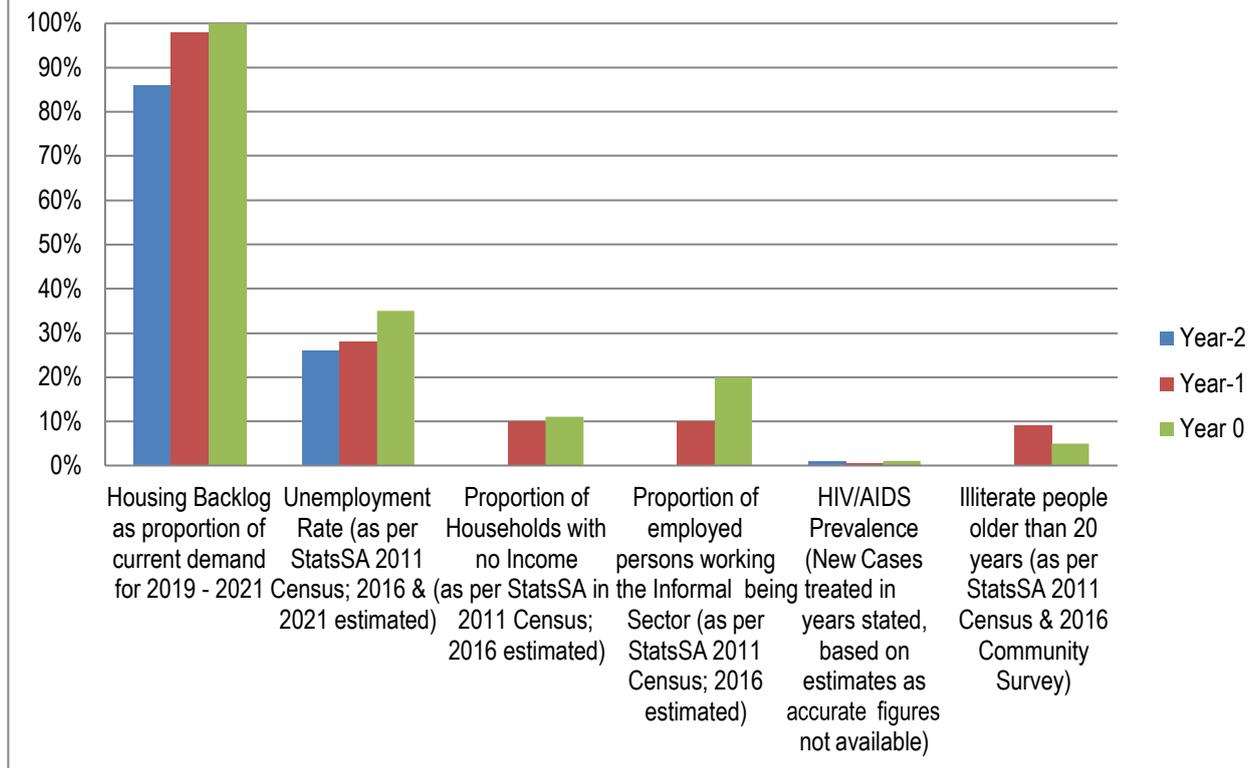
Age	Year -2 : 2011 StatsSA Census (Former LMs combined)			Year -1 : 2016 StatsSA Community Survey (CS) (Former LMs combined at 3.66%)			Year 0 : 2021 Estimated (at adjusted p.a. growth estimate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	4,218	4,185	8,403	4,370	4,470	8,840	4,550	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



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 information is made available. 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.

COMMENT ON SOCIO-ECONOMIC STATUS

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

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

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

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

T 1.2.7 : NATURAL RESOURCES, CHALLENGES & OPPORTUNITIES

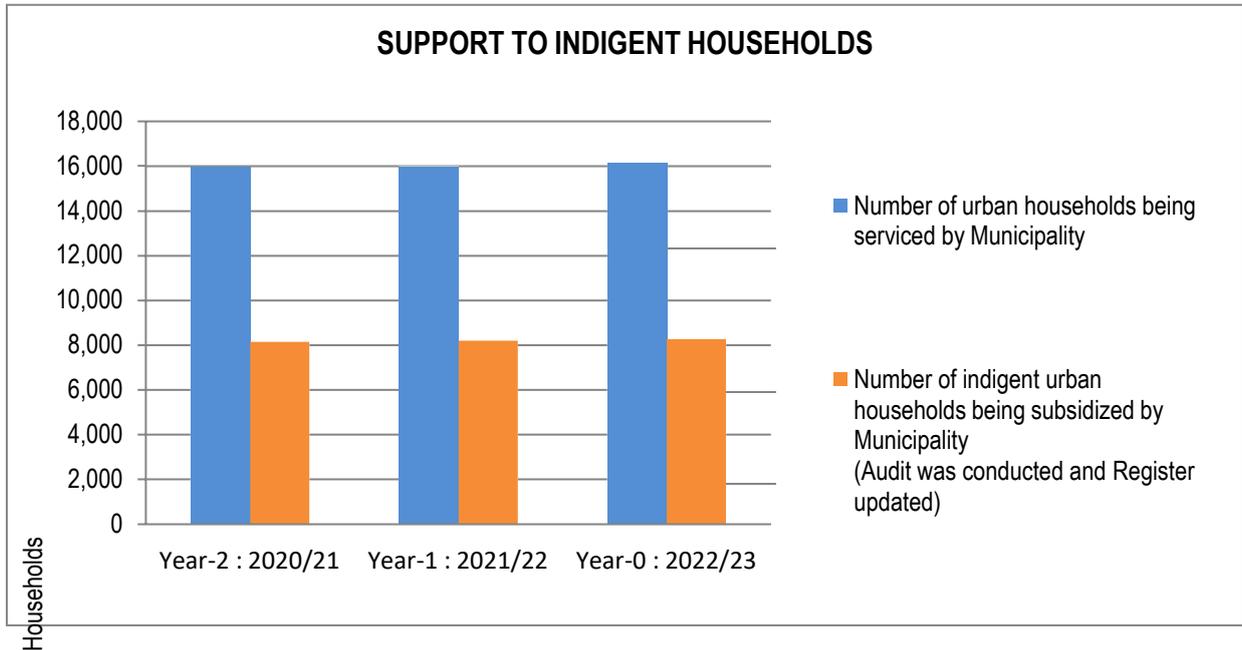
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national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

T 1.2.8 COMMENT ON BACKGROUND

This narrative has been included under T 1.2.7 above.

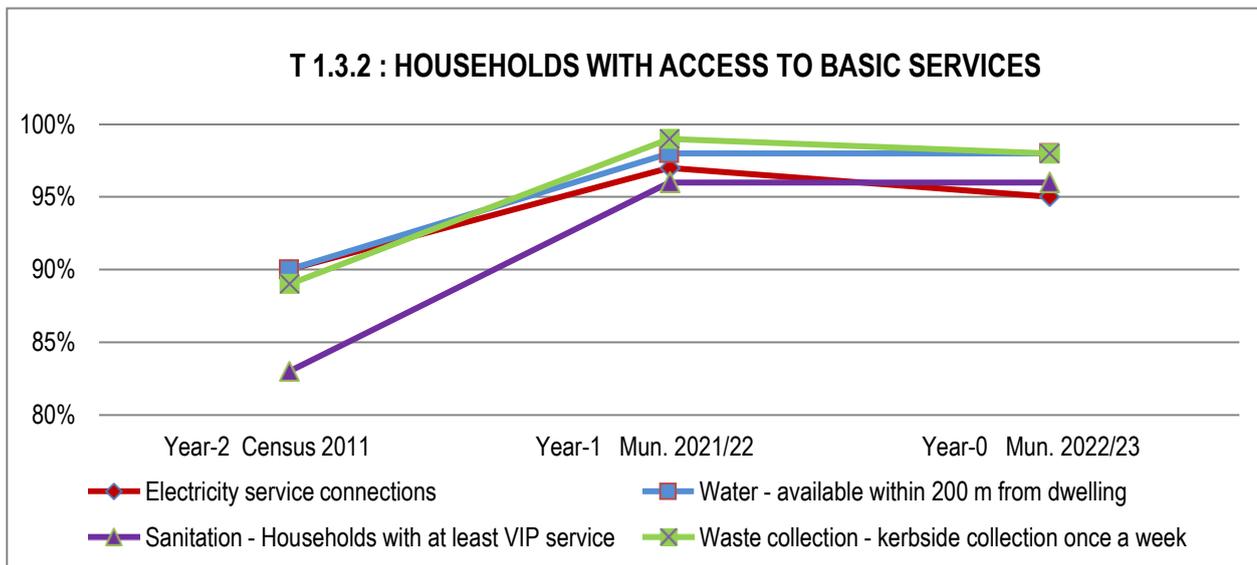
1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION



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 R493 million, whilst actual operating expenditure amounted to R626 million, resulting in an operating loss of R133 million. The Adjustments Budget for operating revenue during the 2022/23 financial year amounted to R597 million, whilst Adjustment Budget for operating expenditure amounted to R532 million, with an anticipated budgeted surplus of R 65 million.

The unfavorable revenue variance of R 104 million was attributable to the following factors:

- a) Disposal of property as planned and approved by council did not materialize during the 2022/23 financial year. This accounts for R 45 million.
- b) Under performance on the revenue from service charges and property rates of R 70 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 0.11:1(2022:0:12:1) far below the National Treasury norm of 2:1. The result reveals a deterioration from the previous financial year and confirms the current liquidity challenges the municipality is experiencing.
- b) Remuneration as a percentage of total operating expenses is at 29.7% (2022: 32.3%) 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 : 2022/23			
R'000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	185 199	200 512	201 423
Taxes, Levies and tariffs	330 185	330 184	260 182
Other	67 293	67 293	31 812
Sub Total	582 677	597 990	493 417
Less: Expenditure	505 511	532 951	619 012
Net Total*	77 166	65 039	(125 595)
<i>* Note: surplus/(deficit) excluding actuarial gains</i>			T 1.4.2

OPERATING RATIOS FOR 2022/23	
Detail	%
Original Budget	29.7%
Adjustment Budget	2.1%
Actual	23%
	T 4.1.3

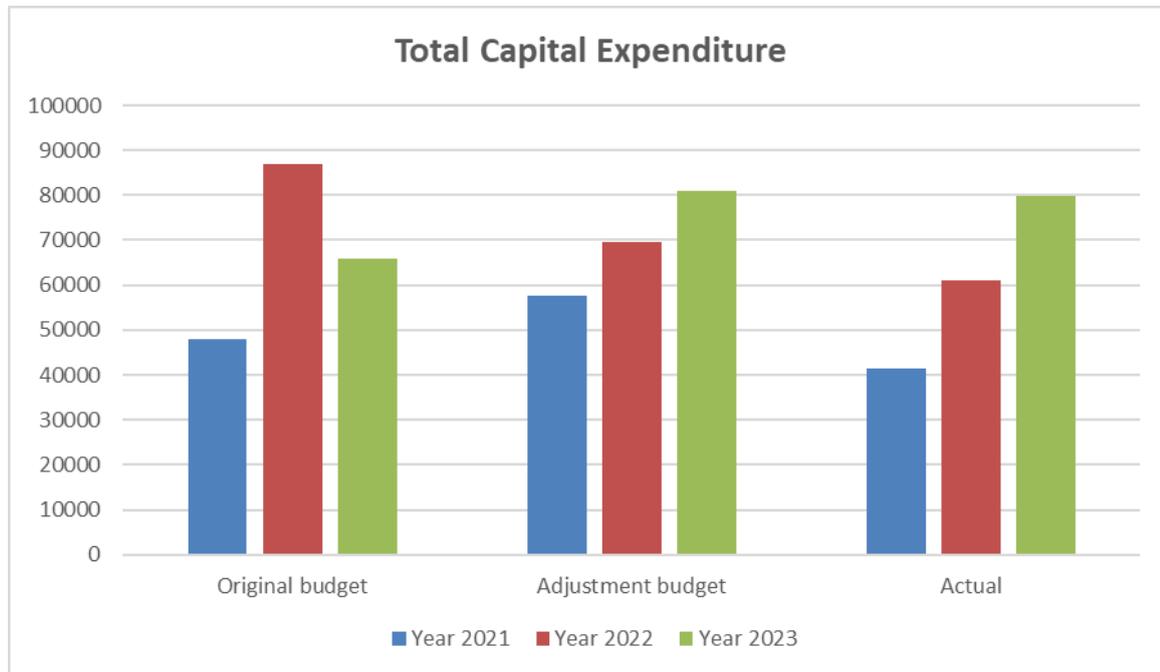
COMMENT ON OPERATING RATIOS

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	2020/21	2021/22	2022/23
Original Budget	47 990	86 898	65 899
Adjustment Budget	57 486	69 445	80 824
Actual	41 558	61 071	79 752
			T 1.4.4



T 1.4.5.1

COMMENT ON CAPITAL EXPENDITURE

The municipality spent 99% of the adjusted capital budget for 2022/23 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.

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, 449 positions are filled taking into considerations the resignations, deaths and retirements over a period, leaving 570 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 8 vacant positions from the 9 permanent employees, one employee is still in the corporate pool.
- The employee turnover is mostly as a result of retirements and deaths.
- The Human Resources division had no capital expenditure for 2022/23
- 17 HR policies were drafted, reviewed and adopted by Council in June 2022
- There were five (5) 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 2022/23

- ❖ *THE 2022/23 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.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of Municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General	
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor-General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft IDP & Budget finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

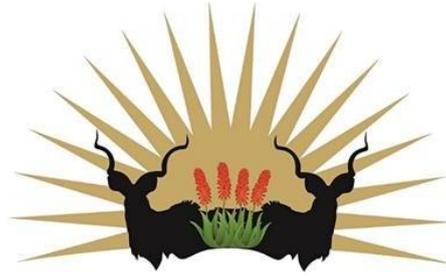
The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service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

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

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

T 1.7.1.1

❖ *THE 2022/23 ANNUAL PERFORMANCE REPORT WILL BE ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT*



Dr. Beyers Naudé
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CHAPTER 2

GOVERNANCE



INTRODUCTION TO GOVERNANCE

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

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

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

Council is also dependent on sound inter-governmental relations with the other spheres of government to ensure integrated planning and resource mobilization for significant impact on the community. All decision-making is reliant on the effective participation of the residents and the responsiveness of the Council and its Administration to ensure public accountability. 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) Portfolio 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 Willem Safers

Political Head, Chairperson of EXCO and
IDP Representative Forum

CSA SPEAKER
Councillor Cheslin Felix

Chairperson of Council Meetings

ANC CHIEF WIP

Councillor Thembekile Spogter

DA WHIP

Councillor Ricardo Smith

DR BEYERS NAUDÉ LOCAL MUNICIPALITY TROIKA:

The Speaker, Cllr: C. Felix

Mayor, Cllr: W.J Säfers

Whip of Council, Cllr: T. Spogter

EXECUTIVE COMMITTEE MEMBERS: 01 JULY 2022 TO 30 JUNE 2023

- Cllr: Willem. Jacobus. Säfers: Mayor and Chairperson of the Executive Committee (EXCO)
- Cllr: Khunjuzwa. Eunice. Kekana: Chairperson of Community Services Portfolio Committee
- Cllr: Eldridge Ruiters: Chairperson of Corporate Services Portfolio Committee
- Cllr: Ewald. Looek: Chairperson of Budget and Treasury Portfolio Committee

T.2.1.1

MUNICIPAL COUNCIL: TROIKA COMPOSITION: 2022/23			
MAYOR	Cllr: Willem. Jacobus. Säfers	Still serving as the Mayor.	African National Congress (ANC)
SPEAKER	Cllr: Cheslin. Felix	Still serving as the Speaker of Council.	Compatriots of South Africa (CSA)
WHIP OF COUNCIL	Cllr: Thembekile. Spogter	Still serving as the Whip of Council.	African National Congress (ANC)

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.

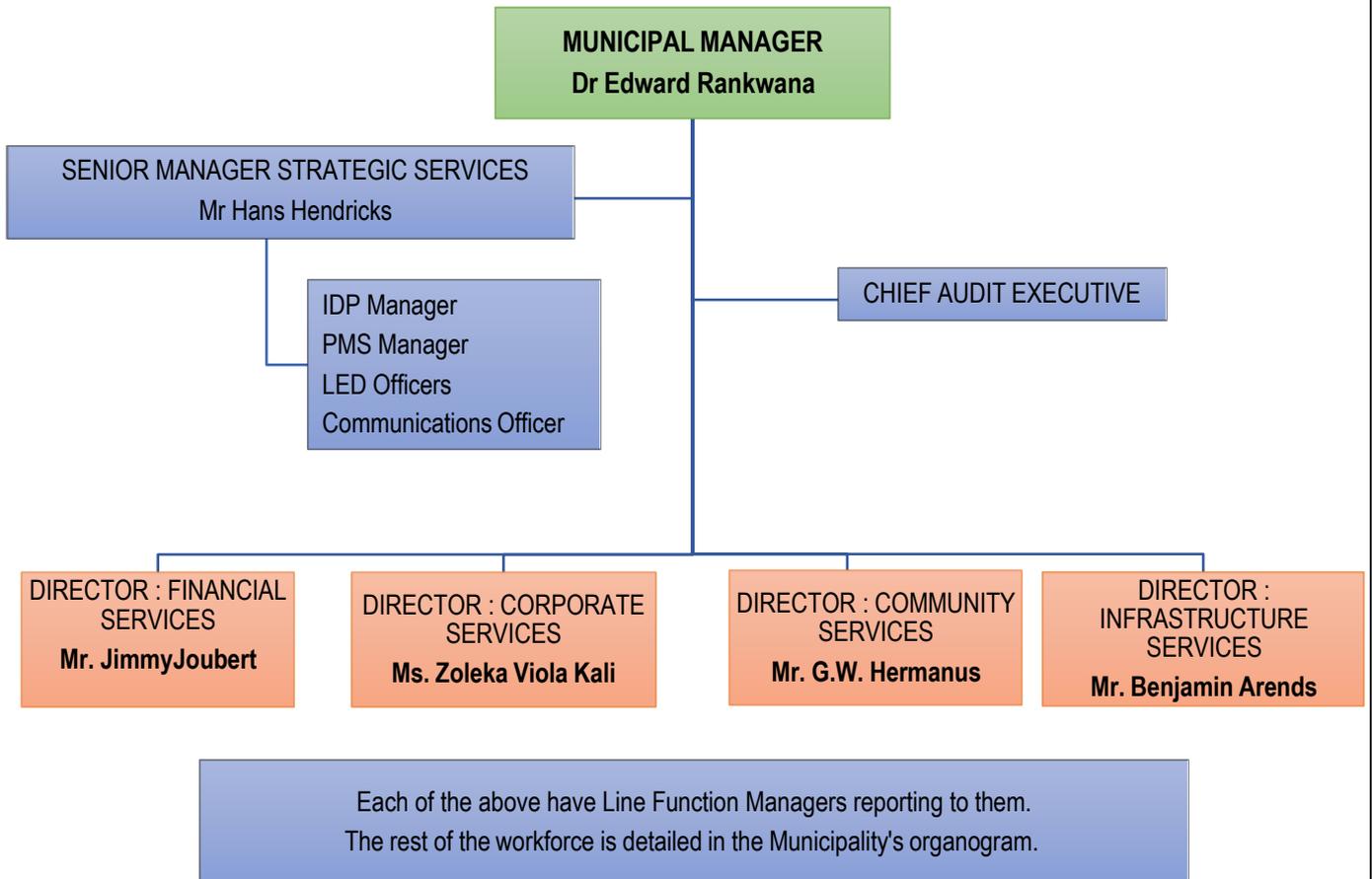
T 2.1.3

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 met regularly in **2022/23**.

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 coordinating 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.

5. WARD COMMITTEE VACANCIES

The following Wards had vacant positions on their Ward Committees:

WARD NO.	VACANCIES
2	1
3	2
4	1
5	3
6	6
7	2
8	1
9	1

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 Council.
- Public Participation Policies were also adopted by Council.

8. WARD OPERATIONAL PLANS

- A Ward Operational Plan has been adopted by Council.

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 2022/23

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 Revised IPD 2023 – 2027, KPIs & TARGETS, DRAFT 2024/25 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						

					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 2022/23				
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				
Standing rules and orders of Council and its Committees	Yes	10 May 2023	Yes	19 June 2023
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	
<p><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></p>					

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: 2021/22 & 2022/23

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



Dr. Beyers Naudé
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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. Coca Cola Beverage South Africa also assisted with the equipment of four boreholes including renewable energy systems at the Southern Wellfield in Graaff-Reinet.

WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	16 ML/d	6,902 ML/d
Aberdeen	3,4 ML/d	1,722 ML/d
Nieu-Bethesda	0,83 ML/d	0,224 ML/d

The table above shows that all three towns have spare capacity. Phase 1 was completed during 2018/19, with Phase 2 completed at the end of 2019/20 financial year. Water tanks were installed in Graaff Reinet and Aberdeen and Nieu Bethesda to assist during supply interruptions. Carting of water is in place to assist with supply during temporary shortages as well. Nqweba Dam is currently on 56 % and abstraction commenced since January 2023 which is currently assisting Graaff-Reinet to meet the required demand.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,5 ML/d	0,708 ML/d
Steytlerville	2,0 ML/d	0,665 ML/d
Rietbron	0,27 ML/d	0,245 ML/d

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 Steytlerville to assist during supply interruptions. Carting of water is in place to assist with supply during temporary shortages as well as water rationing occurs amongst these two towns. Rietbron water situation remaining stable.

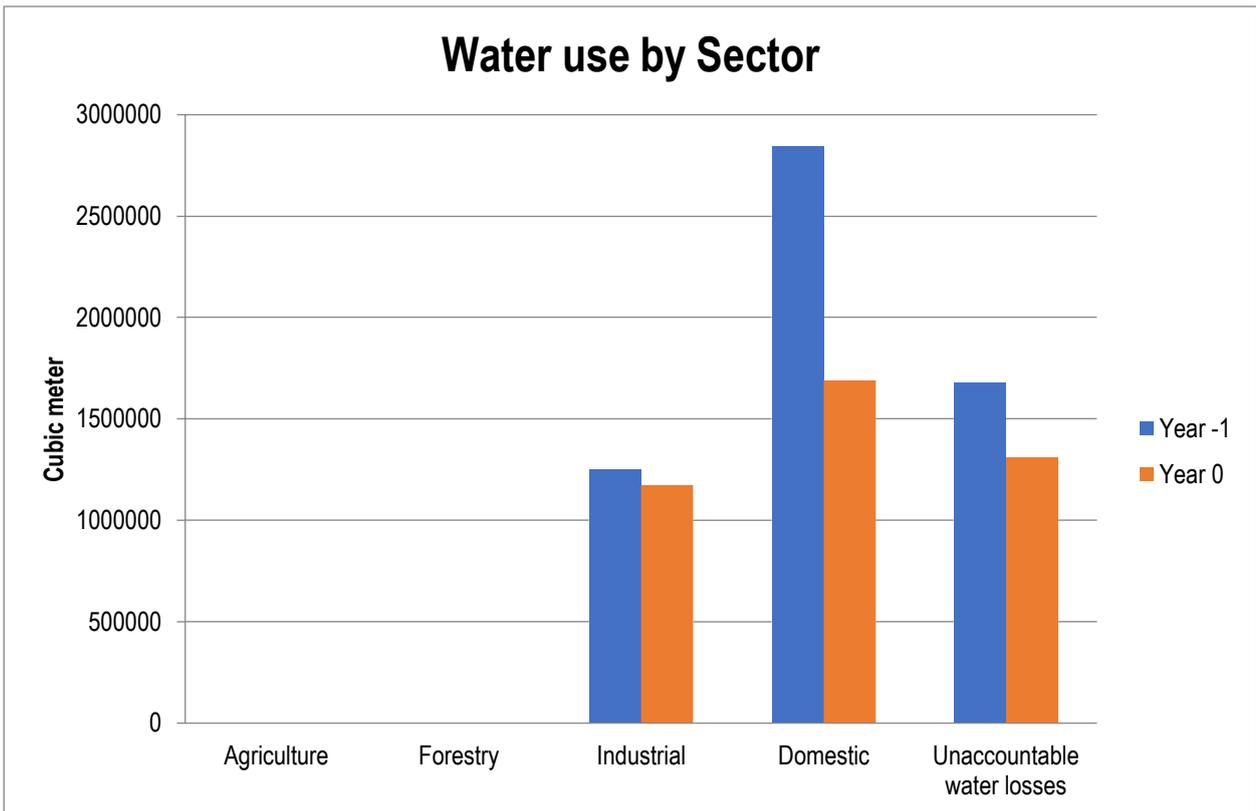
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	2,5 ML/d	1,220 ML/d
Klipplaat	1,5 ML/d	0,501 ML/d

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 supply and quality have become problematic. Water tanks were installed in Jansenville and Klipplaat to assist during supply interruptions. Klipfontein Dam is on 40 % with no abstraction during this year. The Ikwezi Bulk Water Supply Project is close to completion and handover which will allow the two towns to meet the current water demand.

TOTAL USE OF WATER BY SECTOR (CUBIC METERS)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2021/22	0	0	466 411	2 506 878	1 910 970
2022/23	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 highwater 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

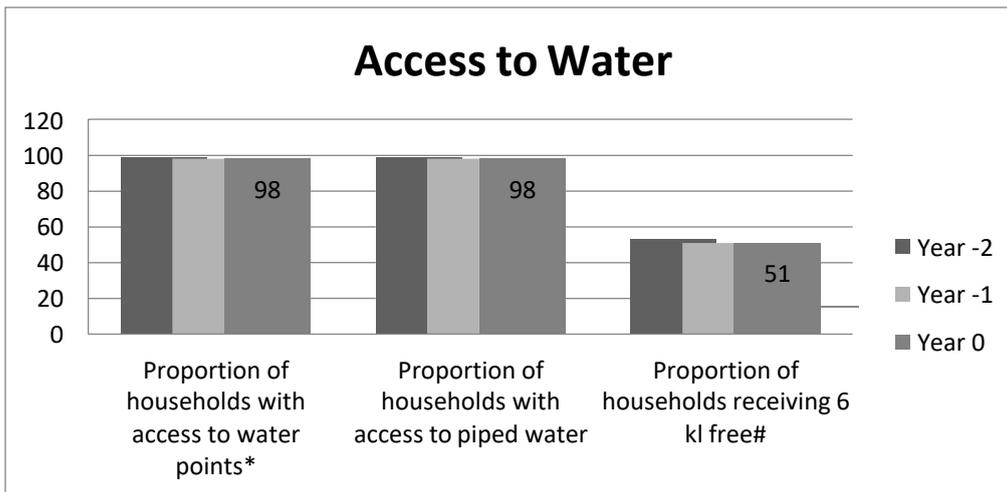
HOUSEHOLD WATER SERVICE DELIVERY LEVELS			
Description	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
Water: (above min level)			
Piped water inside dwelling	15 160	15 204	15 344
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	494	494	494
Other water supply (within 200m)			
Minimum Service Level and Above sub-total	15 654	15 698	15 838
Minimum Service Level and Above Percentage	97%	97%	97%
Water: (below min level)			
Using public tap (more than 200m from dwelling) 0 306 306			
Other water supply (more than 200m from dwelling)	164	164	164
No water supply			
Below Minimum Service Level sub-total	0	40	40
Below Minimum Service Level Percentage	3%	3%	3%
Total number of households	16 164	16 208	16 348
<i>* To include informal settlements</i>			<i>T 3.1.3</i>

HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total Households	16 164	16 208	16 348
Households below minimum service level	510	510	510
% Proportion of households below minimum service level	3%	3%	3%
INFORMAL SETTLEMENTS			
Total Households	964	964	964
Households below minimum service level	40	40	40
% Proportion of households below minimum service level	4%	4%	4%
			<i>T 3.1.4</i>

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 #
2020/21	97 %	97 %	51 %
2021/22	97 %	97 %	51 %
2022/23	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)	2021/22		2022/23			2023/24	2023/34	
		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%	43%	35%	35%	30%	43%
Service Objective No. 4									
Integrated Regulatory System (Previous Blue Drop)	Compliance Monitoring and Drinking Water Quality as per SANS 241	80%	99.9%	92%	85%	86%	85%	85%	99%

T 3.1.6

EMPLOYEES: WATER SERVICES					
Job Level (TG)	2021/22	2022/23			
	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%
<i>T 3.1.7</i>					

FINANCIAL PERFORMANCE 2022/23 : WATER SERVICES					
R'000					
Details	2021/22	2022/23			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	(83 807)	(90 025)	(96 801)	(87 586)	10%
Expenditure:					
Employees	12 811	13 813	13 204	13 848	-4%
Repairs and Maintenance	18 939	7 867	4 936	1 762	64%
Other	56 168	44 072	43 514	76 882	-77%
Total Operational Expenditure	87 918	65 753	61 653	92 492	-50%
Net Operational Expenditure	4 110	(24 273)	(35 148)	4 906	
<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 3.1.8</i>

CAPITAL EXPENDITURE 2022/23 : WATER SERVICES					
R' 000					
Capital Projects	202/223				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	57 799	66 158	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, increased rainfall figures, better supervision and training offered.

Klipplaat water meters were installed.

Challenges remaining are:

The consolidation of the Water Safety Plan and 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.

The Water Services Development Plan was developed and must be tabled to Council for adoption in 2023/2024.

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.

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 86 % was achieved during this financial year.

3.2 WASTEWATER (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	3,24 ML/d
Aberdeen	1,0 ML/d	0,59 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	0,6 ML/d
Steytlerville	1,0 ML/d	0,5 ML/d
Rietbron	0,2 ML/d	0,17 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.

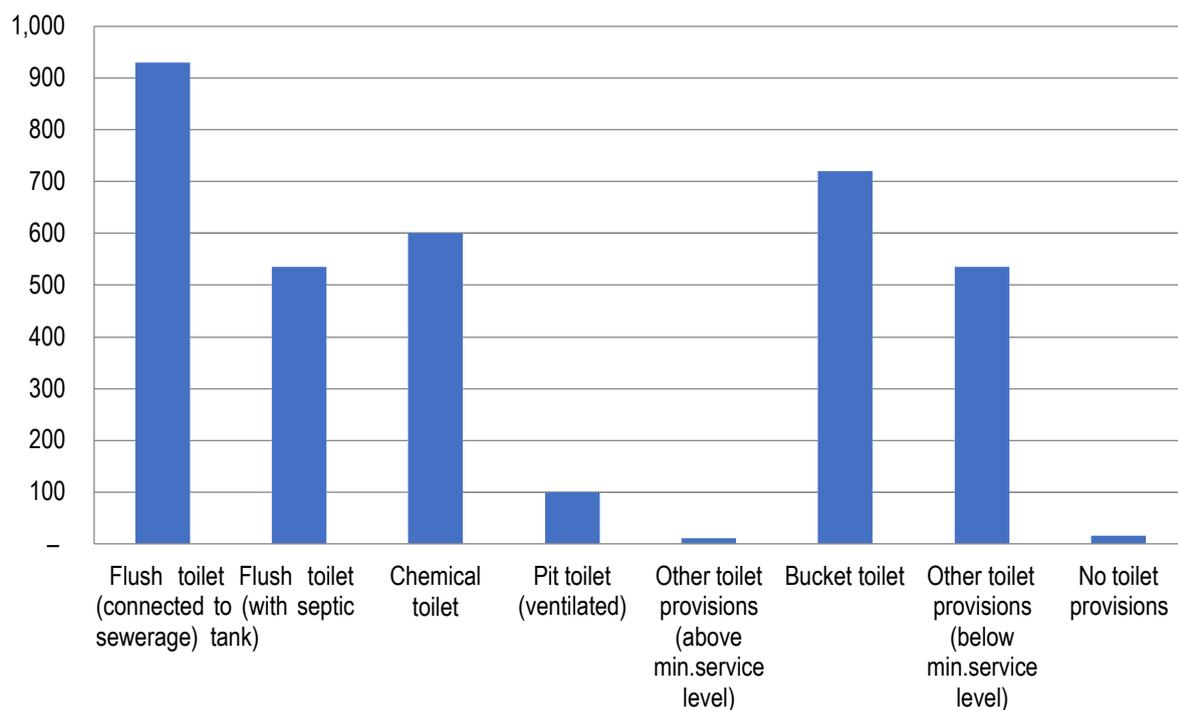
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0 ML/d	0,44 ML/d
Klipplaat	0,6 ML/d	0,13 ML/d

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	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)			
Flush toilet (connected to sewerage)	10 745	10 706	10 967
Flush toilet (with septic tank)	2 247	2 247	2 247
Chemical toilet	0	0	0
Pit toilet (ventilated)	50	0	0
Other (Communal) toilet provisions (above minimum service level)	497	505	509
<i>Minimum Service Level and Above sub-total</i>	13 539	13 458	13 723
<i>Minimum Service Level and Above Percentage</i>	84 %	84 %	84 %
Sanitation/sewerage: (below minimum level)			
Bucket toilet	4	4	4
Other toilet provisions (below minimum service level)	2 581	2 591	2591
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	40	30	30
<i>Below Minimum Service Level Percentage</i>	16 %	16 %	16%
TOTAL HOUSEHOLDS	16 164	16 083	16 348
<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) : 2022/23 -



HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
FORMAL SETTLEMENTS			
Total households	16 164	16 083	16 348
Households below minimum service level	2 625	2 625	2 625
% Proportion of households below minimum service level	16%	16 %	16 %
INFORMAL SETTLEMENTS			
Total households	3 132	3 100	3 104
Households is below minimum service level	40	30	30
% Proportion of households below minimum service level	1.27 %	1 %	1 %

T 3.2.4

WASTE WATER (SANITATION) SERVICE POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2020/21		2022/23			2023/24	2023/24	
		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)	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	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 2022/23 : SANITATION SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(28 568)	(58 901)	(58 901)	(42 954)	-27%
Expenditure:					
Employees	7 955	8 566	8 163	7 037	13%
Repairs and Maintenance	118	10 747	8 247	15 409	-87%
Other	15 807	9 183	9 133	32 603	-257%
Total Operational Expenditure	23 881	28 496	25 543	55 049	-116%
Net Operational Expenditure	(3 000)	(30 405)	(33 358)	12 096	
<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 2022/23 : SANITATION SERVICES					
R' 000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6 000	6 000	6 000	0%	33 450
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	6 000	6 000	6 000	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
- 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
 - Wolvefontein Windfarm project
 - Aberdeen Wind Farm (Eskom)

The identification and implementation of electrification projects are carried continuously and are identified in the IDP. For the 2022/2023 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 sub- stations

T 3.3.2

HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS			
Description	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)			
Electricity (at least minimum service level)	1,243	2,528	2,537
Electricity - prepaid (minimum service level)	9,864	10,639	11,686
<i>Minimum Service Level and Above sub-total</i>	11,107	13,167	14223
<i>Minimum Service Level and Above Percentage</i>	98.1%	98.9%	98.4%
Energy: (below minimum level)			
Electricity (< minimum service level)	-	-	-
Electricity - prepaid (< minimum service level)	218	218	225
Other energy sources			
<i>Below Minimum Service Level sub-total</i>	0	218	225
<i>Below Minimum Service Level Percentage</i>	1.9%	1.6%	1.5%
Total number of households	11,325	13,317	14448
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	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.
Formal Settlements			
Total households	11107	13167	14448
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)	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	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 2022/23 : ELECTRICITY SERVICES

R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(126 984)	(182 561)	(179 976)	(126 675)	-30%
Expenditure:					
Employees	12 769	13 722	13 722	12 845	6%
Repairs and Maintenance	3 716	1 910	1 873	497	73%
Other	131 694	142 706	137 845	123 904	10%
Total Operational Expenditure	148 179	158 338	153 440	137 246	11%
Net Operational Expenditure	21 195	(24 224)	(26 536)	10 571	
<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	2020/21	2021/22	2022/23
	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
<i>T 3.4.2</i>			

HOUSEHOLD SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2020/21	2021/22	2022/23
	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%
<i>T 3.4.3</i>			

WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators	Outline Service Targets (ii)	2020/21		2022/23			2023/24	2023/24		
		Target	Actual	Target		Actual	Target			
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)	
Service Objective No. 1										
Solid waste Disposal sites (Landfills), that are compliant, have adequate capacity and are properly managed and maintained.	Systematically upgrade existing infrastructure, replace and rehabilitate where applicable.	-	Approval letter from DEDEAT to continue with upgrading of Landfill site in Steytleville		Tender process and Construction of 1 Cell		Application for licencing of Jansenville landfill site			
Service Objective No. 2										
Waste Transfer Station that has been redesigned and extended to properly fulfil its main function.	Develop a new Integrated Waste Management Plan for Dr Beyers Naudé Municipality and review it regularly.	-			Not on target					Not on target
Service Objective No. 3										
Effective recycling programmes that will reduce waste volume at the landfill sites and create economic opportunities for the Community.	Step up educational campaigns to encourage citizen to take pride of their areas and keep them clean, to recycle at source.			3	Waste management campaign per quarter		Clean-up campaigns were conducted			
Service Objective No. 4										
The eradication of illegal dumping and lettering and creation of clean and healthy urban areas and surrounding environment	Provide adequate waste disposal facilities and containers, as well as regular waste removal service.	-		5	Refurbishment of 2 skips to deal with the clearing of illegal dumping sites.		Not on target			

T 3.4.4

EMPLOYEES: SOLID WASTE MANAGEMENT, WASTE DISPOSAL & CLEANING SERVICES					
Job Level (TG)	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	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 2022/23 : SOLID WASTE MANAGEMENT SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(32 227)	(33 495)	(33 495)	(34 463)	-3%
Expenditure:					
Employees	14 317	15 838	15 406	14 211	8%
Repairs and Maintenance	62	1 045	1 045	192 126	82%
Other	18 980	3 990	4 891	36 061	-637%
Total Operational Expenditure	33 359	20 873	21 342	50 464	-136%
Net Operational Expenditure	1 132	(12 863)	(12 154)	16 001	

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

T 3.4.7 & T 3.4.8

CAPITAL EXPENDITURE 2022/23 : WASTE MANAGEMENT SERVICES					
R' 000					
Capital Projects	2023/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 000	4 000	4 000	0%	12 499
Steytlerville, Upgrading of Solid Waste Disposal Site	4 000	4 000	4 000	0%	12 499

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

T 3.4.9

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.

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: An Acting Manager Waste Management is currently attending to waste management operations.
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.
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 2023/24.
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
2022/23	17 861	197	98.9%

T 3.5.2

HOUSING / HUMAN SETTLEMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2021/22		2022/23			2023/24	2023/24	
		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

T 3.5.3

EMPLOYEES : HOUSING / HUMAN SETTLEMENT 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					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%

T 3.5.4

FINANCIAL PERFORMANCE 2022/23 : HOUSING SERVICES					
R'000					
Details	2021/22 Actual	2022/23			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1)	(9)	(9)	(0)	100 %
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	126	0	262	141	44%
Total Operational Expenditure	126	0	262	141	44%
Net Operational Expenditure	125	(9)	(253)	141	
<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 3.5.5

CAPITAL EXPENDITURE 2022/23: HOUSING / HUMAN SETTLEMENT SERVICES					
R'000					
Capital Projects	2022/23				
	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 3.5.6

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

COMMENTS ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

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

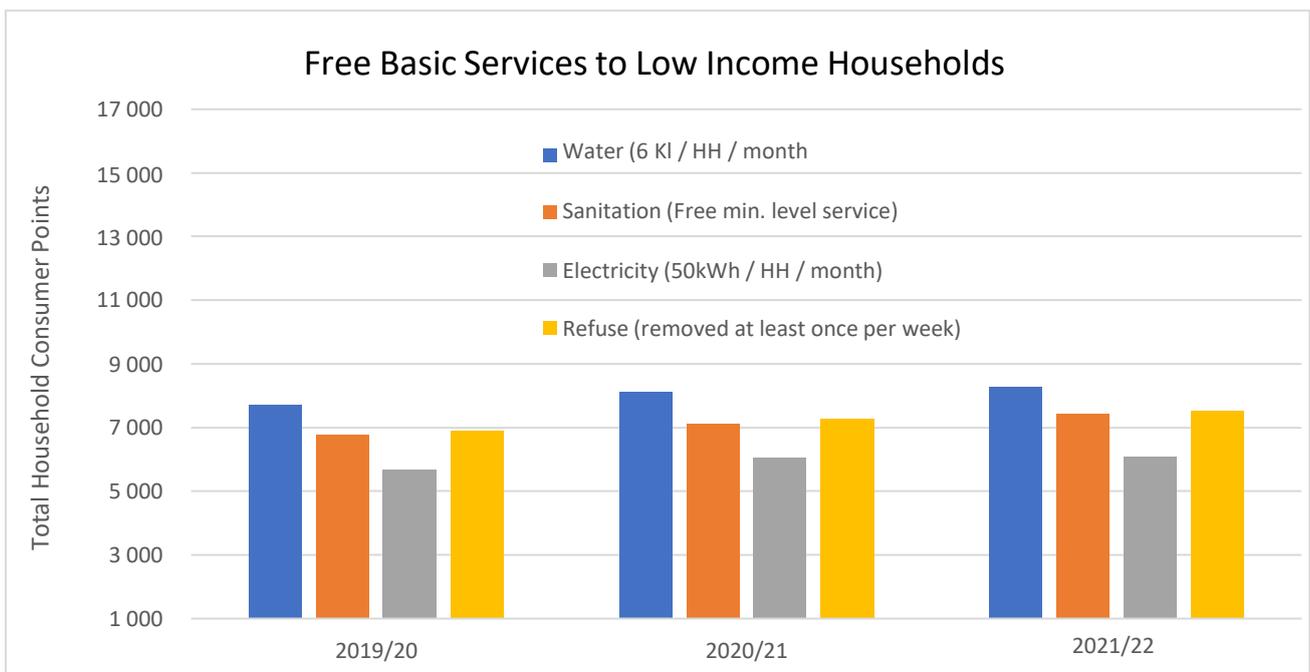
3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

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 to inform the community of the availability of the subsidy, the services subsidized, the eligibility criteria and the process to apply for subsidy. Residents had the opportunity to have any questions and uncertainties addressed.

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	%
2020/21	15,977	8,120	51%	7,121	45%	6,054	38%	7,273	46%
2021/22	15918	8277	52%	7435	47%	6084	38%	7507	47%
2022/23									

*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 2022/23 : COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

Services Delivered to Indigent Households	2021/22	2022/23			
	Actual	Budget	Adjustment 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)	2021/22		2022/23			2023/24	2023/24	
		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

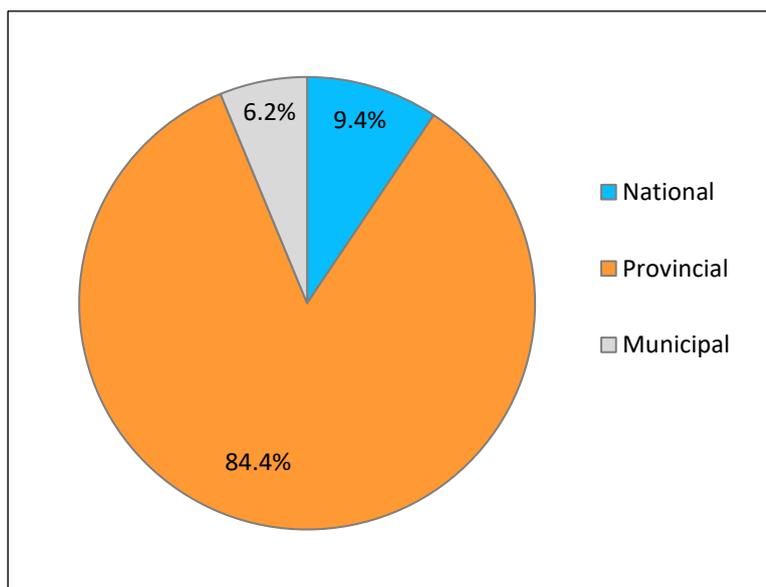


Figure 1: Road network in the Dr Beyers Naudé Local Municipal Area

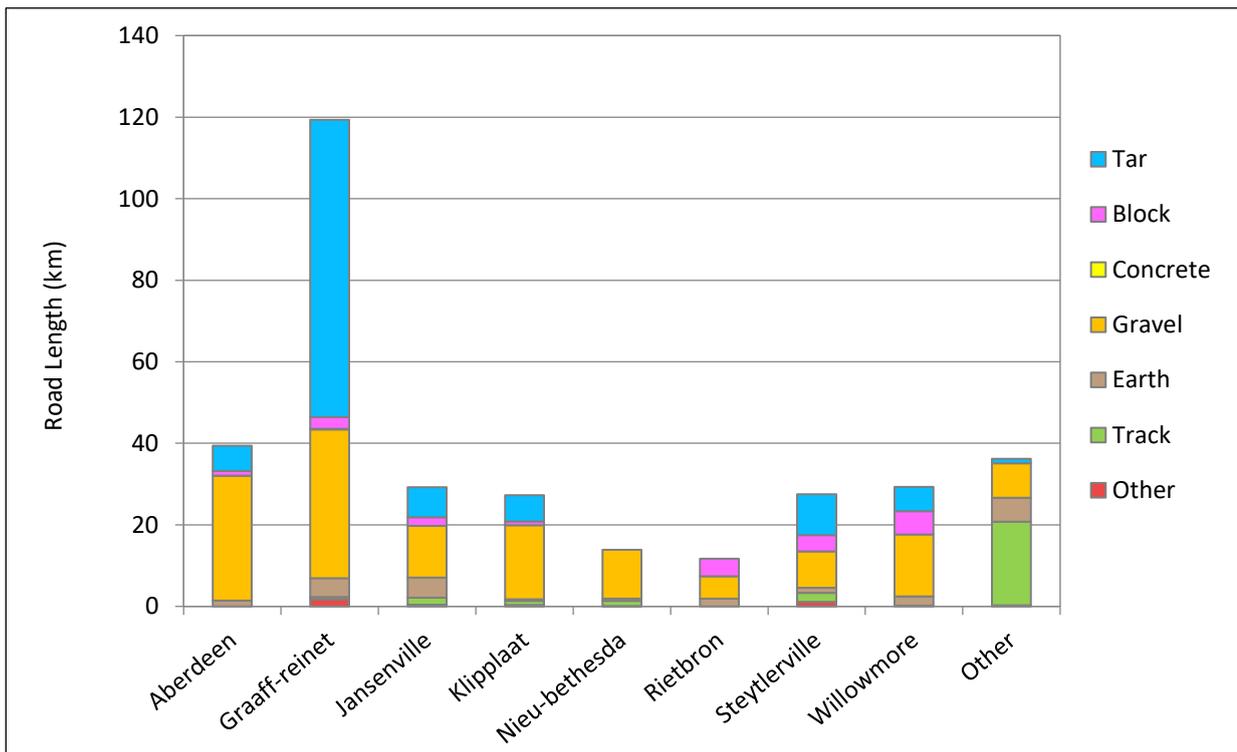
The total road network within the Dr Beyers Naudé Local Municipal Area and under the jurisdiction of the municipality comprises of approximately 333.82km, of which approximately 131.16km (or approximately 39%) are Paved roads.

The **Table 2** and **T 3.7.1**

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



T 3.7.1

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.
- 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.
- Conduct continuous assessments in identifying challenges and improve serviceability of the stormwater infrastructure.
- Sarah Baartman District Municipality assisted the municipality in developing a Stormwater Management Report for the Graaff-Reinet area. Similar reports are needed for other areas as well.

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.
- The Department of Roads and Transport undertook some routine road maintenance on district gravel roads during 2022/223
- Sarah Baartman District Municipality developed a Roads Management System as well as an Integrated Transport Plan.
- As a result of funding constraints, due to the persistent drought, led to the prioritization of water provision and resulted to no capital projects being implemented during this financial year.

3.7 ROADS & STORMWATER DRAINAGE

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

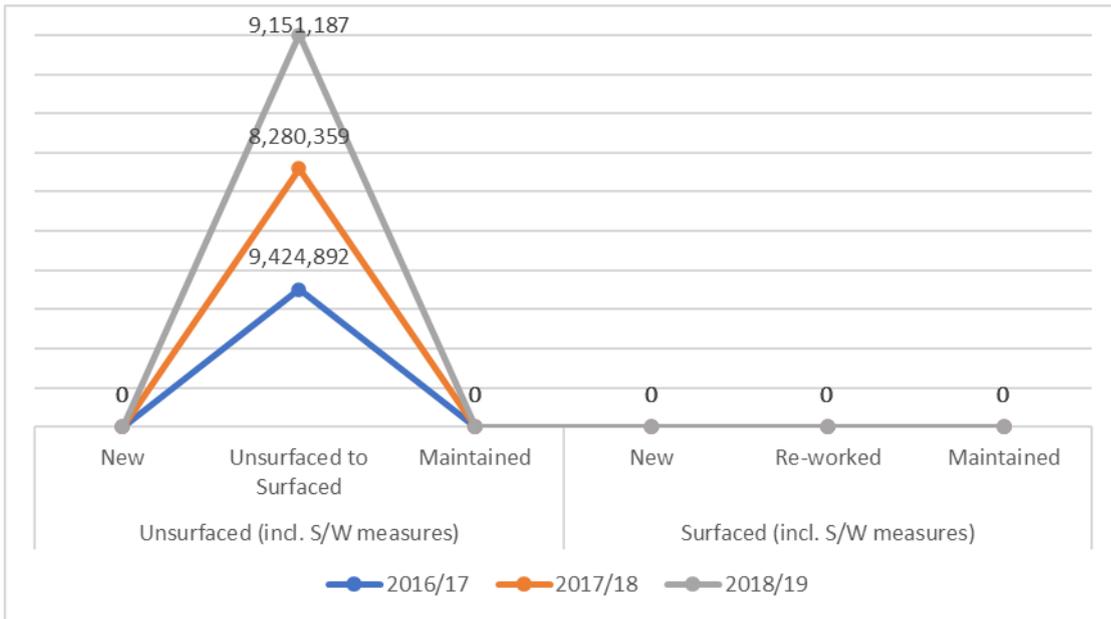
ROAD INFRASTRUCTURE IN KILOMETRES				
2022/23	Total unsurfaced roads	New unsurfaced roads constructed	Unsurfaced roads upgraded to surfaced	Unsurfaced roads graded/maintained
	202.7	0	0	158
T 3.7.2				

SURFACED ROAD INFRASTRUCTURE IN KILOMETRES				
2022/23	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				
2022/23	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
2020/21	0					
2021/22	0					
2022/23	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)	2021/22		2022/23			2023/24	2023/24	
		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)	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	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 2022/23 : ROADS & STORMWATER SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(28 568)	(23 010)	(33 010)	(31 002)	6%
Expenditure:					
Employees	9 435	10 316	10 316	8 725	15%
Repairs and Maintenance	762	3 225	2 125	1 504	29%
Other	19 574	21 093	21 008	19 509	7%
Total Operational Expenditure	29 771	33 733	33 449	29 738	11%
Net Operational Expenditure	1 203	(10 723)	439	1 264	
<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 2022/23 : ROADS & STORMWATER SERVICES					
R' 000					
Capital Projects	2022/23				
	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>

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						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
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)	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					
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 2022/23 : PLANNING SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(5)	0	0	(110)	-100%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	126	0	537	306	43%
Total Operational Expenditure	126	0	537	306	43%
Net Operational Expenditure	121	0	537	196	

CAPITAL EXPENDITURE 2022/23 : PLANNING SERVICES

R' 000

Capital Projects	2022/23				
	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 a emphasis on skills development targeting small businesses as well as the labour market in general.

For the 2022/23 financial year, LED continued strengthening capacity for small, medium and micro enterprises across all sectors. A ECDC Office was launched in Graaff-Reinet and provides assistance to small, medium and micro enterprises. 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, fora period of three year.

T3.11.1

ECONOMIC ACTIVITY BY SECTOR				
R '000				
Sector	2019/20	2020/21	2021/22	2022/23
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			
	2019/20	2020/21	2021/22	2022/23
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 2022/2023 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 2022/23 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)				
2020/21	3	0	33	Contracts entered into with the companies
2021/22	3	0	33	Contracts entered into with the companies
2022/23	3	0	33	Contracts entered into with the companies
Initiative A : 2022/23	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 : 2022/23	2	0	10 (inclusive of 8 local labourers)	Appointment letters of the sub-contractors and contracts entered into with the main contractor
Initiative C : 2022/23	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: 2022/23	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
2020/21	4	42
2021/22	2	162
2022/23	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)	2021/22		2022/23			2023/24	2023/24	
		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 2022/23 : LOCAL ECONOMIC DEVELOPMENT SERVICES

R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	(22)	(22)	217	-887%
Expenditure:					
Employees	1 939	1 932	1 932	1 937	0%
Repairs and Maintenance	0	0	0	0	0%
Other	243	246	344	325	5%
Total Operational Expenditure	2 181	2 178	2 277	2 262	0%
Net Operational Expenditure	2 181	2 157	2 255	2 044	
<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 3.11.9

CAPITAL EXPENDITURE 2022/23 : ECONOMIC DEVELOPMENT SERVICES

R' 000					
Capital Projects	2022/23				
	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.3.11.10

- There were no capital projects budgeted for and implemented during the 2022/23 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 workshoped 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 Apostle Church building in Umasizakhe is used by the Youth for recreational purposes. In addition to that, the Old Post Office building in Kroonvale is inactive.

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)	2021/22		2022/23			2023/24	2023/24	
		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)	2021/22		2022/23			2023/24	2023/24	
		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)	2022/23	2023/24			
	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	3	5	2	3	60%
7 – 9	0	1	1	0	
10 – 12					
13 – 15	1	1	1	0	
16 – 18					
19 – 20					
Total	4	7	4	3	43%

T 3.12.4 (A)

EMPLOYEES : LIBRARIES & COMMUNITY FACILITIES					
Job Level (TG)	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	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 2022/23 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R'000

Details	2021/22 Actual	2022/23			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(3 172)	(2 474)	(2 533)	(2 425)	4%
Expenditure:					
Employees	18 213	20 272	20 239	15 841	22%
Repairs and Maintenance	21	189	489	429	12%
Other	7 715	8 159	8 113	9 282	-14%
Total Operational Expenditure	25 949	28 620	28 840	25 553	11%
Net Operational Expenditure	22 777	26 147	26 307	23 128	
<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 2022/23 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R' 000

Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6 000	6 000	6 000	0%	
Upgrading of Kollie Koeberg Sport Complex	6 000	6 000	6 000	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

Dr Beyers Naudé Local Municipality is obligated by the Eastern Cape Provincial Archives and Records Services Act, No.7 of 2003 to comply with proper records management practices, norms and archival standards.

The municipality manages municipal records in a well-structured record keeping system and puts the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of Provincial Archives.

The Department only archives records of the municipality and does 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.

The position of Archives Officer which has been vacant for four years has been filled from 01 November 2023.

RECORDS MANAGEMENT IMPROVEMENT

The municipality was assisted by COGTA with records management improvement. This project was well received by the municipality and has had very positive results. The registry section is now equipped with knowledge that will assist smooth running of records management. Records Management Trainings of different relevant topics was offered to the whole institution.

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 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.
- Post Office services have been a great challenge with the closure of the post office for a long period of time.

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.

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 realized.

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)	2011/22		2022/23			2023/24	2023/24	
		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

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T 3.13.3

EMPLOYEES : CEMETERY 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	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 2022/23 : CEMETERIES					
R'000					
Details	2021/22 Actual	2022/23			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	139	153	153	142	7%
Repairs and Maintenance	0	0	0	0	0%
Other	150	157	157	150	5%
Total Operational Expenditure	289	311	311	292	6%
Net Operational Expenditure	289	311	311	292	
<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 2022/23 : CEMETERIES					
R' 000					
Capital Projects	2022/23				
	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	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
<i>As per the organogram</i>	6	4	5	3	60%
0 – 3					
4 – 6					
7 – 9				1	
10 – 12				2	
13 – 15					
16 – 18					
19 – 20					
Total					60%

T 3.14.4

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 2022/23 : SPECIAL PROGRAMMES UNIT					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	1 301	1 397	1 397	1 372	2%
Repairs and Maintenance		0	0	0	0%
Other	59	13	13	7	50%
Total Operational Expenditure	1 360	1 411	1 411	1 379	2%
Net Operational Expenditure	1 360	1 411	1 411	1 379	2%

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 3.14.5

CAPITAL EXPENDITURE YEAR 2022/23 : SPECIAL PROGRAMMES UNIT

R' 000

Capital Projects	2022/23				
	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)	2021/22		2022/23		2023/24	2023/24		Following Year (x)
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	
Service Objective No. 1									
To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Number of SPU Consultative Forums established, namely: Youth Council, Local Sports Council, Local Aids Council, Women's Forum and Disabled Forum by 30 th June 2020.	4	Not on Target 2. All councils established except Youth Council, however, provision is made for the establishment of the council in 2019/20.	4	2	0 Not on Target Due to Covid – 19 pandemic Establishment of forums couldn't take place. Establishment of Forums to be finalised during the 1 st quarter of 2020/21.	4	The Youth Council Was Established in June 2021	
Service Objective No. 2									
To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Number of training programmes for vulnerable groups especially youth and disabled citizens by 30 th June 2020.	8	8 On Target. Various training programmes implemented and completed	8	10	On Target Various training programmes implemented & completed. Bursaries & Internships included.	12	6 On Target. Various training programmes implemented and completed	

T 3.14.3

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 2022/23 : HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING, ETC.

R'000

Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	(2 020)	(2 020)	0	-100%
Expenditure:					
Employees	498	522	522	389	25%
Repairs and Maintenance	25	10	10	0	100%
Other	868	1 203	1 631	1 152	29%
Total Operational Expenditure	1 391	1 735	2 163	1 541	29%
Net Operational Expenditure	1 391	(285)	143	1 541	-975%
<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>

2022/23 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 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	2020/21	2021/22	2022/23
	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

T 3.20.2

(Table 3.30.3 appears further down.)

EMPLOYEES : TRAFFIC SERVICES					
Job Level	2021/22	2022/23			
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 finalized

FINANCIAL PERFORMANCE 2022/23 : TRAFFIC CONTROL					
R'000					
Details	2021/22	2022/23			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(3 582)	(8 142)	(8 142)	(3 244)	60%
Expenditure:					
Employees	5 527	5 986	5 981	6 181	-3%
Repairs and Maintenance	5	146	146	52	64%
Other	1 489	1 134	1 397	851	39%
Total Operational Expenditure	7 021	7 266	7 523	7 084	6%
Net Operational Expenditure	3 439	(876)	(619)	3 841	
<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 2022/23 : TRAFFIC CONTROL

R' 000

Capital Projects	2022/23				
	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)	2021/22		2022/23		2023/24	2023/24		
		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		2021/22 Actual No.	2022/23		2023/24
			Estimated No.	Actual No.	Projected No.
1	Total fires attended in the year	84	162	197	320
2	Total of other incidents attended in the year	3	25	0	41
3	Average turnout time - urban areas	8.21 minutes	10 minutes	10min	8Min
4	Average turnout time - rural areas	56 minutes	56 minutes	1hour	1hour
5	Fire fighters in post at year end	11	12	12	13
6	Total fire appliances at year end	9	9	8	8
7	Average number of appliances off the road during the year	2	2		2
					T 3.21.2

ANALYSIS OF FIRE SERVICES DATA

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

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

T 3.21.2.1

FIRE SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2021/22		2022/23			2023/24	2023/24	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objective No. 1									
Service Objective No. 2									
Service Objective No. 3									
Service Objective No. 4									

T 3.21.3

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	2021/2	2022/23			
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 2022/23 : FIRE SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(301)	(2 208)	(2 208)	(3 059)	-39%
Expenditure:					
Employees	7 312	8 073	7 829	8 137	-4%
Repairs and Maintenance	64	109	257	30	88%
Other	634	653	1 226	1 014	17%
Total Operational Expenditure	8 009	8 835	9 311	9 182	1%
Net Operational Expenditure	7 707	6 626	7 103	6 124	
<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 2022/23: FIRE SERVICES					
R' 000					
Capital Projects	2022/23				
	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)	2021/22		2022/23			2023/24	2023/24	
		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	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	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.

FINANCIAL PERFORMANCE 2022/23 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R'000					
Details	2021/22	2022/23			
	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 2022/23 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R' 000					
Capital Projects	2022/23				
	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)	2021/22		2022/23		2023/24	2024/24		
		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 2023.				
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	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					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%
					T 3.23.3

FINANCIAL PERFORMANCE 2022/23 : SPORT AND RECREATION					
R'000					
Details	2021/22	2022/23			
	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					
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4

CAPITAL EXPENDITURE 2022/23 : SPORT AND RECREATION					
R' 000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
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 2022/23 : THE EXECUTIVE AND COUNCIL

R'000					
Details	2021/22 Actual	2022/23			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(36)	(56)	(56)	(10)	83%
Expenditure:					
Employees	16 484	15 991	16 090	14 963	7%
Repairs and Maintenance	0	0	0	0	0%
Other	10 393	15 131	17 094	19 269	-13%
Total Operational Expenditure	26 877	31 122	33 184	34 232	-3%
Net Operational Expenditure	26 841	31 066	33 128	34 223	
<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 2022/23 : FINANCIAL SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(42 508)	(175 804)	(131 241)	(149 109)	-14%
Expenditure:					
Employees	28 750	30 589	30 685	31 402	-2%
Repairs and Maintenance	1 210	93	2 263	2 472	-9%
Other	77 742	27 728	14 742	82 094	-457%
Total Operational Expenditure	107 702	54 410	47 690	115 968	-143%
Net Operational Expenditure	65 194	(117 395)	(83 551)	(33 141)	
<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 2022/23: FINANCIAL SERVICES					
R' 000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40	80	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)	2021/22		2022/23			2023/24	2023/23	
		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									
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 2023
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 services;	All three director positions has been filled including

								Infrastructure; and Community services has been Filled 1 August 2020	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
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T 3.26.3

EMPLOYEES : HUMAN RESOURCE 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	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 2022/23 : CORPORATE SERVICES (INCL. HR SERVICES)

R'000

Details	2022/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	960	211	78%
Repairs and Maintenance	0	0	0	0	0
Other	1 086	1 844	1 444	851	41%
Total Operational Expenditure	1 086	1 844	2 404	1 062	56%
Net Operational Expenditure	1 086	1 844	2 404	1 062	

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 3.26.5

CAPITAL EXPENDITURE YEAR 2022/23 : HUMAN RESOURCE SERVICES					
R' 000					
Capital Projects	Year 2022/23				
	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)	2021/22		2022/23		2023/24	2023/24		
		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	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	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 2022/23 : ICT SERVICES					
R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	1 571	1 695	1 695	1 673	1%
Repairs and Maintenance	988	1 389	1 389	692	50%
Other	0	0	0	0	0%
Total Operational Expenditure	2 559	3 085	3 085	2 364	23%
Net Operational Expenditure	2 559	3 085	3 085	2 364	
<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 2022/23 : ICT SERVICES					
R' 000					
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 060	1 020	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. The following programs have been 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. The lease register is submitted to Council quarterly through the Corporate Services Portfolio Committee and the Executive Committee.

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 drafting of lease agreements was done in-house, and some were outsourced on all municipal properties.

During the 2022/23 financial year, on-site inspections were conducted in Aberdeen on all Council's properties and a full report with recommendations was tabled to Council through the Corporate Services Portfolio Committee and the Executive Committee. Public participation processes were further followed through public meetings in all Wards to explain Council's intention to either lease or dispose Council's properties.

Council approved an Immoveable Property Management Policy during an Ordinary Council meeting held on the 07th December 2022 for immediate implementation.

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)	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	0	0	0	0	0
4 – 6	0	1	0	1	100%
7 – 9	0	2	0	2 (Property)	100%
10 – 12	1	1	1	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 2022/23 : PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(432)	(616)	(616)	(740)	-20%
Expenditure:					
Employees	993	1 095	1 095	973	11%
Repairs and Maintenance	16	25	53	16	68%
Other	3 569	4 798	4 798	3 838	20%
Total Operational Expenditure	4 578	5 917	5 946	4 828	19%
Net Operational Expenditure	4 145	5 301	5 329	4 088	
<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 2022/23 : PROPERTY, LEGAL,
RISK MANAGEMENT AND PROCUREMENT SERVICES**

R' 000

Capital Projects	Year 2022/23				
	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.

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)	2021/22		2022/23			2023/24	2023/24	
		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	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					
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total					%
					T 3.29.2

FINANCIAL PERFORMANCE YEAR 2022/23 : AIRPORT SERVICES

R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	(89)	(417)	(417)	(116)	72%
Expenditure:					
Employees	726	778	804	793	1%
Repairs and Maintenance	0	0	0	0	0%
Other	2 817	2 184	1 826	1 388	24%
Total Operational Expenditure	3 543	2 962	2 630	2 181	17%
Net Operational Expenditure	3 454	2 545	2 213	2 064	
<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 3.29.3

CAPITAL EXPENDITURE YEAR 2022/23: AIRPORT SERVICES

R' 000

Capital Projects	Year 2023/23				
	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 2022/23

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 2022 to 30 June 2023 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 2022/23.

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 2022/23 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	14	13	1	93%
Community Development	5	5	0	100%
Institutional Development	17	14	3	82%
Local Economic Development	5	3	2	60%
Back to Basics: Good Governance	13	10	3	77%
Back to Basics: Sound Financial Management	12	9	3	75%
OVERALL TOTALS	66	54	12	82%
				<i>T3.30</i>

- The institutional target achievement was 82% for all planned targets as per the Service Delivery and Budget Implementation Plan (SDBIP).



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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.

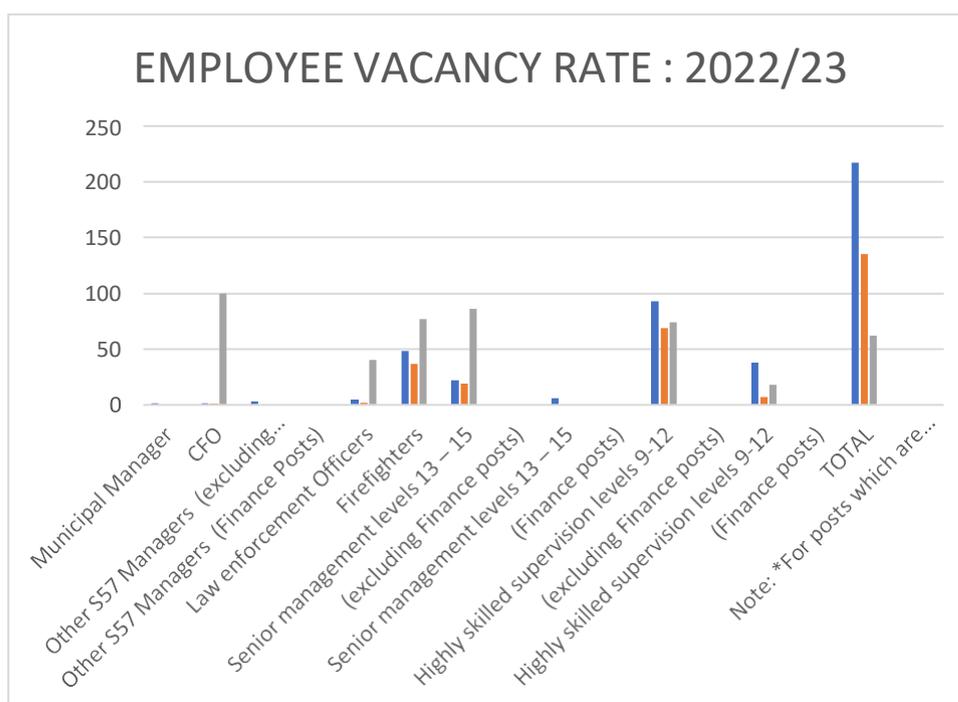
EMPLOYEES : 2022/23					
Description	2021/22	2022/23			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager and Staff	15	20	16	4	20%
CFO, Budget and Treasury & SCM Staff	64	105	74	31	30%
Corporate Services (Administration and HR)	84	113	55	58	51%
COMMUNITY & PUBLIC SERVICES					
Library Services	12	26	9	17	63%
Protection, Traffic & Fire Services	26	105	21	84	77%
Community & EH Services	4	9	4	5	56%
Parks, Gardens & Amenities	40	108	42	66	61%
Refuse Services	66	136	59	77	57%
Street and Pavements	58	88	54	34	39%
Engineering & Planning	52	132	47	85	64%
Water, Sanitation & WWTW	58	121	46	75	62%
Electrical Services	32	56	22	34	61%
Totals	348	1019	449	570	58%
<i>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.</i>					T 4.1.1

EMPLOYEE VACANCY RATE : 2022/23

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	3	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)	24	7	27
Senior management levels 13 – 15 (Finance posts)	6	0	0
Highly skilled supervision levels 9-12 (excluding Finance posts)	93	65	70
Highly skilled supervision levels 9-12 (Finance posts)	38	35	30
TOTAL	219	146	73

*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 %
2021/22	65	13	20%
2022/23	26	19	73%
2023/24	43	36	83%
<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	30 June 2022 COUN-044.12/22
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
	Community Halls & Facilities 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 2022/23 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) : 2022/23					
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	2	1	0	5	1361.02
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

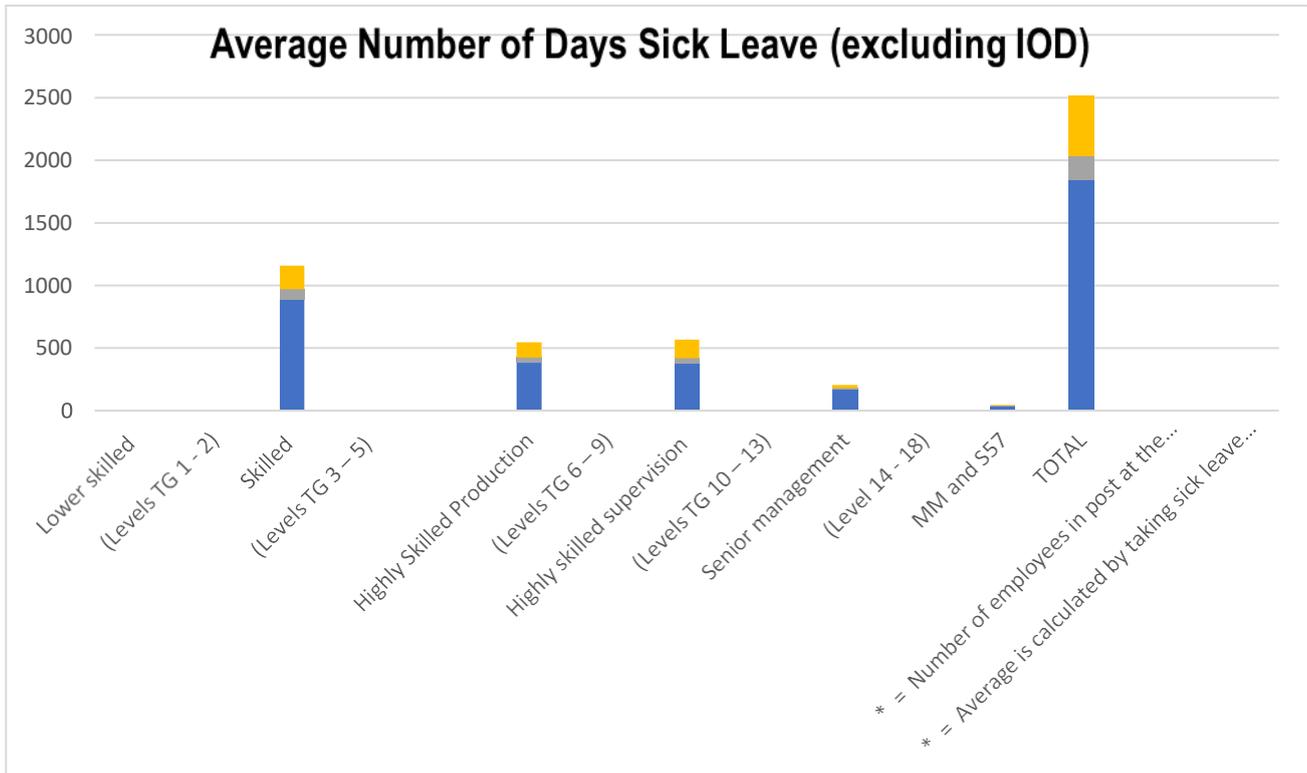
T4.3.1

- 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) : 2022/23						
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 2022/23

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or Status of Case and Reasons why not finalised	Date finalised
	Alleged bringing the name of the municipality into disrepute and participating in an unlawful protest in Klipplaat	22 June 2021	Suspension without pay for 5 days, spread over 3 months and final written warning	8 July 2022
Handyman	Alleged bringing the name of the municipality into disrepute, falsely accusing senior municipal officials on a public platform Facebook of corruption without any evidence	11 June 2021	The employee was dismissed	4 July 2022

Area Engineer	Gross negligence in the performance of duties. Failure to institute disciplinary action against subordinates	28 December 2021	Final written warning	4 July 2022
Manager Corporate Services	Allegedly exposing his private parts to a female employee, contravening the sexual harassment policy of council.	16 November 2022	Matter finalised, employee dismissed	2 February 2023
GW	Unauthorised absence from his workstation / feigned illness.	8 December 2022	Matter finalised, final written warning	31 January 2023
<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 Finalized
-	-	-	-
<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 2022/23 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: 2022/23

Management level	Gender	Employees in posts as at 30 June 2022	Number of Skilled Employees required and actual as at 30 June 2022-2023											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of June 2022	Actual: End of June 2023	2022/23 Target	Actual: End of June 2022	Actual: End of June 2023	2022/23 Target	Actual: End of June 2022	Actual: End of June 2023	2022/23 Target	Actual: End of June 2022	Actual: End of June 2023	2022/23 Target
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

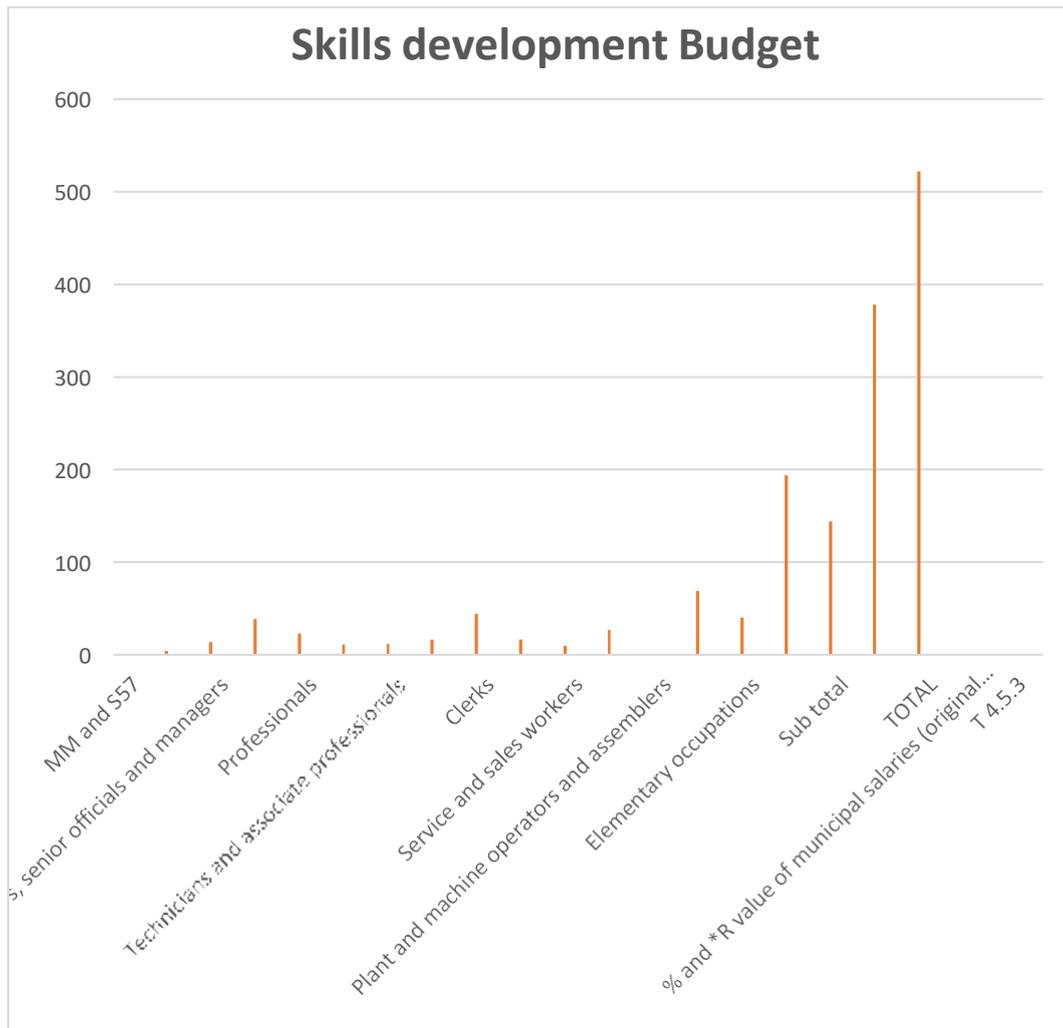
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

SKILLS DEVELOPMENT EXPENDITURE: 2022/23

Management level	Gender	Employees as at 1 July 2022	Original Budget and Actual Expenditure on skills development 2022/23							
			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

T 4.5.3



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

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

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION

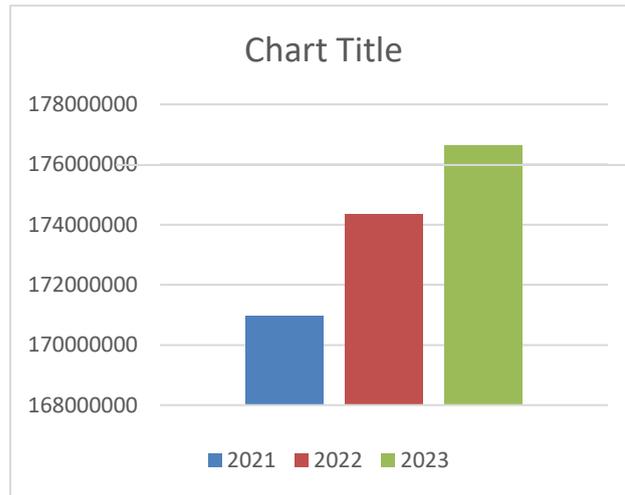
Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

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

2020/21	170 961 675
2021/22	174 354 719
2022/23	176 634 079
<i>T 4.6.1</i>	



COMMENT ON WORKFORCE EXPENDITURE

35% of the 2022/23 Operating Budget was allocated to employee costs.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED : 2022/23

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 some evaluation results has been received in the (2022/23) financial year.

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



Dr. Beyers Naudé

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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 2022/23 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 R126 million (R116 million 2021/22) which is relatively constant if the effect of the actuarial gains of R7 million (R6 million 2021/22) 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 29,7% to total expenditure (32,3% 2021/22). R48 million was spent on contracted services compared to 2021/22 financial year of R 49 million. Finance cost of R57 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.

R79 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 R12 million.

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	2022/2023								2021/2022			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Functional												
Governance and administration	176 891	(1 122)	178 013	154 339		(23 674)	86,7%	87,3%				160 710
Executive and council	57	-	57	10		(47)	17,2%	17,2%				36
Finance and administration	176 834	(1 122)	177 956	154 329		(23 627)	86,7%	87,3%				160 674
Internal audit	-	-	-	-		-	-	-				-
Community and public safety	7 156	-	7 156	6 929		(228)	96,8%	96,8%				3 475
Community and social services	2 524	-	2 524	2 457		(68)	97,3%	97,3%				2 453
Sport and recreation	101	-	101	68		(33)	67,0%	67,0%				85
Public safety	2 501	-	2 501	4 405		1 903	176,1%	176,1%				936
Housing	10	-	10	-		(10)	-	-				1
Health	2 020	-	2 020	-		(2 020)	-	-				-
Economic and environmental services	33 207	(10 000)	43 207	38 246		(4 961)	88,5%	115,2%				33 926
Planning and development	2 055	-	2 055	4 000		1 944	194,6%	194,6%				1 774
Road transport	31 152	(10 000)	41 152	34 246		(6 906)	83,2%	109,9%				32 152
Environmental protection	-	-	-	-		-	-	-				-
Trading services	364 983	(4 191)	369 174	291 679		(77 495)	79,0%	79,9%				269 899
Energy sources	171 623	585	171 038	117 736		(53 302)	68,8%	68,6%				126 984
Water management	100 964	(4 776)	105 740	96 525		(9 215)	91,3%	95,6%				83 807
Waste water management	58 901	-	58 901	42 954		(15 947)	72,9%	72,9%				26 881
Waste management	33 495	-	33 495	34 463		968	102,9%	102,9%				32 227
Other	439	-	439	334		(105)	76,1%	76,1%				89
Total Revenue - Functional	582 676	(15 313)	597 989	491 526		(106 463)	82,2%	84,4%				468 100
Expenditure - Functional												
Governance and administration	126 256	(37 199)	163 455	182 248	18 793	18 793	111,5%	144,3%	-	-	-	187 261
Executive and council	30 470	(1 776)	32 246	33 397	1 151	1 151	103,6%	109,6%	-	-	-	34 056
Finance and administration	94 682	(35 143)	129 824	147 682	17 858	17 858	113,8%	156,0%	-	-	-	152 064
Internal audit	1 104	(281)	1 385	1 168	(216)	(216)	84,4%	105,8%	-	-	-	1 141
Community and public safety	40 669	(1 543)	42 212	37 926	(4 286)	(4 286)	89,8%	93,3%	-	-	-	36 860
Community and social services	6 270	163	6 107	4 980	(1 127)	(1 127)	81,5%	79,4%	-	-	-	5 574
Sport and recreation	22 661	(383)	23 044	20 865	(2 179)	(2 179)	90,5%	92,1%	-	-	-	20 647
Public safety	8 867	(477)	9 344	9 214	(130)	(130)	103,9%	103,9%	-	-	-	8 036
Housing	-	(262)	262	141	(122)	(122)	53,7%	#DIV/0!	-	-	-	126
Health	2 870	(584)	3 454	2 726	(729)	(729)	78,9%	95,0%	-	-	-	2 477
Economic and environmental services	52 766	(1 335)	54 102	52 332	(1 770)	(1 770)	96,7%	99,2%	-	-	-	45 857
Planning and development	21 333	(1 363)	22 696	24 623	1 927	1 927	108,5%	115,4%	-	-	-	18 203
Road transport	31 434	28	31 406	27 708	(3 697)	(3 697)	88,2%	88,1%	-	-	-	27 653
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	282 747	12 255	270 493	342 395	71 903	71 903	126,6%	121,1%	-	-	-	302 445
Energy sources	158 338	4 898	153 440	137 246	(16 194)	(16 194)	89,4%	86,7%	-	-	-	148 179
Water management	65 753	4 100	61 653	91 943	30 290	30 290	149,1%	139,8%	-	-	-	87 895
Waste water management	38 309	3 213	35 096	64 150	29 054	29 054	182,8%	167,5%	-	-	-	33 012
Waste management	20 348	44	20 304	49 056	28 753	28 753	241,6%	241,1%	-	-	-	33 359
Other	3 073	382	2 691	2 222	(469)	(469)	82,6%	72,3%	-	-	-	3 559
Total Expenditure - Functional	505 511	(27 440)	532 951	617 122	84 171	84 171	115,8%	122,1%	-	-	-	575 982
Surplus/(Deficit) for the year	77 165	12 127	65 038	(125 596)	(190 634)	(190 634)	-193,1%	-162,8%	-	-	-	(107 882)

EC101 Dr Beyers Naudé Local Municipality- Table A4 Budget Summary

Description	2022/2023						2021/2022					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	41 833	–	41 833	42 323		490	101,2%	101,2%				40 403
Service charges - electricity revenue	170 508	–	170 508	117 665		(52 843)	69,0%	69,0%				126 955
Service charges - water revenue	49 313	–	49 313	40 609		(8 704)	82,4%	82,4%				44 979
Service charges - sanitation revenue	48 129	–	48 129	33 259		(14 870)	69,1%	69,1%				26 869
Service charges - refuse revenue	20 845	–	20 845	26 624		5 779	127,7%	127,7%				32 227
Rental of facilities and equipment	1 112	–	1 112	2 217		1 105	199,4%	199,4%				1 225
Interest earned - external investments	1 590	–	1 590	646		(944)	40,6%	40,6%				308
Interest earned - outstanding debtors	5 290	–	5 290	10 899		5 609	206,0%	206,0%				5 651
Dividends received	–	–	–	–		–	–	–				–
Fines, penalties and forfeits	37	–	37	534		497	1433,2%	1433,2%				728
Licences and permits	1 965	–	1 965	895		(1 070)	45,5%	45,5%				963
Agency services	6 134	–	6 134	1 857		(4 277)	30,3%	30,3%				1 918
Transfers and subsidies	119 250	(537)	119 787	117 261		(2 526)	97,9%	98,3%				106 712
Other revenue	50 722	–	50 722	23 742		(26 980)	46,8%	46,8%				11 793
Gains	–	–	–	–		–	–	–				–
Total Revenue (excluding capital transfers and contributions)	516 727	(537)	517 264	418 531		(98 733)	80,9%	81,0%				400 729
Expenditure By Type												
Employee related costs	184 916	220	184 696	165 857	(18 839)	(18 839)	89,8%	89,7%				165 336
Remuneration of councillors	9 037	(239)	9 276	9 416	140	140	101,5%	104,2%				9 067
Debt impairment	4 599	–	4 599	85 275	80 676	80 676	1854,1%	1854,1%				67 946
Depreciation & asset impairment	64 343	–	64 343	66 714	2 370	2 370	103,7%	103,7%				64 708
Finance charges	1 357	(30 000)	31 357	57 371	26 014	26 014	183,0%	4228,0%				29 682
Bulk purchases - electricity	127 136	4 000	123 136	112 711	(10 425)	(10 425)	91,5%	88,7%				115 746
Inventory consumed	2 486	(21)	2 507	3 913	1 406	1 406	156,1%	157,4%				3 617
Contracted services	21 014	(1 040)	22 054	28 802	6 748	6 748	130,6%	137,1%				28 016
Transfers and subsidies	30	–	30	22	(8)	(8)	73,3%	73,3%				20
Other expenditure	90 593	(359)	90 953	87 041	(3 912)	(3 912)	95,7%	96,1%				91 845
Losses	–	–	–	–	–	–	–	–				–
Total Expenditure	505 511	(27 440)	532 951	617 122	84 171	84 171	115,8%	122,1%	–	–	–	575 982
Surplus/(Deficit)	11 216	26 903	(15 687)	(198 591)		(182 904)	1266,0%	-1770,6%				(175 253)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	65 949	(14 776)	80 725	72 996		(7 729)	90,4%	110,7%				67 371
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–		–	–	–				–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–		–	–	–				–
Surplus/(Deficit) after capital transfers & contributions	77 165	12 127	65 038	(125 596)	–	(190 634)	-193,1%	-162,8%				(107 882)
Taxation	–	–	–	–		–	–	–				–
Surplus/(Deficit) after taxation	77 165	12 127	65 038	(125 596)	–	(190 634)	-193,1%	-162,8%				(107 882)
Attributable to minorities	–	–	–	–		–	–	–				–
Surplus/(Deficit) attributable to municipality	77 165	12 127	65 038	(125 596)	–	(190 634)	-193,1%	-162,8%				(107 882)
Share of surplus/ (deficit) of associate	–	–	–	–		–	–	–				–
Surplus/(Deficit) for the year	77 165	12 127	65 038	(125 596)	–	(190 634)	-193,1%	-162,8%				(107 882)

5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
OPERATING TRANSFERS & GRANTS	2021/22	2022/23		2023/24 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.

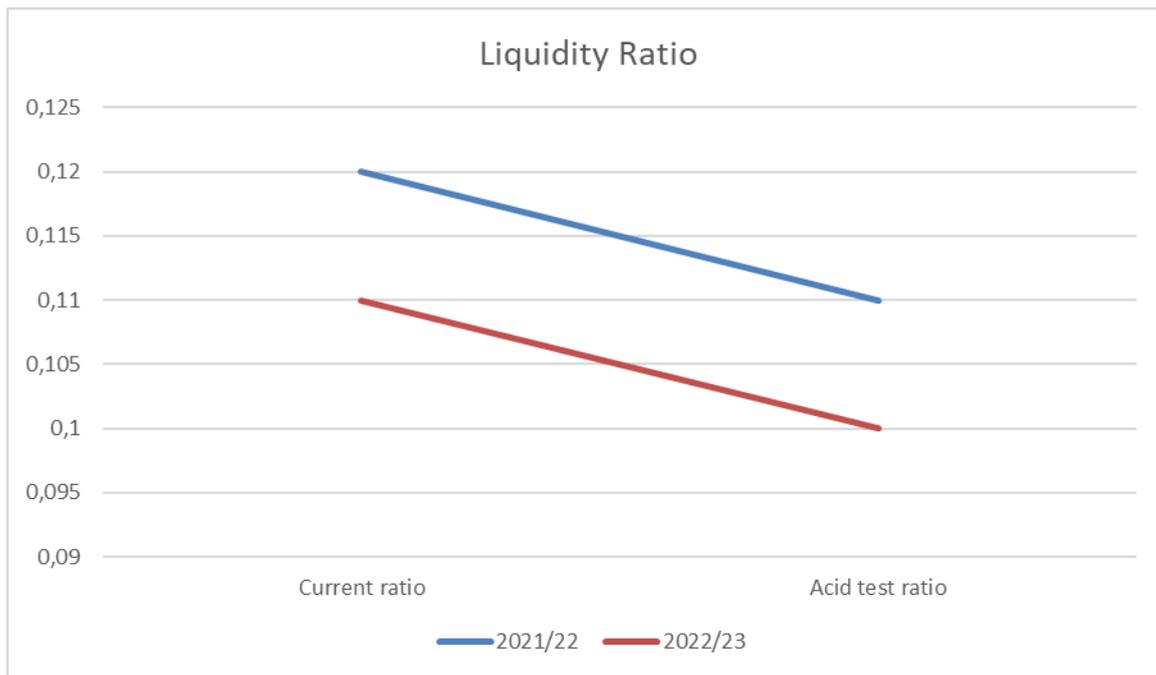
T 5.3.3

REPAIR AND MAINTENANCE EXPENDITURE : 2022/23				
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

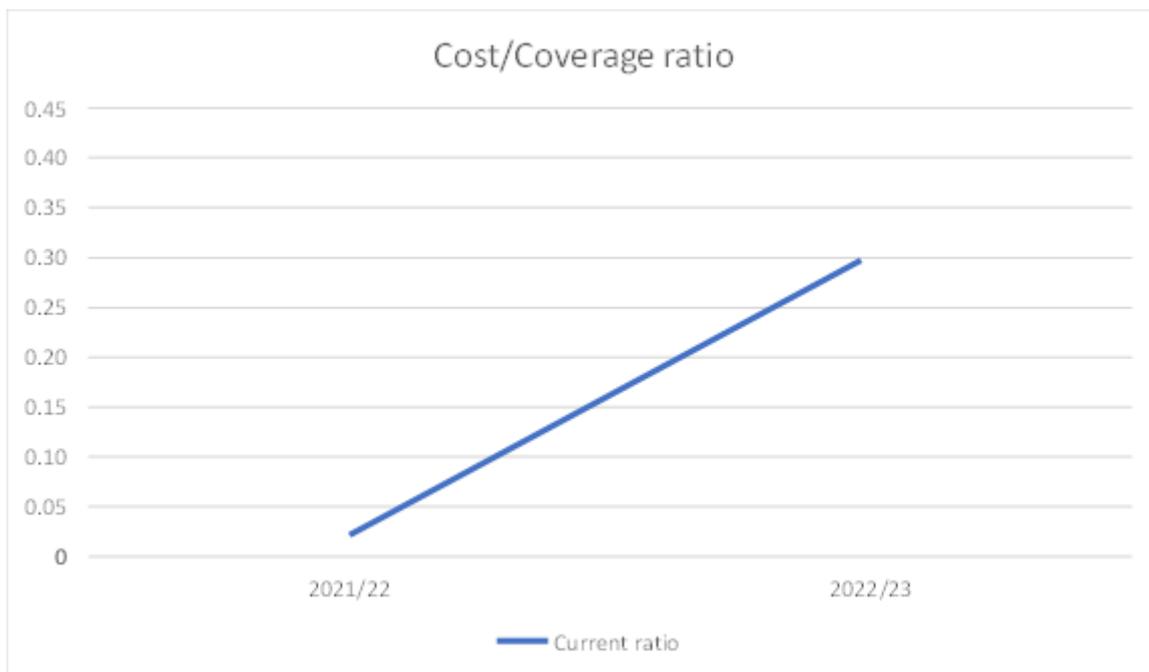
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

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.

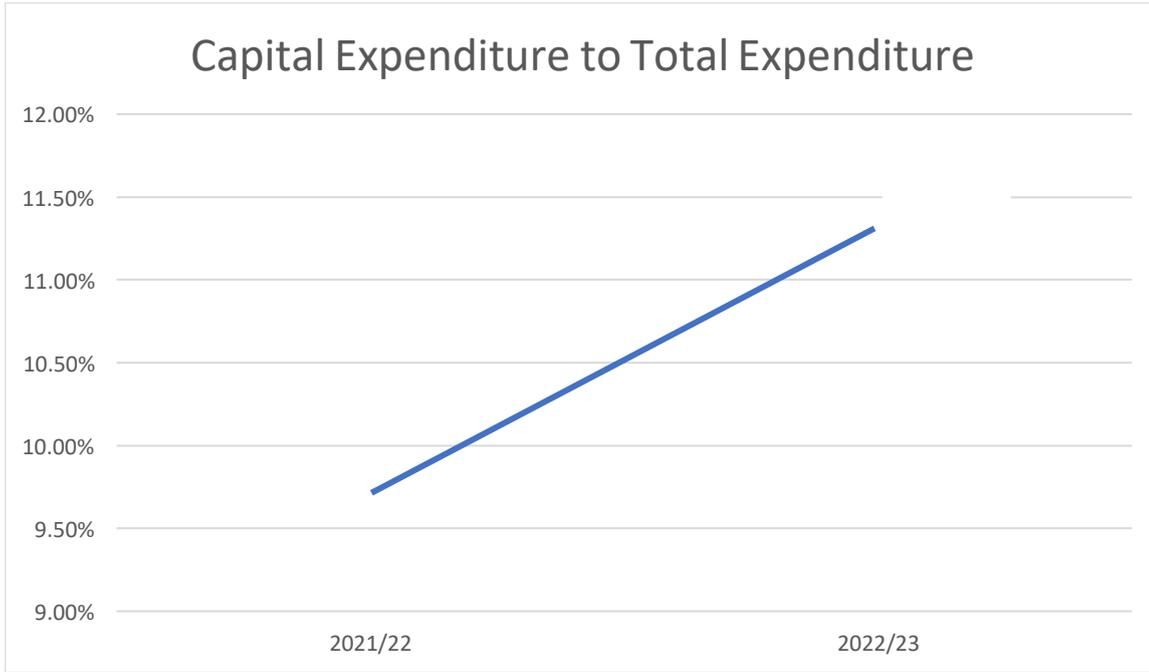


T5.4.2 : Cost Coverage ratio – explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated.

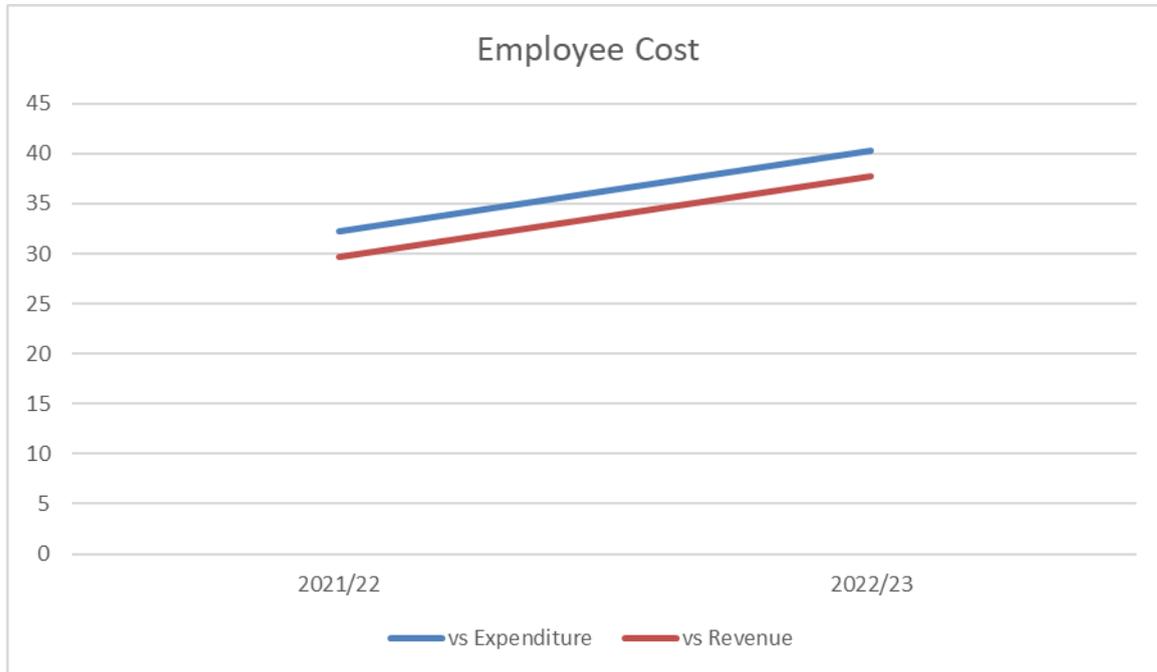
T 5.4.3 : Outstanding Service Debtors

T 5.4.4 : Debt Coverage

T 5.4.4 : Creditors System Efficiency

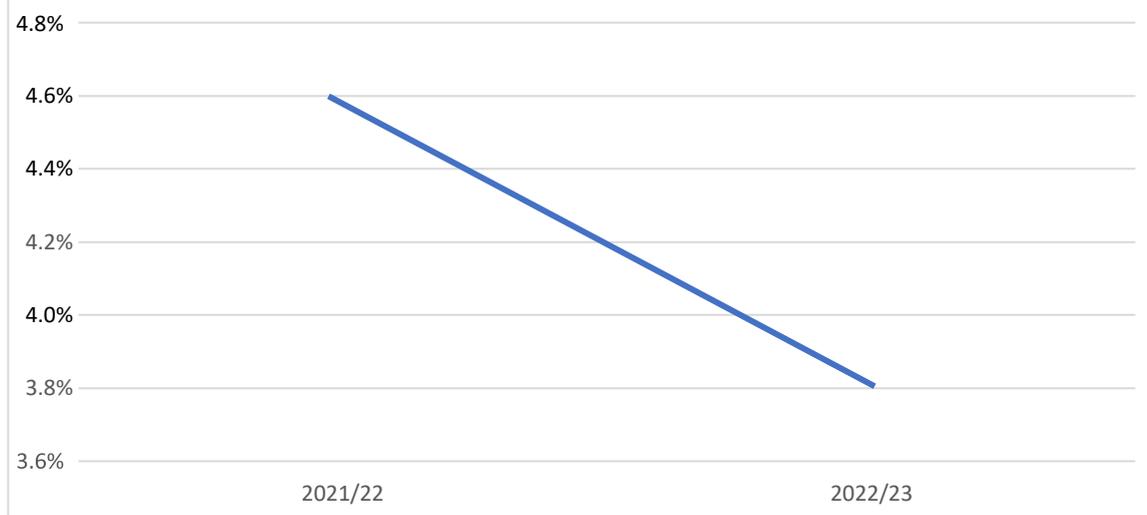


T5.4.6 : Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



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.

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 0.11:1. The acid test ratio is 0.10:1 (0.11:1 2021/22). 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 32.3% to 29.7% year on year and a decrease in relation to revenue totals from 40.3% to 37.7%. This is mostly attributable to the many terminations during the year.

The Municipality is currently only spending 3.8% 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 increased from 9.7% to 11.29% in the 2022/23 year. This is primarily due to the growth in the capital expenditure, as a result of the additional capital grants received in 2022/23.

Creditors cannot be paid within the required 30 days.

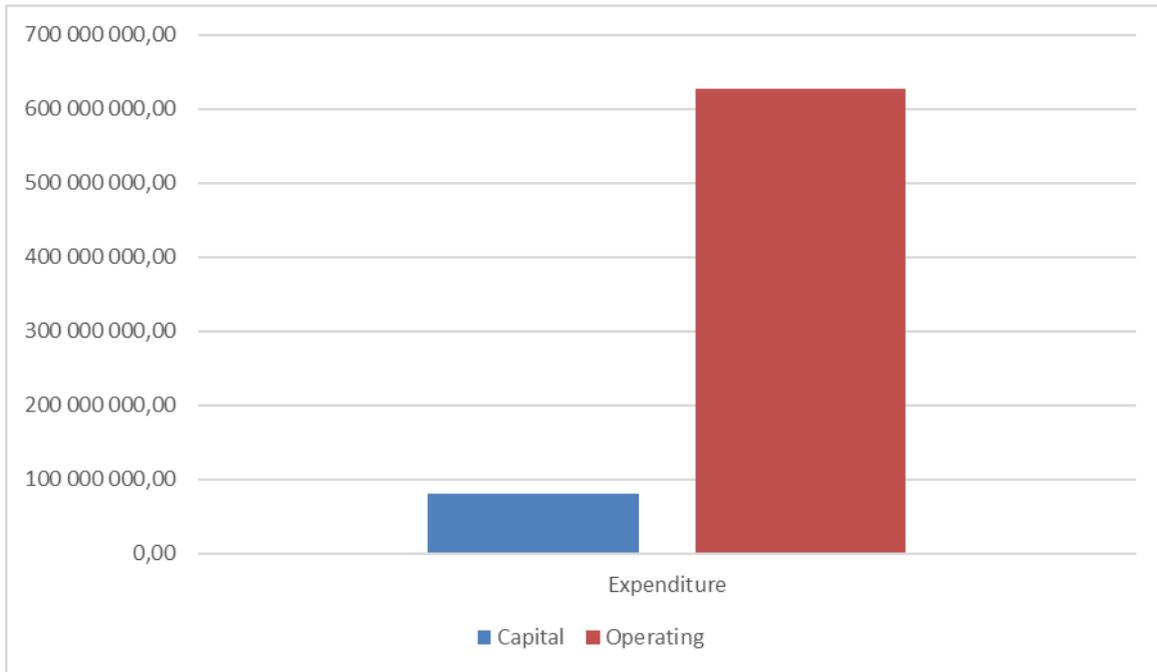
T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION

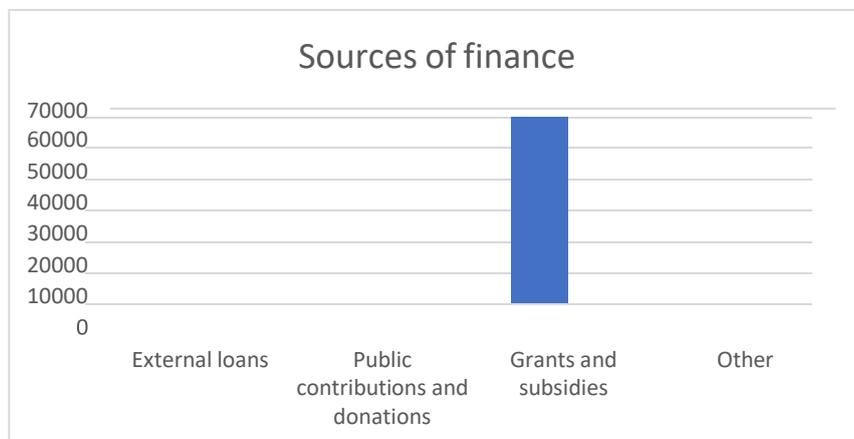
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings, and surpluses.

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 SOURCES OF FINANCE

The municipality is fully reliant on government grants to fund its capital expenditure.



T 5.6.1

CAPITAL EXPENDITURE BY FUNDING SOURCES : 2021/22 TO 2022/23						
Details	2021/22	2022/23				
	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	61 318	65 899	80 825	79 752	82%	99%
Other	0	0	0	0	0	0
Total	61 318	65 899	80 825	79 752	82%	99%
<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	57 798	66 158	32 928	95%	67%
Electricity	469	1 000	1 000	469	100%	10%
Housing	-	0	0	-	0%	0%
Roads & Stormwater	2 501	0	0	2 501	93%	63%
Other	5 660	7 100	13 666	5 660	44%	109%
Total	41 558	65 899	80 825	79 752	91%	179%
<i>Percentage of Expenditure</i>						
Water & Sanitation	79%	88%	82%	79%		
Electricity	1%	2%	1%	1%		
Housing	0%	0%	0%	0%		
Roads & Stormwater	6%	0%	0%	6%		
Other	14%	11%	17%	14%		

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.

5.6 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					
R' 000					
Name of Project	2022/23			Variance 2022/23	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Ikwezi Bulk Water Supply	38 061	38 061	34 138	103.15%	103.15%
B – Collie Koeberg Sport Fields	12 416	12 416	12 417	100%	100%
C - WILLOWMORE BULK WATER SUPPL STEEL PIPELINE WANHOOP	9 429	9 429	9 429	100%	100%
D – GRT BULK WATER SUPPLY PH2	8 939	8 939	8 939	100%	100%
E – GRT UPG/REFURB SEWER PUMP STATIONS	5 014	5 014	5 014	100%	100%
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	Ikwezi Bulk Water Supply				
Objective of Project	To Augment water supply in Jansenville and surrounding areas				
Delays	None				
Future Challenges	Phase 1 Completed successfully Multi- year Project				
Anticipated citizen benefits	6,500				
Name of Project - B	Collie Koeberg Sport Fields				
Objective of Project	To Upgrade Sport Stadiums/ Community Assets				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	67,595				
Name of Project - C	WILLOWMORE BULK WATER SUPPL STEEL PIPELINE WANHOOP				
Objective of Project	Upgrade water supply Willowmore and surrounding areas				
Delays	None				
Future Challenges	Project completed successfully				
Anticipated citizen benefits	7,500				
Name of Project - D	GRT BULK WATER SUPPLY PH2				
Objective of Project	To Upgrade Water supply in Graaff-Reinet and surrounding areas				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	67,595				
Name of Project - E	GRT UPG/REFURB SEWER PUMP STATIONS				
Objective of Project	Upgrading of sewer pump stations in Graaff-Reinet				
Delays	None				
Future Challenges	Multi-year project				
Anticipated citizen benefits	67,595				
T5.7.1					

COMMENT ON CAPITAL PROJECTS

T 5.7.1.1

5.7 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 2023				
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 : 2022/23

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. 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

5.8 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Ratepayers and Other	195 511	359 120	359 120	199 262
Government – Operating	174 083	139 481	158 247	201 422
Other receipts	4 432	56 252	56 252	2 004
Interest	308	1 590	1 590	646
Suppliers and Employees	(324 655)	(423 279)	(337 545)	(308 704)
NET CASH FROM / (USED) OPERATING ACTIVITIES	49 679	133 165	237 664	94 630
CASHFLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal	1 608	-	-	21
Increase in PPE	(55 750)	(65 899)	(80 825)	(75 238)
NET CASHFLOWS FROM / (USED) INVESTING ACTIVITIES	(54 141)	(65 899)	(80 825)	(75 217)
CASHFLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Consumer deposits	-	(243)	(243)	-
Increase (Decrease) in financial liabilities	(3 147)	-	-	(8 526)
NET CASH FROM / (USED) FINANCING ACTIVITIES	(3 147)	(243)	(243)	(8 526)

NET INCREASE/(DECREASE) IN CASH HELD	(1 315)	67 023	156 596	10 888
Cash/cash equivalents at the year begin	2 634	1 319	1 319	1 319
Cash/cash equivalents at the year end	1 319	68 342	157 915	12 206
				<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

5.9 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	202/20201 Actual	2021/22 Actual	202/23 Actual
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank		1 319	12 206
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		1 319	12 206
			<i>T 5.10.2</i>

COMMENT ON BORROWING AND INVESTMENTS

T5.10.3

The municipality did not enter any borrowing contracts during the financial year ended 30 June 2023. Cash and cash equivalents amounted to R12 205 934 at 30 June 2023. The municipality does not have any municipal entities under its control.

5.10 PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any public private partnerships.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 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

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 2022/23.

SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2022/23

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 2022/23

- 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

5.12 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

5.13 MSCOA IMPLEMENTATION

T 5.14.1

The Dr Beyers Naudé Local Municipality has converted to mSCOA and is reporting monthly. Challenges were experienced during 2022/23, that were addressed accordingly.



Dr. Beyers Naudé
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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 improved for prior year with the municipality receiving its first unqualified 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.

6.1 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
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 : 2021/22

Audit Report Status**:	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 2022/23

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 202/23

Audit Report Status*:	Unqualified 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 : 2022/23*

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 2022/23 FINANCIAL STATEMENTS

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 2022/23 AUDITOR-GENERAL'S REPORT IS ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT.*

T 6.2.3

- ❖ *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 2022/23

COUNCIL MEMBERS	FULL TIME / PART TIME FT/PT	COMMITTEES ALLOCATED	WARD AND / OR PARTY REPRESENTED	% OF COUNCIL MEETINGS ATTENDED	% APOLOGIES FOR NON- ATTENDANCE
AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS (24 COUNCILLORS)					
Cllr: Willem. Jacobus Säfers	FT	Chair of EXCO Chair of IDP Rep Forum & political champion of the IDP	Mayor and PR Councillor	100%	0%
Cllr: Cheslin Felix	FT	Chairperson of Council	Speaker & PR Councillor	100%	0%
Cllr: Yvonne. Frazenburg	PT		Ward 1 Councillor	100%	0%
Cllr: Ricardo Smith	PT	Community Services Committee	Ward 2 Councillor	100%	0%
Cllr: Annela. Koeberg	PT	Community Services Committee	Ward 3 Councillor	100%	0%
Cllr: Xolile Galada	PT	MPAC	Ward 5 Councillor	100%	0%
Cllr: Joy Williams	PT	Community Services Committee	Ward 4 Councillor	100%	0%
Cllr: Andile. Nofemele	PT	Local Labour Forum	Ward 6 Councillor	100%	0%
Cllr: Nathan Jacobs	PT	Infrastructure Services Committee & BTO	Ward 7 Councillor	100%	0%
Cllr: Ewald Look	PT	Chairperson of BTO EXCO Member	Ward 8 Councillor	100%	0%
Cllr: H Booyesen	PT	Infrastructure Services Committee	Ward 9 Councillor	100%	0%
Cllr: I Bolligello	PT	MPAC	Ward 10 Councillor	93.75%	6.25%
Cllr: Abraham Arries	PT	Corporate Services Committee	Ward 11 Councillor	100%	0%
Cllr: Danie Bezuidenhout	PT	Infrastructure Services Committee	Ward 12 Councillor	87.5%	12.5%
Cllr: Sakkie. Van Zyl	PT	MPAC	PR Councillor	100%	0%

Cllr: Eldridge Ruiters	PT	Chairperson of Corporate Services Committee EXCO Member	PR Councillor	100%	0%
Cllr: A van Heerden	PT	Rules & Ethics Committee	PR Councillor	93.75%	6.25%
Cllr: Eunice. Khunjuzwa. Kekana	PT	EXCO Member Chairperson of Community Services Committee	PR Councillor	100%	0%
Cllr: Tracey-Lee. Plaaitjies	PT	MPAC Chairperson	PR Councillor	68.75%	31.25%
Cllr: Garry. Wiehahn	PT	Corporate Services Committee	PR Councillor	100%	0%
Cllr: James. Lomborg	PT	Local Labour Forum	PR Councillor	100%	0%
Cllr: Katie. Hendricks	PT	BTO Committee	PR Councillor	68.75%	31.25%
Cllr: Thembekile. Spogter	PT	Whip of Council	PR Councillor	100%	0%
Cllr: Mandy. Deyzel	PT	BTO Committee	PR Councillor	100%	0%

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
	Senior Manager Strategic Services: Mr H. Hendricks
	Chief Internal Audit Executive: Mr G. Maya
	Acting IDP Manager: Miss Z. Fikeni (from October 2022)
	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
	Manager: Records and Archives: Ms. C. Cona
	Acting Area Manager: Mr Nico Barnard (from 1 July to 30 December 2022/ Willowmore)
	Acting Area Manager: Ms. Zenobia Hendricks (from 1 January 2023 to 30 June 2023)
	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) until February 2023	
Community Services	Director Community Services: Mr. G. W. Hermanus
	Manager Protection Services: Mr W. Clingen (from 1 September 2022 to 30 April 2023)
	Manager Community Services: Mr Melvin Pietersen
Budget & Treasury	Chief Financial Officer: Mr Jimmy Joubert (1 December 2022)
	Manager Reporting: Mr S. Mbotya
	Manager Revenue: Ms D. Thorne
	Manager Supply Chain Management: Mr R. Jegels
	Manager Assets: Mr. R. Deysel
	Manager Expenditure: Mr. J. Booyesen
	Manager ICT: Mr. C. Thomson
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

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
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 2022/23	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 2022/23	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 2022/23	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 2022/23	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 2022/23	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 2022/23	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 2022/23	0	4	0
8	Cllr Ewald Loock - Abbey-Gail Lukas - Henry Blou - Jane Zaayman - El-Christo Gouws - Kenward Neil Sarels	Yes, during 2022/23	0	4	0

9	Cllr H Booyesen - 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 2022/23	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 2022/23	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 2022/23	0	4	0
12	Cllr Daniel Bezuidenhout - Sophia Stout - Willem Jaftha - Kiewiet Witbooi - Elwean Fischer - Joe Kobe - Nonzaliseko Ntshsiza - Thozamile Jack - Portia Erasmus	Yes, during 2022/23	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 2022/23
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 2022/23
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 2022/23
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 2022/23
-----	--------------------------	-------------------------

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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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 2022/23
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.*

TF

TO BE INCLUDED

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS 2022/23	RECOMMENDATIONS ADOPTED (Y or N)

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

Period 1 July 2022 to 30 June 2023

POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST
Mayor	Willem Jacobus Säfers	Declared that there was no financial interest
Speaker	Cheslin Felix	Declared that there was no financial interest
Councillor	Thembekile Spogter	Declared that there was no financial interest
Councillor	Eldrige Ruiters	Declared that there was no financial interest
Councillor	Eunice Kekana	Declared that there was no financial interest
Councillor	Katie Hendricks	Declared that there was no financial interest
Councillor	Tracy Plaatjies	Declared that there was no financial interest
Councillor	Adriaan Van Heerden	Declared that there was no financial interest
Councillor	Isak Jacobus Van Zyl	Declared that there was no financial interest
Councillor	Garry Wiehahn	Declared that there was no financial interest
Councillor	J. Lomberg	Declared that there was no financial interest
Councillor	Mandy Deyzel	Declared that there was no financial interest
Councillor	Y. Frazenburg	Declared that there was no financial interest
Councillor	Ricardo Smith	Declared that there was no financial interest
Councillor	Anella Koeberg	Declared that there was no financial interest
Councillor	Joy Juanita Williams	Declared that there was no financial interest
Councillor	Xolile Mzimkulu Galada	Membership of close corporation; other financial interest in business undertaking
Councillor	Andile Nofemele	Declared that there was no financial interest
Councillor	Nathan Jacobs	Declared that there was no financial interest
Councillor	Hendrik Booysen	Declared that there was no financial interest
Councillor	Ewald Laurens Loock	Other financial interest in business undertaking
Councillor	Jacquin Bolligello	Declared that there was no financial interest
Councillor	Abraham Arries	Declared that there was no financial interest
Councillor	Daniel Johannes Bezuidenhout	Membership of close corporation

Municipal Manager	Edward Martin Rankwana	Declared that there was no financial interest
Chief Financial Officer	Jimmy Joubert	Declared that there was no financial interest
Director Infrastructure Services	Benjamin Arends	Declared that there was no financial interest
Director Community Services	G.W.Hermanus	Declared that there was no financial interest
Director Corporate Services	Zoleka Viola Kali	Declared that there was no financial interest
Chief Operations Officer	Hans Hendricks	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

EC101 Dr Beyers Naude - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - COUNCIL (10: IE)		36	57	57	1	10	57	(47)	-82,8%	57
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	22	22	-	217	22	195	886,9%	22
Vote 3 - CORPORATE SERVICES: ADMINISTRN (12: IE)		7 905	3 463	4 585	25	9 468	4 585	4 884	106,5%	4 585
Vote 4 - CORPORATE SERVICES: COMM SERV (13: IE)		33 126	36 428	36 428	2 360	36 093	36 428	(336)	-0,9%	36 428
Vote 5 - CORPORATE SERVICES: PROTECTION (14: IE)		3 885	10 350	10 350	1 178	6 303	10 350	(4 048)	-39,1%	10 350
Vote 6 - FINANCIAL SERVICES (16: IE)		155 133	175 804	175 804	714	147 219	175 804	(28 585)	-16,3%	175 804
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18: IE)		141 031	184 931	199 707	12 924	174 481	199 707	(25 225)	-12,6%	199 707
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)		126 984	171 623	171 038	11 466	117 736	171 038	(53 302)	-31,2%	171 038

APPENDIX K (ii) : REVENUE COLLECTION PERFORMANCE BY SOURCE

EC101 Dr Beyers Naude - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		40 403	41 833	41 833	(150)	42 323	41 833	490	1%	41 833
Service charges - electricity revenue		126 955	170 508	170 508	11 466	117 665	170 508	(52 843)	-31%	170 508
Service charges - water revenue		44 979	49 313	49 313	2 704	40 609	49 313	(8 704)	-18%	49 313
Service charges - sanitation revenue		26 869	48 129	48 129	1 976	33 259	48 129	(14 870)	-31%	48 129
Service charges - refuse revenue		32 227	20 845	20 845	1 748	26 624	20 845	5 779	28%	20 845
Rental of facilities and equipment		1 225	1 112	1 112	55	2 217	1 112	1 105	99%	1 112
Interest earned - external investments		308	1 590	1 590	26	646	1 590	(944)	-59%	1 590
Interest earned - outstanding debtors		5 651	5 290	5 290	1 333	10 899	5 290	5 609	106%	5 290
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		728	37	37	-	534	37	497	1333%	37
Licences and permits		963	1 965	1 965	53	895	1 965	(1 070)	-54%	1 965
Agency services		1 918	6 134	6 134	81	1 857	6 134	(4 277)	-70%	6 134
Transfers and subsidies		106 712	119 250	119 787	1 605	117 261	119 787	(2 526)	-2%	119 787
Other revenue		11 793	50 722	50 722	1 268	23 742	50 722	(26 980)	-53%	50 722
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		400 729	516 727	517 264	22 163	418 531	517 264	(98 733)	-19%	517 264

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

Description	Ref	2021/22	Budget Year 2022/23							
		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:		103 968	111 783	111 783	561	111 378	111 783	(405)	-0,4%	111 783
Equitable Share		99 316	107 059	107 059	-	107 059	107 059	-		107 059
Expanded Public Works Programme Integrated Grant		1 552	1 624	1 624	(353)	1 624	1 624	(0)	0,0%	1 624
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		3 100	3 100	3 100	914	2 695	3 100	(405)	-13,1%	3 100
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-		-
Water Services Infrastructure Grant		-	-	-	-	-	-	-		-
Provincial Government:		301	2 201	2 201	1 044	3 057	2 201	856	38,9%	2 201
GRANT CACADU (FIRE)		301	2 201	2 201	1 044	3 057	2 201	856	38,9%	2 201
District Municipality:		2 308	4 328	4 328	-	2 308	4 328	(2 020)	-46,7%	4 328
ENVIRONMENTAL HEALTH GRANT SBDM		-	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
Other grant providers:		135	938	1 475	-	518	1 475	(957)	-64,9%	1 475
Construction, Education and Training SETA		135	353	1 475	-	518	1 475	(957)	-64,9%	1 475
ESKOM		-	585	-	-	-	-	-		-
Total Operating Transfers and Grants	5	106 712	119 250	119 787	1 605	117 261	119 787	(2 526)	-2,1%	119 787
Capital Transfers and Grants										
National Government:		61 314	65 949	80 725	6 506	72 996	80 725	(7 729)	-9,6%	80 725
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Disaster Response Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		28 564	23 010	33 010	3 648	28 846	33 010	(4 164)	-12,6%	33 010
Regional Bulk Infrastructure Grant		20 750	32 000	38 776	2 857	36 377	38 776	(2 399)	-6,2%	38 776
Water Services Infrastructure Grant		12 000	10 939	8 939	-	7 773	8 939	(1 166)	-13,0%	8 939
Total Capital Transfers and Grants	5	61 314	65 949	80 725	6 506	72 996	80 725	(7 729)	-9,6%	80 725
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	168 026	185 199	200 512	8 110	190 257	200 512	(10 255)	-5,1%	200 512

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

COMBINED WITH....

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

ON NEXT PAGE.

EC101 Dr Beyers Naude - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast	
R thousands	1									%	
Single Year expenditure appropriation	2										
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINSTRN (32: CAPEX)		-	-	150	-	-	150	(150)	-100%	150	
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416	
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	-	-	-	
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	1 100	1 100	607	-	1 100	(1 100)	-100%	1 100	
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	57 799	66 158	4 029	(0)	66 158	(66 158)	-100%	66 158	
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	1 000	1 000	-	-	1 000	(1 000)	-100%	1 000	
Total Capital single-year expenditure	4	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825	
Total Capital Expenditure		-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825	
Capital Expenditure - Functional Classification											
Governance and administration		-	1 100	1 250	607	-	1 250	(1 250)	-100%	1 250	
Finance and administration		-	1 100	1 250	607	-	1 250	(1 250)	-100%	1 250	
Community and public safety		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416	
Sport and recreation		-	6 000	12 416	2 379	(0)	12 416	(12 416)	-100%	12 416	
Trading services		-	58 799	67 158	4 029	(0)	67 158	(67 158)	-100%	67 158	
Energy sources		-	1 000	1 000	-	-	1 000	(1 000)	-100%	1 000	
Water management		-	48 784	57 144	2 857	(0)	57 144	(57 144)	-100%	57 144	
Waste water management		-	5 014	5 014	1 171	-	5 014	(5 014)	-100%	5 014	
Waste management		-	4 000	4 000	-	(0)	4 000	(4 000)	-100%	4 000	
Total Capital Expenditure - Functional Classification	3	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825	
Funded by:											
National Government		-	63 799	78 575	6 407	(0)	78 575	(78 575)	-100%	78 575	
Transfers recognised - capital		-	63 799	78 575	6 407	(0)	78 575	(78 575)	-100%	78 575	
		-	-	-	-	-	-	-	-	-	
Borrowing	6	-	-	-	-	-	-	-	-	-	
Internally generated funds		-	2 100	2 250	607	-	2 250	(2 250)	-100%	2 250	
Total Capital Funding		-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825	

CAPITAL PROGRAMME BY PROJECT					
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					

APPENDIX 0	CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

CAPITAL PROGRAMME BY PROJECT BY WARD		
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		

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
SCHOOLS (names, locations)				
CLINICS (names, locations)				
<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:		
TQ		

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

ANNEXURE 1 : ANNUAL FINANCIAL STATEMENTS

The 2022/23 Annual Financial Statements to be attached hereto .

ANNEXURE 2 : AUDITOR-GENERAL REPORT

The 2022/23 Auditor-General's Report to be attached hereto .

ANNEXURE 3 : AUDIT ACTION PLAN

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

ANNEXURE 4 : ANNUAL PERFORMANCE REPORT

The 2022/23 Annual Performance Report to be attached hereto.



Dr. Beyers Naudé

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rising together for development

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

AUDITED

Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

INDEX

The reports and statements set out below comprise the annual financial statements presented to the council:

1	GENERAL INFORMATION	3
2	ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL	4
3	STATEMENT OF FINANCIAL POSITION	5
4	STATEMENT OF FINANCIAL PERFORMANCE	6
5	STATEMENT OF CHANGES IN NET ASSETS	7
6	CASH FLOW STATEMENT	8
7	REPORTABLE SEGMENTS	9
8	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	12
9	ACCOUNTING POLICIES	16
10	NOTES TO THE FINANCIAL STATEMENTS	46

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 2023

GENERAL INFORMATION

Legal form of entity	The entity functions as a Local Municipality established under par 151 of the Constitution of the Republic of South Africa 1996, as amended.	
Nature of business and activities	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.	
Mayoral committee		
Mayor	Cllr W.J Safers	
Speaker	Cllr C Felix	
Executive Committee	Cllr W.J Safers Cllr E.A Ruiters	Cllr K.E Kekana Cllr E.L Loock
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 Booysen Cllr M Deysel Cllr X.N Galada Cllr N.A.V Jacobs Cllr A Mfundisi-Koeberg 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	
Chief Financial Officer	Mr J. Joubert	
Registered office	P.O. Box 71 Graaff Reinet 6280	
Business address	12 - 14 Caledon Street Graaff Reinet 6280	
Auditors	Auditor General of South Africa (AGSA) - 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 2023

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.

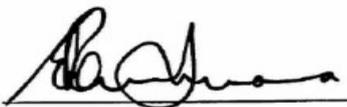
I, as the accounting officer acknowledges that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for 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.

I am 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.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light this review and the current financial position, I am 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 2023 and were signed by him:



Dr E.M RANKWANA
ACCOUNTING OFFICER
31 AUGUST 2023

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

Figures in Rand	Notes	2023	2022 Restated*
ASSETS			
Current Assets			
VAT Receivable	3	29 876 388	22 589 342
Inventories	4	3 703 602	3 337 782
Other Receivables	5	6 706 804	6 377 992
Statutory Receivables from Non-Exchange Transactions	6	4 140 443	4 463 256
Receivables from Exchange Transactions	7	15 195 078	19 733 992
Cash and Cash Equivalents	8	12 205 934	1 318 838
		71 828 249	57 821 202
Non-Current Assets			
Investment Property	9	27 334 130	27 375 496
Property, Plant and Equipment	10	1 083 571 467	1 066 699 024
Intangible Assets	11	5	5
Heritage Assets	12	11 097 670	11 097 670
		1 122 003 272	1 105 172 195
Total Assets		1 193 831 521	1 162 993 398
LIABILITIES			
Current Liabilities			
Other financial liabilities	13	10 969 328	7 608 092
Payables from Exchange Transactions	14	632 154 937	475 946 645
Payables from Non-exchange Transactions	15	6 441 316	2 499 231
Consumer Deposits	16	3 904 501	3 819 562
Unspent Conditional Grants and Receipts	17	-	-
Provisions	18	1 872 820	1 872 820
Employee benefit obligation	19	3 958 589	2 116 409
		659 301 492	493 862 759
Non-Current Liabilities			
Other financial liabilities	13	1 265 563	13 153 240
Provisions	18	28 359 000	22 656 150
Employee benefit obligation	19	43 927 977	46 748 829
		73 552 540	82 558 219
Total Liabilities		732 854 032	576 420 978
Net Assets		460 977 489	586 572 419
NET ASSETS			
Accumulated Surplus		460 977 489	586 572 419

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

Figures in Rand	Notes	2023	2022 Restated*
REVENUE			
Revenue from Exchange Transactions			
Service charges	20	217 859 477	216 228 422
Agency services	21	2 141 061	2 080 418
Interest earned	22	14 587 383	9 995 498
Interest earned - Investments	22	646 234	308 051
Rental of facilities and equipment	23	2 217 010	1 224 933
Other revenue	24	5 504 311	6 380 276
Licences and permits	25	610 760	797 390
		243 566 235	237 014 988
Revenue from Non-exchange Transactions			
Taxation revenue			
Property Rates	26	42 322 650	40 403 016
Transfer revenue			
Fines, penalties and forfeits	27	491 895	699 200
Government grants and subsidies	28	201 422 771	174 082 540
Public contributions and donations	29	5 613 434	4 691 227
		249 850 750	219 875 983
Total Revenue		493 416 985	456 890 971
EXPENDITURE			
Employee related costs	30	(176 634 079)	(174 391 530)
Remuneration of councillors	31	(9 415 764)	(9 073 831)
Debt impairment	32	(85 274 789)	(67 945 628)
Depreciation and amortisation	33	(60 523 595)	(60 622 238)
Impairment loss	34	(487 093)	(2 327 873)
Finance cost	35	(57 371 140)	(32 737 701)
Bulk purchases	36	(112 710 799)	(115 745 654)
Operational Cost	37	(64 745 679)	(56 970 413)
Contracted Services	38	(48 655 675)	(49 883 396)
Operating Leases	40	(8 945 811)	(6 328 478)
Loss on disposal of assets	39	(1 889 632)	(1 013 344)
Total Expenditure		(626 654 056)	(577 040 086)
Deficit before actuarial gains and release from obligation		(133 237 071)	(120 149 115)
Actuarial gains	41	7 642 140	5 870 755
DEFICIT FOR THE YEAR		(125 594 930)	(114 278 360)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

Figures in Rand

	Accumulated Surplus	Total of Net Assets
Opening balance as previously reported	701 535 338	701 535 338
Adjustments for correction of errors		
Property, Plant and Equipment	(2 303 413)	(2 303 413)
Payables from exchange transactions	1 618 855	1 618 855
Balance at 01 July 2021 as restated*	700 850 780	700 850 780
Changes in net assets		
Deficit for the year	(114 278 360)	(114 278 360)
Balance at 01 July 2022 as restated*	586 572 419	586 572 419
Changes in net assets		
Deficit for the year	(125 594 930)	(125 594 930)
Balance at 30 June 2023	460 977 489	460 977 489

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Figures in Rand

	2023	2022 Restated*
Cash flow from operating activities		
Receipts		
Rates and services	199 262 119	195 510 505
Government grants and subsidies	201 422 771	174 082 540
Public contributions and donations	2 003 917	4 432 627
Interest - investment	646 234	308 051
	403 335 041	374 333 723
Payments		
Employee cost	(169 999 290)	(179 055 682)
Suppliers	(138 705 204)	(145 599 330)
	(308 704 494)	(324 655 012)
Net cash flow from operating activities	42 94 630 547	49 678 711
Cash flow from investing activities		
Purchase of property, plant and equipment	10 (75 237 545)	(55 749 627)
Proceeds from sale of property, plant and equipment	20 535	1 608 597
Net cash flow from investing activities	(75 217 010)	(54 141 030)
Cash flow from financing activities		
Movement in financial liabilities	(8 526 441)	3 146 712
Net cash flow from financing activities	(8 526 441)	3 146 712
Net increase/(decrease) in cash and cash equivalents	10 887 096	(1 315 607)
Cash and cash equivalents at the beginning of the year	1 318 838	2 634 445
Cash and cash equivalents at the end of the year	8 12 205 934	1 318 838

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

Figures in Rand

Segment Revenue	30 JUNE 2023				TOTAL
	Community and Public Safety	Economic and Environmental Services	Trading Services	Other Services	
External revenue from non-exchange transactions	5 364 620	35 125 895	50 529 536	158 830 699	249 850 750
External revenue from exchange transactions	1 564 264	3 120 133	241 148 987	(17 500 767)	228 332 618
Interest earned	-	-	-	15 233 617	15 233 617
	6 928 884	38 246 028	291 678 523	156 563 549	493 416 985
Segment Expenses					
Other segment expenses	-	-	(189 050 294)	(20 240 691)	(209 290 985)
Employee related cost	(25 708 537)	(32 273 744)	(47 392 507)	(71 259 291)	(176 634 079)
Depreciation and amortisation	(532 130)	(8 675 509)	(48 032 144)	(3 770 905)	(61 010 688)
Finance cost	-	-	-	(57 371 140)	(57 371 140)
Contracted Services	(4 682 678)	(4 684 450)	(30 994 700)	(8 293 846)	(48 655 675)
Operational Cost	(7 002 355)	(6 697 884)	(26 925 491)	(24 119 949)	(64 745 679)
Operating Leases	-	-	-	(8 945 811)	(8 945 811)
	(37 925 700)	(52 331 587)	(342 395 136)	(194 001 633)	(626 654 056)
Operating deficit	(30 996 815)	(14 085 558)	(50 716 613)	(37 438 084)	(133 237 071)
Other information					
Additions to non-current assets	12 416 246	-	67 158 254	177 431	79 751 931

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

Figures in Rand

Segment Revenue	30 JUNE 2022				TOTAL
	Community and Public Safety	Economic and Environmental Services	Trading Services	Other Services	
External revenue from non-exchange transactions	2 608 500	30 815 200	38 806 793	147 645 490	219 875 983
External revenue from exchange transactions	866 703	3 107 220	233 195 298	(10 149 732)	227 019 489
Interest earned	-	-	-	9 995 499	9 995 499
	3 475 203	33 922 420	272 002 091	147 491 256	456 890 971
Segment Expenses					
Other segment expenses	-	-	(156 545 801)	(39 560 528)	(196 106 329)
Employee related cost	(27 257 447)	(30 921 270)	(47 866 290)	(68 346 528)	(174 391 536)
Depreciation and amortisation	(532 267)	(8 701 581)	(48 099 896)	(3 288 495)	(60 622 239)
Finance cost	-	-	(131 437)	(32 606 264)	(32 737 701)
Contracted Services	(2 532 598)	-	(34 393 865)	(12 956 933)	(49 883 396)
Operational Cost	(6 627 059)	(6 231 873)	(20 486 529)	(23 624 948)	(56 970 409)
Operating Leases	-	-	-	(6 328 478)	(6 328 478)
	(36 949 370)	(45 854 724)	(307 523 818)	(186 712 174)	(577 040 086)
Operating deficit	(33 474 167)	(11 932 304)	(35 521 727)	(39 220 918)	(120 149 115)
Other information					
Additions to non-current assets	7 843 711	-	48 242 732	4 984 705	61 071 148

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

Budget on cash basis

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

Revenue from Exchange Transactions

Service charges	288 352 289	-	288 352 289	217 859 477	70 492 812	24%	N1
Agency services	5 675 359	-	5 675 359	2 141 061	3 534 298	62%	N2
Interest earned	8 993 131	-	8 993 131	14 587 383	(5 594 252)	-62%	N3
Interest earned - Investments	1 590 000	-	1 590 000	646 234	943 766	59%	N4
Rental of facilities & equipment	1 111 676	-	1 111 676	2 217 010	(1 105 334)	-99%	N5
Other revenue	2 905 149	-	2 905 149	5 504 311	(2 599 162)	-89%	N6
Licences and permits	2 423 841	-	2 423 841	610 760	1 813 082	75%	N7
Gains/(Loss) on disposal of assets and liabilities	44 558 124	-	44 558 124	-	44 558 124	100%	N8
	355 609 569	-	355 609 569	243 566 235	112 043 335		

Revenue from Non-exchange Transactions

Taxation revenue

Property Rates	41 832 685	-	41 832 685	42 322 650	(489 965)	-1%	N9
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Transfer revenue

Fines, penalties and forfeits	35 683	-	35 683	491 895	(456 212)	-1278%	N10
Government grants and subsidies	185 199 107	15 313 000	200 512 107	201 422 771	(910 664)	0%	N11
Public contributions and donations	-	-	-	5 613 434	(5 613 434)	100%	N12
	227 067 476	15 313 000	242 380 476	249 850 750	(7 470 274)		

Total Revenue

	582 677 045	15 313 000	597 990 045	493 416 985	104 573 060		
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EXPENDITURE

Employee related costs	188 378 247	(180 758)	188 197 489	176 634 079	11 563 411	6%	N13
Remuneration of councillors	9 047 372	239 141	9 286 513	9 415 764	(129 251)	-1%	N14
Debt impairment	4 599 217	(0)	4 599 217	85 274 789	(80 675 572)	-1754%	N15
Depreciation and amortisation	63 520 564	(1)	63 520 563	60 523 595	2 996 968	5%	N16
Impairment losses	-	-	-	487 093	(487 093)	0%	N17
Finance cost	1 356 918	30 000 000	31 356 918	57 371 140	(26 014 222)	-83%	N18
Bulk purchases	127 135 767	(4 000 000)	123 135 767	112 710 799	10 424 968	8%	N19
Contracted Services	19 281 896	1 425 000	20 706 896	48 655 675	(27 948 779)	-135%	N20
Operational Cost	84 346 934	94 097	84 441 032	64 745 679	19 695 353	23%	N21
Operating Leases	7 844 415	(137 475)	7 706 940	8 945 811	(1 238 871)	-16%	N22
Gains/(Loss) on disposal of assets and liabilities	-	-	-	1 889 632	(1 889 632)	100%	N8
	505 511 331	27 440 005	532 951 335	626 654 056	(93 702 721)		
Total Expenditure							
Operating deficit	77 165 714	(12 127 005)	65 038 710	(133 237 071)	198 275 781		

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

Budget on cash basis

Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	
Statement of financial position							
Current Assets							
Inventories	4 813 415	(224 269)	4 589 146	3 703 602	885 544	19%	N23
Other Receivables	(28 121 842)	1 370 436	(26 751 406)	36 583 191	(63 334 597)	237%	N24
Consumer Debtors	44 468 194	3 260 760	47 728 954	19 335 521	28 393 433	59%	N25
Cash and Cash Equivalents	58 423 445	5 083 844	63 507 289	12 205 934	51 301 355	81%	N26
	79 583 212	9 490 771	89 073 983	71 828 249	17 245 734		
Non Current Assets							
Investment Property	27 700 477	-	27 700 477	27 334 130	366 347	1%	N27
Property, Plant and Equipment	1 072 830 889	12 657 174	1 085 488 063	1 083 571 467	1 916 596	0%	N28
Intangible Assets	8 724	(8 720)	4	5	(1)	-25%	N29
Heritage Assets	11 097 671	-	11 097 671	11 097 670	1	0%	N30
	1 111 637 761	12 648 454	1 124 286 215	1 122 003 272	2 282 943		
TOTAL ASSETS	1 191 220 973	22 139 225	1 213 360 198	1 193 831 521	19 528 677		
Current Liabilities							
Borrowings	-	-	-	10 969 328	(10 969 328)	-100%	N31
Trade and other payables	317 205 564	147 699 857	464 905 421	638 596 253	(173 690 832)	-37%	N32
Consumer Deposits	3 576 777	242 785	3 819 562	3 904 501	(84 939)	-2%	N33
Provisions	7 118 030	282 563	7 400 593	5 831 409	1 569 184	21%	N34
Total Current Liabilities	327 900 371	148 225 205	476 125 576	659 301 492	(183 175 916)		
Non Current Liabilities							
Borrowings	10 240 951	(2 632 859)	7 608 092	1 265 563	6 342 529	83%	N31
Provisions	65 805 898	5 087 048	70 892 946	72 286 977	(1 394 031)	-2%	N35
Total Non Current Liabilities	76 046 849	2 454 189	78 501 038	73 552 540	4 948 498		
TOTAL LIABILITIES	403 947 220	150 679 394	554 626 614	732 854 032	(178 227 418)		
NET ASSETS	787 273 753	(128 540 169)	658 733 584	460 977 489	197 756 095		

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

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 throughout the year.
- N3** Slow payment of accounts by debtors have resulted in more interest charged 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. Consequently interest earned was lower than anticipated
- N5** Over performance related to the implementation of market related rentals. Post pandemic venue hire returning to normal
- N6** Wheeling revenue not considered in budget
- 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.
- N9** Low variance from actual
- N10** Budgeted on a cash basis where the current year includes the accruals not yet paid
- N11** No/minor deviation from grant schedules as budgeted.
- N12** Discount received from National Treasury (1% rebate), through regular payments made towards the audit fee debt. Donations by other government departments not communicated early enough
- N13** Budget considered all positions vacant being filled and anticipated increased employee related expenditure. High terminations during the year
- N14** Low variance from actual. Budget is in line with the upper limits regulations
- N15** Significant increase of debtors during the financial year due to free basic services (IGG) review process
- N16** Low variance from actual
- N17** No impairment foreseen
- N18** Estimated interest severely affected by non payment of creditors within legislated 30 days period due to severe cashflow constraints
- N19** Higher forecast due to actual tariff increases however loadshedding reduced consumption
- N20** Significant increase in sanitation and security services as a result of environmental health risks and an increase in vandalism
- N21** Financial position has resulted in significant reduction of expenditure. While municipal vehicle expenditure increased, the rest of the operational costs decreased significantly.
- N22** Increased reliance on operating leases

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

Financial Position

- N23** Timing. Higher usage of stock close to year end
- 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. VAT item is expected to be a credit balance for the VAT suspense on the growing debt owed to the municipality but creditors balance remains high and VAT claimable resulting in VAT debit balance/receivable.
- N25** High level of provision for doubtful debts accounted for in the actual balance
- N26** Severe cash flow problems due to the failure to materialize the planned land sales and low collection of long outstanding debt resulting in below budget.
- N27** Actual in line with budget
- N28** Actual in line with budget
- N29** Actual in line with budget
- N30** Actual in line with budget
- 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** Actual in line with budget
- N34** Employee benefit obligation reduced from prior year as opposed to forecasted increase. Mainly due to high terminations in employee numbers
- N35** Actual in line with budget

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 (No. 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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 kilolitre.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.8 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight line	30 - 100 years
Infrastructure		
Roads and paving	Straight line	50 years
Water	Straight line	15 - 20 years
Electricity	Straight line	20 - 30 years
Sewerage	Straight line	15 - 20 years
Landfill sites	Straight line	30 years
Community		
Recreational facilities	Straight line	20 - 50 years
Museums and art galleries	Straight line	20 - 50 years
Security measures	Straight line	5 years
Cemeteries	Straight line	25 - 30 years
Community halls	Straight line	30 - 100 years
Transport assets		
Specialised vehicles	Straight line	10 years
Other vehicles	Straight line	5 years
Other property, plant and equipment		
Office equipment	Straight line	3 - 7 years
Furniture and fittings	Straight line	7 - 20 years
Bins and Containers	Straight line	5 years
Emergency equipment	Straight line	5 years
Plant and equipment	Straight line	2 - 5 years
Airports	Straight line	15 years
Computer equipments	Straight line	3 - 7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 of 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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.13 Provisions and contingencies (continued)

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement.

Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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-imbusement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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).

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

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 the municipality has 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

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2022/2023 annual financial statements.

GRAP 25 (As revised): Employee Benefits

IGRAP 7: Limit on a Defined Benefit Asset Min Fund requirement and interact

IGRAP 21: The effect of Past Decisions on Materiality

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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:

- GRAP 1: Presentation of Financial Statements
- GRAP 103 Heritage assets
- GRAP 104 (As revised) 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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
3. VAT RECEIVABLE		
VAT	29 876 388	22 589 342

Prior year VAT Receivable has been restated. Refer to prior period errors note for information.

Dr Beyers Naude Municipality is registered for VAT on the payment basis. All VAT returns have been timeously submitted on the due dates. The South African Revenue Services (SARS) charges interest and penalties on late payments.

4. INVENTORIES

Consumable stores	2 967 619	2 802 259
Water	735 983	535 523
	3 703 602	3 337 782

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 R16,645 (2022: R140,959) was written off during the year.

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

5. OTHER RECEIVABLES

Sundry deposits	510 900	460 900
Sundry debtors	547 411	552 747
Meter readings not yet billed	5 179 993	4 725 980
Fines accrual	468 500	638 365
	6 706 804	6 377 992

6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Consumer debtors - Rates	4 140 443	4 463 256
Rates	37 534 152	31 882 900
Less: Allowance for impairment	(33 393 709)	(27 419 644)
Net Balance	4 140 443	4 463 256

Ageing

Current (0-30 days)	1 712 637	2 491 146
31 - 60 days	816 882	659 507
61 - 90 days	687 441	517 808
91 - 120 days	673 197	466 365
121 days +	33 643 995	27 748 074
	37 534 152	31 882 900

Summary of debtors by customer classification

Residential

Current (0-30 days)	1 418 107	1 369 981
31 - 60 days	472 406	346 077
61 - 90 days	372 079	245 371
91 - 120 days	367 634	215 816
121 days +	13 659 312	12 025 692
	16 289 538	14 202 937

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (Continued)		
Summary of debtors by customer classification (Continued)		
Industrial/commercial		
Current (0-30 days)	493 954	382 968
31 - 60 days	322 239	290 127
61 - 90 days	299 700	249 994
91 - 120 days	293 366	231 992
121 days +	17 256 540	14 123 760
	18 665 799	15 278 841
National and provincial government		
Current (0-30 days)	(199 424)	(384 852)
31 - 60 days	22 236	23 304
61 - 90 days	15 663	22 442
91 - 120 days	12 196	18 557
121 days +	2 728 144	2 721 671
	2 578 815	2 401 122
Total		
Current (0-30 days)	1 712 637	1 368 097
31 - 60 days	816 882	659 508
61 - 90 days	687 441	517 807
91 - 120 days	673 197	466 365
121 days +	33 643 995	28 871 123
Less: Impairment	(33 393 709)	(27 419 644)
	4 140 443	4 463 256
Total debtors past due but not impaired		
61 - 90 days	197 633	171 348
91 - 120 days	144 940	120 479
121 days +	2 266 851	2 846 206
Reconciliation of allowance for impairment		
Balance at beginning of the year	(27 419 644)	(21 480 226)
Bad debts written off against allowance	1 762 895	806 442
Current year's impairment	(7 736 960)	(6 745 860)
	(33 393 709)	(27 419 644)

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Gross balances		
Electricity	13 793 551	14 940 846
Water	75 067 161	59 962 747
Sewerage	52 236 624	35 430 110
Refuse	62 965 441	49 706 186
Housing	161 430	160 008
Sundry	5 717 177	4 939 933
	<u>209 941 385</u>	<u>165 139 830</u>
Less: Allowance for impairment		
Electricity	(7 822 865)	(5 492 772)
Water	(71 336 112)	(55 674 011)
Sewerage	(49 437 337)	(32 847 894)
Refuse	(61 113 227)	(47 025 571)
Housing	(160 698)	(159 012)
Sundry	(4 876 068)	(4 206 578)
	<u>(194 746 307)</u>	<u>(145 405 838)</u>
Net balance		
Electricity	5 970 687	9 448 074
Water	3 731 049	4 288 736
Sewerage	2 799 287	2 582 216
Refuse	1 852 215	2 680 615
Housing	732	996
Sundry	841 109	733 355
	<u>15 195 078</u>	<u>19 733 992</u>
Electricity		
Current (0-30 days)	5 460 903	8 365 519
31 - 60 days	751 200	958 869
61 - 90 days	489 060	473 202
91 - 120 days	481 641	327 212
121 days +	6 610 747	4 816 044
	<u>13 793 551</u>	<u>14 940 846</u>
Water		
Current (0-30 days)	3 606 868	5 900 230
31 - 60 days	3 042 565	2 818 169
61 - 90 days	2 923 698	2 167 559
91 - 120 days	2 619 613	2 110 216
121 days +	62 874 416	46 966 573
	<u>75 067 161</u>	<u>59 962 747</u>
Sewerage		
Current (0-30 days)	3 301 020	2 274 707
31 - 60 days	2 701 362	1 445 226
61 - 90 days	2 363 834	1 336 048
91 - 120 days	2 088 701	1 163 878
121 days +	41 781 707	29 210 251
	<u>52 236 624</u>	<u>35 430 110</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Refuse		
Current (0-30 days)	2 711 822	2 573 368
31 - 60 days	2 347 957	1 915 154
61 - 90 days	2 098 621	1 790 220
91 - 120 days	1 985 397	1 607 088
121 days +	53 821 645	41 820 356
	62 965 441	49 706 186
Housing rental		
Current (0-30 days)	384	1 620
31 - 60 days	384	295
61 - 90 days	384	295
91 - 120 days	384	-
121 days +	159 894	157 798
	161 430	160 008
Sundry		
Current (0-30 days)	129 406	1 053 528
31 - 60 days	84 475	87 948
61 - 90 days	77 374	85 209
91 - 120 days	86 928	87 137
121 days +	5 338 994	3 626 111
	5 717 177	4 939 933
Summary of debtors by customer classification		
Residential		
Current (0-30 days)	13 030 152	7 944 453
31 - 60 days	7 789 974	5 881 815
61 - 90 days	7 131 834	5 051 176
91 - 120 days	6 499 726	4 790 071
121 days +	151 147 064	116 171 832
	185 598 749	139 839 347
Industrial/commercial		
Current (0-30 days)	1 395 203	5 042 323
31 - 60 days	507 190	651 529
61 - 90 days	387 507	421 934
91 - 120 days	372 470	341 742
121 days +	13 051 789	10 560 041
	15 714 159	17 017 569
National and provincial government		
Current (0-30 days)	785 049	1 969 188
31 - 60 days	630 778	692 317
61 - 90 days	433 630	379 422
91 - 120 days	390 469	163 719
121 days +	6 388 552	5 078 266
	8 628 477	8 282 912

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)		
Total		
Current (0-30 days)	15 210 403	14 955 964
31 - 60 days	8 927 942	7 225 661
61 - 90 days	7 952 971	5 852 532
91 - 120 days	7 262 665	5 295 532
121 days +	170 587 404	131 810 139
Less: Impairment	<u>(194 746 307)</u>	<u>(145 405 838)</u>
	<u>15 195 078</u>	<u>19 733 990</u>
Impairment:	<u>(194 746 307)</u>	<u>(145 405 838)</u>
Total debtors past due but not impaired		
61 - 90 days	997 942	1 099 801
91 - 120 days	679 500	666 898
121 days +	4 911 056	6 201 228
Reconciliation of allowance for impairment		
Balance at beginning of the year	(145 405 838)	(100 902 604)
Bad debts written off against allowance	24 796 446	16 696 534
Current year's impairment	<u>(74 136 915)</u>	<u>(61 199 768)</u>
	<u>(194 746 307)</u>	<u>(145 405 838)</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	4 305	5 005
Bank Accounts	1 369 307	342 917
Current Investments	10 832 322	970 916
Total Bank, Cash and Cash Equivalents	<u>12 205 934</u>	<u>1 318 838</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
ABSA - Cheque Account - 4053623514	61 709	69 902	-	-
Standard Bank - Cheque - Primary	1 174 495	72 375	1 312 652	220 461
Standard Bank - Cheque - 0332104206	34 677	77 136	56 655	122 456
ABSA Investments - 9257114251	30 171	28 938	30 171	28 938
Investec - 1100458805501	-	2 938	-	2 938
Standard bank - FMG Call account - /002	9 803 132	4 456	9 803 132	4 456
Standard bank - FMG Call account - /003	3 115	3 012	3 115	3 012
Standard bank - FMG Call account - /004	11 837	10 224	11 837	10 224
Standard bank - FMG Call account - /006	984 067	921 348	984 067	921 348
	<u>12 103 203</u>	<u>1 190 328</u>	<u>12 201 629</u>	<u>1 313 833</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	28 951 841	(1 617 711)	27 334 130	28 951 841	(1 576 345)	27 375 496

Reconciliation of investment property - 2023

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	470 294	(41 366)	428 928
	27 375 496	(41 366)	27 334 130

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

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

	2023			2022		
	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	54 489 230	(21 347 011)	33 142 219	54 830 177	(18 271 289)	36 558 888
Infrastructure	1 146 663 476	(368 771 610)	777 891 866	1 134 079 871	(316 523 637)	817 556 234
Community	29 854 350	(5 790 218)	24 064 132	29 854 350	(4 690 682)	25 163 668
Work-in-progress	87 735 665	-	87 735 665	26 497 101	-	26 497 101
Landfill sites	20 530 582	(3 899 991)	16 630 591	20 717 368	(3 214 659)	17 502 709
Transport assets	22 648 679	(11 318 079)	11 330 600	19 039 161	(9 362 249)	9 676 912
Other assets	22 596 925	(11 086 593)	11 510 332	22 180 856	(9 703 405)	12 477 451
Total	1 505 784 968	(422 213 501)	1 083 571 467	1 428 464 945	(361 765 921)	1 066 699 024

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

					2023	2022
					R	Restated* R
10. PROPERTY, PLANT AND EQUIPMENT (Continued)						
Reconciliation of property, plant and equipment - 2023						
	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 266 061	-	-	-	-	121 266 061
Buildings	36 558 888	-	(194 831)	-	(3 221 838)	33 142 219
Infrastructure	817 556 234	5 065 467	(1 655 374)	9 500 747	(52 575 207)	777 891 867
Community	25 163 668	-	-	-	(1 099 536)	24 064 132
Work-in-progress	26 497 101	70 622 317	-	(9 383 754)	-	87 735 664
Landfill sites	17 502 709	-	(36 288)	(116 993)	(718 838)	16 630 590
Transport assets	9 676 912	3 609 518	-	-	(1 955 829)	11 330 601
Other assets	12 477 451	454 629	(23 674)	-	(1 398 074)	11 510 333
	1 066 699 025	79 751 931	(1 910 167)	-	(60 969 322)	1 083 571 467

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	23 010 075	13 472 878	-	(9 985 852)	-	26 497 101
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
	1 071 149 845	61 071 148	(2 621 940)	-	(62 900 028)	1 066 699 025

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 R487 093 (2022: R2 327 873) 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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

R

2022
Restated*
R

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

No assets were pledged as security for liabilities

The municipality has various assets that are fully depreciated which are still in use. These assets are immaterial in value (averaging R105 per item) and will be replaced once funding is made available.

The following projects (included in work-in-progress) is taking a significant longer period to complete:

Project	Carrying value	Reason for delays
Installation bulk water&sewerage infrastructure	501 975	The planned settlement was halted due to financial constraints and lack of developers to develop the infrastructure
Upgrading of Thembalesizwe sewerage systems	19 691	
GRT: Rehabilitation of stormwater	375 319	Awaiting grant funding approval. Due to be implemented during 2023/24 financial year as per Budget
GRT: Improve performance of filters at water treatment works	274 800	

11. INTANGIBLE ASSETS

	2023			2022		
	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	(362 558)	5

Reconciliation of intangible assets - 2023

	Opening balance	Amortization	Total
Computer software	5	-	5
	<u>5</u>	<u>-</u>	<u>5</u>

Reconciliation of intangible assets - 2022

	Opening balance	Amortization	Total
Computer software	8 724	(8 719)	5
	<u>8 724</u>	<u>(8 719)</u>	<u>5</u>

12. HERITAGE ASSETS

	2023			2022		
	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

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
12. HERITAGE ASSETS (Continued)		
Reconciliation of heritage assets - 2023	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
	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
	11 097 670	11 097 670
No heritage assets have been pledged as collateral for liabilities of the municipality.		
13. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Performance security deposit- Utilities world	12 234 891	20 761 332
Total other financial liabilities	12 234 891	20 761 332
An additional amendment performance security deposit is repayable over a period of 24 months from August 2022 to July 2024 at an interest rate of 25,41% per annum. The previous performance security was interest free and settled in August 2022.		
Non-current liabilities		
At amortised cost	1 265 563	13 153 240
Current liabilities		
At amortised cost	10 969 328	7 608 092
14. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables and other accruals	541 792 539	403 810 015
Retentions	5 232 094	4 327 223
Leave pay accrual	12 562 032	10 825 275
Bonus accrual	6 027 730	5 703 275
Debtors with credit balances	6 169 172	3 981 292
Statutory and non-statutory deductions	60 371 370	47 299 565
Total Payables	632 154 937	475 946 645
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	5 536 968	1 329 312
Debtors with credit balances	739 155	1 004 726
Total Payables	6 441 316	2 499 231

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
16. CONSUMER DEPOSITS		
Electricity	2 606 062	2 580 545
Water	1 272 909	1 213 436
Other sundry deposits	25 531	25 581
	3 904 501	3 819 562

No interest accrues on consumer deposits as Dr Beyers Naude Local Municipality is not a deposit taking entity in terms of the banking Act.

17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Total Unspent Conditional Grants	-	-
Movement during the year		
Balance at the beginning of the year	-	-
Additions during the year	86 639 536	70 470 794
Income recognition during the year	(86 639 536)	(70 470 794)
Balance at the end of the year	-	-

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

18. PROVISIONS

Reconciliation of provisions - 2023	Opening balance	Additions	Total
Legal proceedings	1 872 820	-	1 872 820
Rehabilitation of landfill sites	22 656 150	5 702 850	28 359 000
Total Provisions	24 528 970	5 702 850	30 231 820

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

Non-current liabilities	28 359 000	22 656 150
Current liabilities	1 872 820	1 872 820
	30 231 820	24 528 970

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
18. PROVISIONS (Continued)		
<p>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.</p>		
<p>The following are the landfill sites of the municipality:</p>		
Sites	Remaining useful life	
Jansenville	3 years remaining	
Klipplaat	6 years remaining	
Steytlerville	8 years remaining	
Willowmore	6 years remaining	
Rietbron	5 years remaining	
Aberdeen	18 years remaining	
Graaff-Reinet	13 years remaining	
Nieu-Bethesda	2 year remaining	
19. EMPLOYEE BENEFIT OBLIGATIONS		
Defined benefit plan		
<p>The plan is a post employment medical benefit plan</p>		
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	(35 024 954)	(36 347 762)
Present value of long service award	(12 861 612)	(12 517 476)
	<u>(47 886 566)</u>	<u>(48 865 238)</u>
Non-current liabilities	(43 927 977)	(46 748 829)
Current liabilities	(3 958 589)	(2 116 409)
	<u>(47 886 566)</u>	<u>(48 865 238)</u>
Changes in the present value of the employee benefit obligation are as follows:		
Opening balance	(48 865 238)	(49 359 399)
Benefits paid	1 746 931	2 626 746
Net expense recognised in the statement of financial performance	(768 259)	(2 132 585)
Balance at end of Year	<u>(47 886 566)</u>	<u>(48 865 238)</u>
Net expense recognised in the statement of financial performance		
Current service cost	(2 664 467)	(2 532 866)
Interest cost	(5 745 932)	(5 470 474)
Actuarial gains	7 642 140	5 870 755
	<u>(768 259)</u>	<u>(2 132 585)</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
19. EMPLOYEE BENEFIT OBLIGATIONS (Continued)		
Key assumptions used		
Assumptions used at the reporting date:		
Discount Rate used	12,78%	12,50%
Health Care Cost Inflation Rate	8,82%	9,48%
Net Discount Rate used	3,64%	2,76%
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 2023 was 74.10, with an average employer monthly contribution of R3,675		
Number of active employees: 218		
Average age of active employees as at 30 June 2023 was 45.53, with an average employer monthly contribution of R2,612.		
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 2023 by One Pangaea expertise & solutions using the Projected Unit Credit Method.		
Long Service Award Provision		
The Long Service Award is payable after every 5, 10, 15, 20, 25, 30, 35, 40 and 45 years of continuous service. The provision is an estimate of the amounts likely to be paid based on an actuarial valuation performed at the reporting date.		
The actuarial valuation of the long service awards accrued liability was carried out by One Pangaea expertise & solutions. The assumptions used in the valuation are outlined below:		
Key Assumptions:		
1. Salary increase rate at 6,32% (2022 - 7,73%)		
2. The mortality rate of SA 85 - 90.		
3. Normal retirement age of 65 years.		
4. Assumed retirement age is 62 years.		
5. CPI rate is 5,32% (2022 - 6,73%)		
6. Discount rate used 10,60% (2022 - 10,41%).		
7. Net Discount rate used 4,03% (2022 - 2,49%)		
20. SERVICE CHARGES		
Sale of Electricity	117 419 584	126 541 469
Sale of Water	40 569 574	40 693 038
Sewerage and Sanitation Charges	33 246 237	22 283 790
Refuse Removal	26 624 082	26 710 125
	<u>217 859 477</u>	<u>216 228 422</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
21. AGENCY SERVICES		
eNatis commission	2 141 061	2 080 418
<p>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.</p>		
22. INTEREST EARNED		
Outstanding Debtors:		
Outstanding Billing Debtors	14 587 383	9 995 498
External Investments:		
Bank Account	41 577	13 498
Investments	604 657	294 553
	646 234	308 051
Total Interest Earned	15 233 617	10 303 549
23. RENTAL OF FACILITIES AND EQUIPMENT		
Premises		
Rental of Facilities and Equipment	2 217 010	1 224 933
24. OTHER REVENUE		
Administrative charge	162 624	89 373
Building plan fees	254 307	217 704
Commission received	253 130	248 344
Tender deposits	85 437	58 390
Connections - Electricity	297 740	478 846
Cost recoveries	34 305	5 387
Burial and cemetery fees	98 955	89 001
Insurance proceeds	196 149	233 740
Library fees	7 163	5 735
Unallocated deposits revenue	1 291 266	2 367 273
Valuation certificates	357 797	341 903
Eskom Wheeling revenue	2 290 403	2 102 859
Sundry income	175 036	141 721
	5 504 311	6 380 276
25. LICENCES AND PERMITS		
Licences and permits	610 760	797 390

Included above are Drivers licence fees and learners licence fees.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
26. PROPERTY RATES		
Rates received		
Residential	15 081 878	14 563 384
Commercial	10 670 367	10 285 766
State	10 155 112	9 508 223
Small holdings and farms	6 415 293	6 045 643
	42 322 650	40 403 016
Valuations		
Residential	2 448 830 621	2 431 056 121
Commercial	737 936 400	736 292 400
State	690 401 260	690 401 260
Municipal	325 584 860	320 317 360
Agricultural	8 556 389 300	8 548 055 800
Exempt	279 053 810	279 281 200
Industrial	71 585 800	76 327 300
Multiple	18 805 100	18 805 100
	13 128 587 151	13 100 536 541

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 Property Act, 2004 (Act 6 of 2004).

27. FINES, PENALTIES AND FORFEITS

Traffic fines	491 895	699 200
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28. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants

Equitable Share	107 059 000	99 316 000
Sarah Baartman - fire grant	3 056 620	300 500
DSRAC Library Grant	2 308 000	2 308 000
EPWP integrated grant	1 624 000	1 552 000
Finance management grant	3 100 000	3 100 000
SETA Training Grant	518 224	135 246
Sarah Baartman - tourism grant	217 391	-
	117 883 236	106 711 746

Capital grants

Municipal infrastructure grant	33 010 000	28 564 000
Municipal Disaster Relief Grant	-	6 057 000
Water conservation and demand grant	8 939 000	12 000 000
Regional bulk infrastructure grant	41 590 536	20 749 794
	83 539 536	67 370 794

Total Government Grants and Subsidies

201 422 771	174 082 540
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DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
National: Equitable Share		
Current year receipts	107 059 000	99 316 000
Transferred to Revenue	<u>(107 059 000)</u>	<u>(99 316 000)</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	-	-
Current year receipts	33 010 000	28 564 000
Conditions met - transferred to Revenue	<u>(33 010 000)</u>	<u>(28 564 000)</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	41 590 536	20 749 794
Conditions met - transferred to Revenue	<u>(41 590 536)</u>	<u>(20 749 794)</u>
	<u>-</u>	<u>-</u>

RBIG allocation is received from the department of water and sanitation to assist with drought alleviation in the municipality.

The grant is received in tranches based on the spending by the municipality. The grant is therefore a reimbursement. A receivable is recognised due to the fact that an amount was spent in the prior year and claimed but the receipt of the grant was only in the new year resulting in a receivable at year end.

SETA Training Grant

Current year receipts	518 224	135 246
Conditions met - transferred to Revenue	<u>(518 224)</u>	<u>(135 246)</u>
	<u>-</u>	<u>-</u>

SETA grant is a mandatory funding received from MICT SETA derived from the skills levy paid by the municipality

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
28. GOVERNMENT GRANTS AND SUBSIDIES (Continued)		
Finance Management Grant		
Current year receipts	3 100 000	3 100 000
Conditions met - transferred to Revenue	<u>(3 100 000)</u>	<u>(3 100 000)</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	3 056 620	300 500
Transferred to Revenue	<u>(3 056 620)</u>	<u>(300 500)</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	1 624 000	1 552 000
Transferred to Revenue	<u>(1 624 000)</u>	<u>(1 552 000)</u>
	<u>-</u>	<u>-</u>
<p>This grant is used pay stipends for unemployed youths through the EPWP programme.</p>		
Sarah Baartman district - Tourism Grant		
Current year receipts	217 391	-
Transferred to Revenue	<u>(217 391)</u>	<u>-</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	8 939 000	12 000 000
Transferred to Revenue	<u>(8 939 000)</u>	<u>(12 000 000)</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>-</u>	<u>(6 057 000)</u>
	<u>-</u>	<u>-</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
29. PUBLIC CONTRIBUTIONS AND DONATIONS		
Public Contributions and Donations	5 613 434	4 691 227
<p>The Sarah Baartman District Municipality donated two vehicles to the value of R1,087,996. The department of forestry and fisheries and environment donated one vehicle to the value of R2,521,521. An amount of R2,001,787 is attributable to the 1% donation from the National Treasury</p>		
30. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	120 501 211	122 324 640
Bonus	9 391 577	9 083 384
Medical aid - company contributions	7 954 175	7 146 213
Unemployment insurance fund	876 458	850 706
Skills Development Levy	1 500 087	1 498 387
Pension fund contributions	20 380 497	20 202 741
Travel, Motor Car, Accommodation, Subsistence allowance	3 681 377	3 490 439
Overtime Payments	10 227 606	7 888 654
Housing Benefits and Allowances	367 044	446 126
Other allowances	1 754 048	1 460 240
Total Employee Related Costs	176 634 079	174 391 530
Remuneration of Municipal Manager		
Annual Remuneration	1 366 793	1 470 357
Contributions to UIF, Medical and Pension Funds	168 632	167 989
Allowances	282 714	265 687
	1 818 139	1 904 033
Remuneration of Chief Financial Officer		
Annual Remuneration	1 103 460	880 024
Contributions to UIF, Medical and Pension Funds	14 976	11 521
Allowances	198 337	149 503
	1 316 773	1 041 049
Remuneration of Director - Corporate Services		
Annual Remuneration	924 217	751 162
Contributions to UIF, Medical and Pension Funds	169 493	160 385
Allowances	241 592	226 576
	1 335 302	1 138 123

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
30. EMPLOYEE RELATED COSTS (Continued)		
Remuneration of the Director - Planning and Engineering		
Annual Remuneration	1 051 868	1 035 560
Contributions to UIF, Medical and Pension Funds	14 927	14 499
Allowances	258 837	216 142
	1 325 631	1 266 201

Remuneration of Director - Community Services		
Annual Remuneration	1 007 384	951 560
Contributions to UIF, Medical and Pension Funds	14 835	14 065
Allowances	300 837	300 142
	1 323 056	1 265 767

31. REMUNERATION OF COUNCILLORS

Councillor remuneration and allowances	9 415 764	9 073 831
	9 415 764	9 073 831

Councillor	Remuneration	Allowances	Total 2023
Mayor - Cllr W.J Safers	814 902	42 600	857 502
Speaker - Cllr C.W Feliz	718 418	42 600	761 018
Executive committee - Cllr K.E Kekana	378 647	42 600	421 247
Executive committee - Cllr E.L Loock	390 109	42 600	432 709
Executive committee - Cllr E.A Ruiters	383 305	42 600	425 905
MPAC chairperson - Cllr T.L.A Plaatjies	308 190	42 600	350 790
Cllr A Arries	290 276	42 600	332 876
Cllr P Bees - Upper limits backpay	2 850	-	2 850
Cllr D.J Bezuidenhout	290 276	42 600	332 876
Cllr I.J Bolligelo	287 373	42 600	329 973
Cllr A Booysen - Upper limits backpay	3 110	-	3 110
Cllr H Booysen	289 514	42 600	332 114
Cllr E.A Carolus - Upper limits backpay	95	-	95
Cllr F.D.T De Villiers	28 654	3 700	32 354
Cllr M Deyzel	288 767	41 700	330 467
Cllr Y Frazenburg	287 373	42 600	329 973
Cllr X.N Galada	381 515	42 600	424 115
Cllr K Hendricks	287 373	42 600	329 973
Cllr K Hoffman - Upper limits backpay	2 850	-	2 850
Cllr L.G Hoffman - Upper limits backpay	2 437	-	2 437
Cllr N.A.V Jacobs	287 373	42 600	329 973
Cllr R.B Jacobs - Upper limits backpay	2 850	-	2 850
Cllr L.L Langeveldt - Upper limits backpay	2 850	-	2 850
Cllr W.Z Le Grange - Upper limits backpay	2 850	-	2 850
Cllr J.D Lomborg	287 373	42 600	329 973
Cllr G.C Mackelina - Upper limits backpay	2 850	-	2 850
Cllr H Makoba - Upper limits backpay	754	-	754
Cllr A. Mboneni - Upper limits backpay	2 850	-	2 850
Cllr A Mfundisi	287 373	42 600	329 973
Cllr A.S Nofemele	287 373	42 600	329 973
Cllr T.L Nonnies - Upper limits backpay	7 205	-	7 205

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022	
	R	Restated* R	
31. REMUNERATION OF COUNCILLORS (Continued)			
Councillor	Remuneration	Allowances	Total 2023
Cllr A.L Nortje - Upper limits backpay	2 850	-	2 850
Cllr E.V.R Rossouw - Upper limits backpay	2 850	-	2 850
Cllr B.W Seekoei - Upper limits backpay	2 850	-	2 850
Cllr R.L Smith	291 296	42 600	333 896
Cllr T.R Spogter	364 242	42 600	406 842
Cllr T.M Tshona - End of term	2 850	-	2 850
Cllr A.R Van Heerden	287 373	42 600	329 973
Cllr I.J Van Zyl	250 972	37 762	288 734
Cllr N.P Vanda - Upper limits backpay	3 136	-	3 136
Cllr G.J Wiehahn	287 373	42 600	329 973
Cllr D Williams - Upper limits backpay	1 595	-	1 595
Cllr J.J Williams	290 276	42 600	332 876
	8 395 403	1 020 362	9 415 764
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 Looock	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 Booyesen - End of term	109 066	15 483	124 549
Cllr H Booyesen	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 Lomborg - 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
Cllr A Mfundisi - Newly elected	175 683	29 600	205 283

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
31. REMUNERATION OF COUNCILLORS (Continued)		
Cllr A.S Nofemele - Newly elected	175 683	29 600
Cllr A.L Nortje - End of term	95 001	15 483
Cllr T.L.A Plaatjies - Newly elected	175 683	29 600
Cllr E.V.R Rossouw - End of term	95 001	15 483
Cllr B.W Seekoei - End of term	95 001	15 483
Cllr R.L Smith	313 735	44 400
Cllr T.R Spogter - Newly elected	152 071	18 500
Cllr T.M Tshona - End of term	95 001	15 483
Cllr A.R Van Heerden - Newly elected	175 683	29 600
Cllr G.J Wiehahn - Newly elected	175 683	29 600
Cllr D Williams - End of term	95 001	15 483
Cllr J.J Williams	272 430	44 400
	<u>7 960 301</u>	<u>1 113 529</u>
		<u>9 073 831</u>
<p>The Remuneration of Councillors is based on the upper limit as per the Government Gazette.</p> <p>No in-kind benefits have been received by council</p>		
32. DEBT IMPAIRMENT		
Debt impairment	55 952 900	50 442 651
Bad debts written off	29 321 889	17 502 977
	<u>85 274 789</u>	<u>67 945 628</u>
<p>Debt impairment is an assessment of the amounts that will not be recovered from the debtors, based on the municipality's policy.</p>		
33. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	60 482 229	60 572 153
Amortisation: Intangible Assets	-	8 719
Depreciation: Investment Property	41 366	41 366
Total Depreciation and Amortisation	<u>60 523 595</u>	<u>60 622 238</u>
34. IMPAIRMENT LOSS		
Property, plant and equipment	487 093	2 327 873
35. FINANCE COST		
Long service award	1 260 351	905 363
Post retirement medical benefit	4 485 581	4 565 111
Trade and other payables	51 625 208	27 267 227
	<u>57 371 140</u>	<u>32 737 701</u>
<p>Finance cost for Long service and post retirement medical benefit disclosed separately for the net expense of employee benefits liabilities recognised in the statement of financial performance</p>		
36. BULK PURCHASES		
Electricity	112 710 799	115 745 654
	<u>112 710 799</u>	<u>115 745 654</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
37. OPERATIONAL COST		
Adjustment for provision of landfill sites obligation	5 702 850	4 085 950
Advertising, Publicity and Marketing	457 235	223 940
Audit Fees - External	4 737 709	7 191 532
Bank Charges	744 009	798 858
Cash Shortage	1 852	2 170
Chemicals	4 212 964	3 082 510
Commissions	1 662 924	1 718 183
Communication	2 181 163	3 424 842
Consumables	8 546 690	5 961 902
Cost recoveries	81 590	95 388
Courier and Delivery Services	791 179	724 357
External Computer Services	3 335 233	3 353 433
Grants and Donations Made	18 000	48 000
Hire charges	1 407 679	994 597
Insurance underwriting	1 987 344	1 462 897
Inventories losses/write-downs	16 645	140 959
Settlement fees cost	876 390	-
Levies	392 812	440 896
Motor vehicle expenses	11 302 758	7 821 696
Municipal service charges	8 449 031	8 995 850
Pauper Burials	4 000	2 300
Professional Bodies, Membership and Subscription	2 023 318	1 888 445
Remuneration to Ward Committees	975 078	218 500
Training and Seminars	850 553	1 086 033
Travel and subsistence	2 642 971	1 944 257
Uniform and Protective Clothing	358 568	378 636
Workmen's Compensation Fund	985 134	884 282
	64 745 679	56 970 413

38. CONTRACTED SERVICES

Consultants and professional services	6 658 936	6 776 982
Outsourced services	41 996 739	43 106 414
	48 655 675	49 883 396

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	4 081 981	7 303 186
Outsourced service - Technical	4 081 981	7 303 186
Operational cost	5 525 847	3 293 219
Consumables	5 092 648	2 605 231
IT maintenance	433 198	687 988
Total	9 607 827	10 596 405

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
REPAIRS AND MAINTENANCE (Continued)		
GRAP 17 requires disclosure of repairs and maintenance per asset class:		
Buildings	256 191	-
Transport assets	1 801 762	7 065 849
Other assets	491 143	2 970 686
Landfill sites	129 000	-
Community assets	67 109	
Infrastructure assets	6 862 623	559 870
	<u>9 607 827</u>	<u>10 596 405</u>

39. LOSS ON DISPOSAL OF ASSETS

Loss on disposal of property, plant and equipment	<u>1 889 632</u>	<u>1 013 344</u>
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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	3 295 540	1 098 575
Transport Assets	5 650 270	5 229 903
	<u>8 945 811</u>	<u>6 328 478</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 1 October 2021 to 30 September 2024, 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: R274 800 (2022: R274 800) 2 – 5 years inclusive: R68 700 (2022: R343 500) and over 5 years: R0 (2022: 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 November 2022 to 30 October 2024, 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: R2 395 200 (2022: R0) 2 – 5 years inclusive: R798 400 (2022: R0) and over 5 years: R0 (2022: R0)

Lease of telephones system

The Municipality is a lessee as it has entered into operating leases for the use of telephones with Sky Metro. These leases were negotiated for a three year term from 1 November 2022 to 30 October 2025, 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: R661 534 (2022: R0) 2 – 5 years inclusive: R441 024 (2022: R0) and over 5 years: R0 (2022: R0)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
40. OPERATING LEASES (Continued)		
<u>Lease of vehicles</u>		
The Municipality is a lessee as it has entered into operating leases for the use of vehicles with Sky Metro. These leases were negotiated for varying terms all ending at 31 August, 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 (2022: R0).		
At the Reporting Date the following minimum lease payments were payable under Non-cancellable operating leases for Property, Plant and Equipment, which are payable as follows:		
Payable within 1 year	3 331 534	420 588
Payable within 2 to 5 years	1 308 123	245 343
	<u>4 639 656</u>	<u>665 931</u>
41. ACTUARIAL GAINS		
Actuarial gain	7 642 140	5 870 755
	<u>7 642 140</u>	<u>5 870 755</u>
42. CASH GENERATED BY OPERATIONS		
Deficit for the Year	(125 594 930)	(114 278 360)
Adjustment for:		
Depreciation and Amortisation	60 523 595	60 622 238
Losses / (Gains) on Disposal of Property, Plant and Equipment	1 889 632	1 013 344
Debt impairment	85 274 789	67 945 627
Employee benefit obligation - Current service cost	2 664 467	2 532 866
Employee benefit obligation - Current interest cost	5 745 932	5 470 474
Employee benefit obligation - Subsidies paid	(1 746 931)	(2 626 746)
Employee benefit obligation - Actuarial gains	(7 642 140)	(5 870 755)
Non-cash additions to property, plant and equipment	(904 871)	(2 261 109)
Non-cash movement in employee related costs	2 061 212	(710 362)
Provision	5 702 850	5 893 770
Public contributions and donations	(3 609 517)	(258 600)
Impairment loss	487 093	2 327 873
Operating surplus before working capital changes	<u>24 851 180</u>	<u>19 800 261</u>
Changes in working capital:		
Decrease/(Increase) in Inventories	(365 820)	224 269
Decrease/(Increase) in Receivables Exchange	(71 962 033)	(63 804 895)
Decrease/(Increase) in Statutory Receivables Non Exchange	(7 812 661)	(7 480 671)
Decrease/(Increase) in Other receivables	(967 177)	(65 457)
Increase/(Decrease) in Payables Exchange	154 147 080	115 167 210
Increase/(Decrease) in Payables Non Exchange	3 942 085	(2 038 093)
Decrease/(Increase) in VAT	(7 287 045)	(12 366 699)
Increase/(Decrease) in Consumer Deposits	84 939	242 786
Cash generated by / (utilised in) Operations	<u>94 630 547</u>	<u>49 678 711</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022	
	R	Restated* R	
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 2022
Current Assets			
VAT Receivable	22 494 590	94 752	22 589 342
Non-Current Assets			
Property, Plant and Equipment	1 069 002 437	(2 303 413)	1 066 699 024
Current Liabilities			
Payables from Exchange Transactions	(471 032 129)	(4 914 516)	(475 946 645)
TOTAL ASSETS	1 165 202 058	(2 208 661)	1 162 993 397
TOTAL LIABILITIES	(571 506 462)	(4 914 516)	(576 420 978)
STATEMENT OF FINANCIAL PERFORMANCE	Previously reported	Correction of error	Restated 2022
Revenue from Exchange Transactions			
Other Revenue	(4 277 417)	(2 102 859)	(6 380 276)
Licences and Permits	(800 259)	2 869	(797 390)
Expenditure			
Employee related costs	174 354 719	36 811	174 391 530
Finance cost	29 682 391	3 055 310	32 737 701
Operational Cost	56 288 505	681 909	56 970 414
Contracted Services	45 118 817	4 764 579	49 883 396
ACCUMULATED SURPLUS adjustments	Previously reported	Correction of error	Restated 2022
Opening balance as previously reported	(701 535 338)	-	(701 535 338)
Prior period errors impacting opening balance:			
Property, Plant and Equipment		2 303 413	2 303 413
Payables from exchange transactions		(1 618 855)	(1 618 855)
Balance at 01 July 2021 as restated	(701 535 338)	684 558	(700 850 780)
Deficit for the year	107 839 742	-	107 839 742
Prior period errors impacting deficit for the year:			
Other revenue	-	(2 102 859)	(2 102 859)
Licences and permits	-	2 869	2 869
Employee related costs	-	36 811	36 811
Finance cost	-	3 055 310	3 055 310
Contracted services	-	4 764 579	4 764 579
Operational cost	-	681 909	681 909
Balance at 01 July 2022 as restated	(593 695 596)	7 123 177	(586 572 419)

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
43. PRIOR PERIOD ERRORS (Continued)		
DISCLOSURE PRIOR PERIOD ERROR ADJUSTMENTS		
Irregular expenditure (note 47)	261 065 097	78 175 826
Repairs and maintenance (note 38)	6 300 439	4 295 966
Financial liabilities (note 50)	496 707 977	(16 528 550)
		480 179 427

DESCRIPTION OF ERRORS

Property, plant and Equipment

WIP review was performed in line with GRAP17.87 where some items were identified as slow moving and disclosed as such and some items were identified to have been erroneously carried on where the project had no prospect of being completed

Payables from Exchange Transactions

Various invoices related to the 2022 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.

Other financial statement line items impacted by this error:

- Other revenue
- VAT receivable
- Licences and permits
- Employee related cost
- Finance cost
- Contracted services
- Operational cost
- Repairs and maintenance disclosure

Restatement of disclosure in the notes

Irregular expenditure: The restatement in the 2022 closing balance is due to the errors noted in the 2022 AG audit that remained uncorrected. Reconciliations were performed to ensure that the irregular expenditure listing is updated.

Financial liabilities: The 2022 balance for financial liabilities included inappropriate balances "leave pay and bonus accrual". This restatement eliminates the effect of these accruals from financial liabilities.

44. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment

Total Capital Commitments

<u>70 547 001</u>	<u>102 932 294</u>
<u>70 547 001</u>	<u>102 932 294</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	516 866 033	455 881 165
Add: Unauthorised Expenditure current year	105 776 596	60 984 868
Unauthorised Expenditure awaiting authorisation	<u>622 642 629</u>	<u>516 866 033</u>

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
45. UNAUTHORISED EXPENDITURE (Continued)		
The unauthorised expenditure additions are primarily related to the overspending of budget votes as defined in the MFMA:		
Budgeted votes exceeded:-	Amount	Status
Vote 1 - COUNCIL (10: IE)	736 206	To be investigated and considered by council
Vote 4 - CORPORATE SERVICES: COMM SERV	25 623 894	To be investigated and considered by council
Vote 6 - FINANCIAL SERVICES	21 825 035	To be investigated and considered by council
Vote 7 - TECHNICAL SERVICES: ENGINEERING	57 591 461	To be investigated and considered by council
	105 776 596	

46. FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of Fruitless and Wasteful expenditure:

Opening balance	63 612 675	42 447 451
Add: Fruitless and Wasteful Expenditure current year	48 315 293	21 165 224
Fruitless and wasteful expenditure awaiting authorisation	111 927 968	63 612 675

Details of Fruitless and Wasteful Expenditure

Interest charged by Telkom	15 538	49 547
Interest charged by Auditor General	403 083	457 243
Interest Charged by Eskom	40 754 690	17 836 676
SARS penalties and interest	5 475 217	1 496 208
Interest charged by the department of water and sanitation	159 242	-
Interest charged by Workmans compensation fund	514 542	404 618
Interest and Penalties charged by Consolidated Retirement Fund	683 400	658 635
Interest charged to J.R NIEUWENHUIZEN	-	9 211
Interest charged by NFMW	299 610	253 086
Interest charged by other	9 971	-
	48 315 293	21 165 224

47. IRREGULAR EXPENDITURE

Reconciliation of Irregular Expenditure:

Opening balance	339 240 923	368 417 139
Add: Irregular Expenditure current year	125 817 891	117 622 858
Less: Written off by Council	-	(146 799 074)
Irregular Expenditure awaiting authorisation	465 058 813	339 240 923

The irregular expenditure disclosure for 2022 has been significantly restated. Refer to prior period errors note for information

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 R32 976 114 (2022 - R34 923 253) 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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
48. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (Continued)		
Incidents		
Deviations due to Emergency procurement	4 966 027	15 529 515
Deviations due to Sole supplier procurement	2 837 792	3 883 986
Deviations due to Specifications difficult to compile	-	198 835
Deviations due to impracticality of following SCM processes	25 172 295	15 310 917
	<u>32 976 114</u>	<u>34 923 253</u>

49. RELATED PARTIES

Relationships

Mayor		Cllr W.J Safers
Speaker		Cllr C Felix
Executive committee		Cllr E.A Ruiters
Executive committee		Cllr E.L Loock
Executive committee		Cllr K.E Kekana
MPAC chairperson		Cllr X.N Galada
Councillor	Cllr A Arries	Cllr T Spogter
Councillor	Cllr D.J Bezuidenhout	Cllr J.D Lomborg
Councillor	Cllr I.J Bolligelo	Cllr A Mfundisi-Koeborg
Councillor	Cllr H Booysen	Cllr A.S Nofemele
Councillor	Cllr I Van Zyl	Cllr T.L.A Plaatjies
Councillor	Cllr M Deysel	Cllr R.L Smith
Councillor	Cllr Y.D Frazenburg	Cllr A.R Van Heerden
Councillor	Cllr K Hendricks	Cllr G.J Wiehahn
Councillor	Cllr N.A.V Jacobs	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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	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	12 205 934	1 318 838
Receivables from Exchange transactions	15 195 078	19 733 992
Other receivables	6 706 804	6 377 992
Total	34 107 816	27 430 822
<u>Financial Liabilities</u>		
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:		
Other financial liabilities	12 234 891	20 761 332
Payables from exchange transactions	613 565 175	459 418 095
Total	625 800 067	480 179 427

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 2023	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	613 565 175	-	613 565 175
Other financial liabilities	10 969 328	1 265 563	12 234 891
At 30 June 2022	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	459 418 095	-	459 418 095
Other financial liabilities	7 608 092	13 153 240	20 761 332

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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	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	12 205 934	1 318 838
Receivables from exchange transactions	15 195 078	19 733 992
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	6 526 619	7 607 374
Current year subscription/fee	1 990 457	1 860 245
Amount Paid - current year	<u>(1 726 000)</u>	<u>(2 941 000)</u>
Balance Unpaid (included in Creditors)	<u>6 791 076</u>	<u>6 526 619</u>
51.2 Audit Fees		
Opening Balance	4 585 136	5 467 305
Current year Audit Fee	7 547 749	8 270 261
Credit note and adjustments	<u>(3 998 356)</u>	<u>(3 606 126)</u>
Amount Paid - current year	<u>(5 931 456)</u>	<u>(5 546 304)</u>
Balance Unpaid (included in Creditors)	<u>2 203 074</u>	<u>4 585 136</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.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 Restated* R
51. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)		
51.4 PAYE, Skills Development Levy and UIF		
Opening Balance	20 897 508	14 733 022
Current year Payroll Deductions	25 804 586	25 619 710
Amount Paid - current year	(11 857 240)	(22 379 097)
Adjustment	4 534 645	2 923 874
Balance Unpaid (included in Creditors)	39 379 499	20 897 508
51.5 Pension and Medical Aid Deductions		
Opening Balance	29 368 690	27 371 346
Current year Payroll Deductions and Council Contributions	38 896 842	38 911 696
Amount Paid - current year	(39 801 990)	(36 914 351)
Balance Unpaid (included in Creditors)	28 463 543	29 368 690

51.6 Councillor's arrear Consumer Accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2023

	Outstanding up to 90 days	Outstanding more than 90 days	Total
30 June 2023			
Cllr I Bolligelo	1 269	12 878	14 147
Cllr Y Frazenburg	1 403	15 481	16 884
Cllr X Galada	2 463	30 066	32 529
Cllr N Jacobs	1 844	694	2 539
Cllr J Lomborg	2 211	8 768	10 979
Cllr A Mfundisi	613	8 625	9 238
Cllr J.J Williams	1 163	113	1 276
Cllr A Arries	1 470	28 340	29 810
Cllr E Ruiters	1 214	22 182	23 396
Cllr R Smith	1 622	6 644	8 266
Cllr A Nofemele	946	183	1 129
	16 219	133 975	150 194
30 June 2022			
Cllr I Bolligelo	550	9 597	10 147
Cllr H Booyesen	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
	11 893	91 279	103 172

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
52. DISTRIBUTION LOSSES - ELECTRICITY		
Electricity units (kWh) purchased from Eskom	69 200 230	80 010 429
Electricity units (kWh) sold to customers	(63 087 801)	(74 777 772)
	6 112 429	5 232 657

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/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 8,8% (2022 - 6,5%) of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2022 is R7 738 984 (2022 - R5 923 088)

53. DISTRIBUTION LOSSES - WATER

Balance at the beginning of the year in reservoirs and pipes	25 080	25 080
Water Units produced	4 603 119	4 172 029
Water Units sold	(2 611 723)	(3 027 442)
Balance at the end of the year in reservoirs and pipes	(35 836)	(25 080)
Non revenue water	1 980 640	1 144 586

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 43,27% (2022 - 27,43%) of water produced. The Rand value of the water losses for the period ending 30 June 2023 is R43 178 048 (2022 - R26 445 989).

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.

Eco Car Hire CC - The applicant is disputing the award of a tender for the delivery and maintenance of motor vehicles and applied to the High Court

Harold Stephanus Kruger - Mr Kruger instituted a claim for damages suffered resulting from injuries caused after he allegedly fell into a ditch along a sidewalk.

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. The matter is outstanding.

EJ Green - The applicant claims for damages to her vehicle allegedly caused by a pothole Graaff Reinet.

LC Freeks - The applicant claims for damages to her vehicle allegedly caused by a pothole Graaff Reinet.

DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	Restated* R
54. CONTINGENCIES (Continued)		
<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>Andries Oelofse</u> - Mr Oelofse instituted legal action for damages resulting from injuries he suffered after allegedly falling on the 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
	1 269 768	1 269 768
<u>Contingent Liabilities</u>		
Eco Car Hire CC	541 400	-
Harold Stephanus Kruger	400 000	-
E J Green	45 319	-
Lereece-Charmane Freeks	39 919	-
Andries Oelofse	314 747	-
SL Mvunelwa	825 256	825 256
JH Vermaak vs Dr Beyers Naude Local Municipality *	-	650 000
	2 166 641	1 475 256

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

55. EVENTS AFTER REPORTING DATE

No 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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

2022
Restated*
R

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 followings 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 R71 828 249 (2022 - R57 821 202) are exceeded by the current liabilities of R659 301 492 (2022 - R493 862 759). The net current liabilities amounts to R587 473 243 (2022 - R436 041 557) and results in a current ratio of 0,11:1 (2022 - 0,12:1). The position above casts some doubt on the ability to continue as a going concern.

The municipality incurred a deficit of R125 594 930 during the 2023 financial year and is an increase in the deficit from the 2022 financial year of R114 278 360.

However, the ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these being the significant grants received by the municipal to execute it's legislative service to the community and the accounting officers continued efforts to procure funding for the ongoing operations for the municipality from national and provincial government. Council approved a financial recovery plan and business plan which 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

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 2023, 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, the financial statements present fairly, in all material respects, the financial position of the Dr Beyers Naude Local Municipality as at 30 June 2023, 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 5 of 2022 (Dora).

Basis of opinion

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 56 to the annual financial statements, which indicates that the municipality incurred a net deficit of R125,6 million during the year ended 30 June 2023 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

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

Material allowance for impairment – receivables

9. As disclosed in note 6 to the financial statements, material allowance for impairment of statutory receivables from non-exchange transactions of R7,7 million (2021-22: R6,7 million) was incurred as a result of non-payment by consumer debtors.

10. As disclosed in note 7 to the financial statements, material impairments for receivables from exchange transactions of R74,1 million (2021-22: R61,2 million) were incurred as a result of non-payment by trade debtors.

Restatement of corresponding figures

11. As disclosed in note 43 to the financial statements, the corresponding figures for the year ending 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Distribution losses – electricity

12. As disclosed in note 52 to the financial statements, material electricity losses of R7,7 million (2021-22: R5,9 million) were incurred, which represents 8,8% (2021-22: 6,5%) of total electricity purchased.

Distribution losses – water losses

13. As disclosed in note 53 to the financial statements, material water losses of R43,2 million (2021-22: R26,4 million) were incurred, which represents 43,27% (2021-22: 27,43%) of total water production.

Other matter

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

Unaudited disclosure notes

15. 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

16. 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.

17. 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

18. 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.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
21. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery and infrastructure development	XX	Upgrade reticulation system by systematically replacing old installations. To have all Municipal water-supply consumers connected to a metering system and registered on the debtor's database for monthly billing purposes. For all households to have uninterrupted access to good quality, potable water. The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment. To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular maintenance thereof

22. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

23. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

24. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

25. I did not identify any material findings on the reported performance information for the selected development priority

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement/ measures taken to improve performance.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority: 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 compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure of R125,8 million as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with multiple SCM regulations.
34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R105,8 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.
35. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R48,3 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 within 30 days.
36. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

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

38. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
39. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

40. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.
41. The performance of some contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
42. Some construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the Construction Industry Development Board (CIDB) Act and CIDB regulations 17 and 25(7A).
43. 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 reported in the prior year.

Other information in the annual report

44. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
45. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
46. My responsibility is to read this other information and, in doing so, consider whether it 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.
47. 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

48. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
49. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the material findings on compliance with legislation included in this report.
50. Material non-compliance with key legislation 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

51. 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 material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

52. The material irregularities identified are as follows:

Interest paid on late payments of Eskom invoices

53. The municipality paid interest to Eskom on invoices that 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.
54. 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 R62,2 million as at 30 June 2023 and is likely to result in further material financial losses for the municipality.
55. The accounting officer was notified of the material irregularity on 18 January 2022. The accounting officer performed a preliminary investigation and identified non-payment by customers as an issue with Eskom debt. 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 arbitration process is still ongoing at year-end. In addition; the municipality has developed a financial recovery plan to improve its financial situation, as part of the plan the municipality has also applied for debt relief from National Treasury and the application is still in progress. The matter is still on-going and will be followed up during the next audit.

Interest paid on late payments of Sars invoices

56. The municipality did not pay employees tax, deducted from employees, 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.
57. 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 after the end of the month during which the amount was deducted. The non-compliance has resulted in a material financial loss of R16,2 million as at 30 June 2023 and is likely to result in further material financial losses for the municipality.
58. 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 is still on-going and will be followed up during the next audit.

Auditor General

East London

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them 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.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 –definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b)

Legislation	Sections or regulations
	Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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

2022/2023



**ANNUAL
PERFORMANCE
REPORT
(YEAR ENDED
30TH JUNE 2023)**

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 2022/2023 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).

CONTENTS	PAGE NO.
Introduction	03
Legislative Requirements	04
Municipal Overview	04
Performance Management Overview	09
Service Delivery and Budget Implementation Plan Overview	10
Planned targets VS actual results for the 2022/2023 financial year	11
<u>SDBIP Report for 2022/2023</u>	
Capital Budget Projects	14
Service Delivery Targets and Performance Indicators	15
• Capital Budget Projects Performance Analysis	19
• Service Delivery Targets and Performance Indicators Performance Analysis	24
• 2021/2022 Target achievement – VS – 2022/2023 Target achievement	45
Service provider performance	47
Improving performance	53

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 2022 to 30 June 2023 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 2022/2023.

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 2022/23
- 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

9 rainwater harvesting tanks COGTA

15 rainwater harvesting tanks from SBDM

15 rainwater harvesting tanks from SANPARKS

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 experienced which create electricity problems that contribute to water supply and sewer spillages. 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. 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 4 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%. For the financial year ending 30 June 2023 water losses are 43%.
- Electricity losses has also been reduced to 8.8% for the financial year ending 30 June 2023.

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 2023/2024 financial year.

	Performance Management guiding policy	All s54/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In place?	√	√	√	√	√	√

Performance Management System Checklist

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OVERVIEW

The organizational performance is evaluated through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.
- The SDBIP was prepared as described in the paragraphs below and approved by the Mayor.

The SDBIP consolidate service delivery targets set by Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the SDBIP include:

One-year detailed plan,

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected NOT billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators;
- Non-financial measurable performance objectives in the form of targets and indicators; and detailed capital project plan broken down by ward.

PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2022/2023 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 2022/2023
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 2022/2023
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 202/20223
The Number of jobs created through the Municipality EPWP Labour intensive programme to address high unemployment rate	897

Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2022/2023
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 2022/2023

• CAPITAL BUDGET PROJECTS - 2022/2023

Infrastructure Development

Number of projects: 7

Number of projects Completed/ On Target: 7

Number of projects Not on Target: 0

Percentage on Target: 100%

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: 1

Number of projects Completed/ On Target: 1

Number of projects Not on Target: 0

Percentage on Target: 100%

OVERALL CAPITAL BUDGET PROJECT ACHIEVEMENT

Total Number of Capital Budget Projects per KPA = 9

Number of Key Performance Indicators on Target/Completed = 9

Number of Key Performance Indicators Not on Target = 0

Percentage on Target = 100%

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2022/23

Development Priority: Infrastructure Development

Number of Indicators: 7

Number of indicators on Target: 6

Number of indicators Not on Target: 1

Percentage on Target: 86%

Development Priority: Community Development

Number of Indicators: 4

Number of indicators on Target: 4

Number of indicators Not on Target: 0

Percentage on Target: 100%

Development Priority: Institutional Development

Number of Indicators: 16

Number of indicators on Target: 13

Number of indicators Not on Target: 3

Percentage on Target: 81%

Development Priority: Local Economic Development

Number of Indicators: 5

Number of indicators on Target: 3

Number of indicators Not on Target: 2

Percentage on Target: 60%

Development Priority: Back to Basics – Good Governance

Number of Indicators: 13
Number of indicators on Target: 10
Number of indicators Not on Target: 3
Percentage on Target: 77%

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

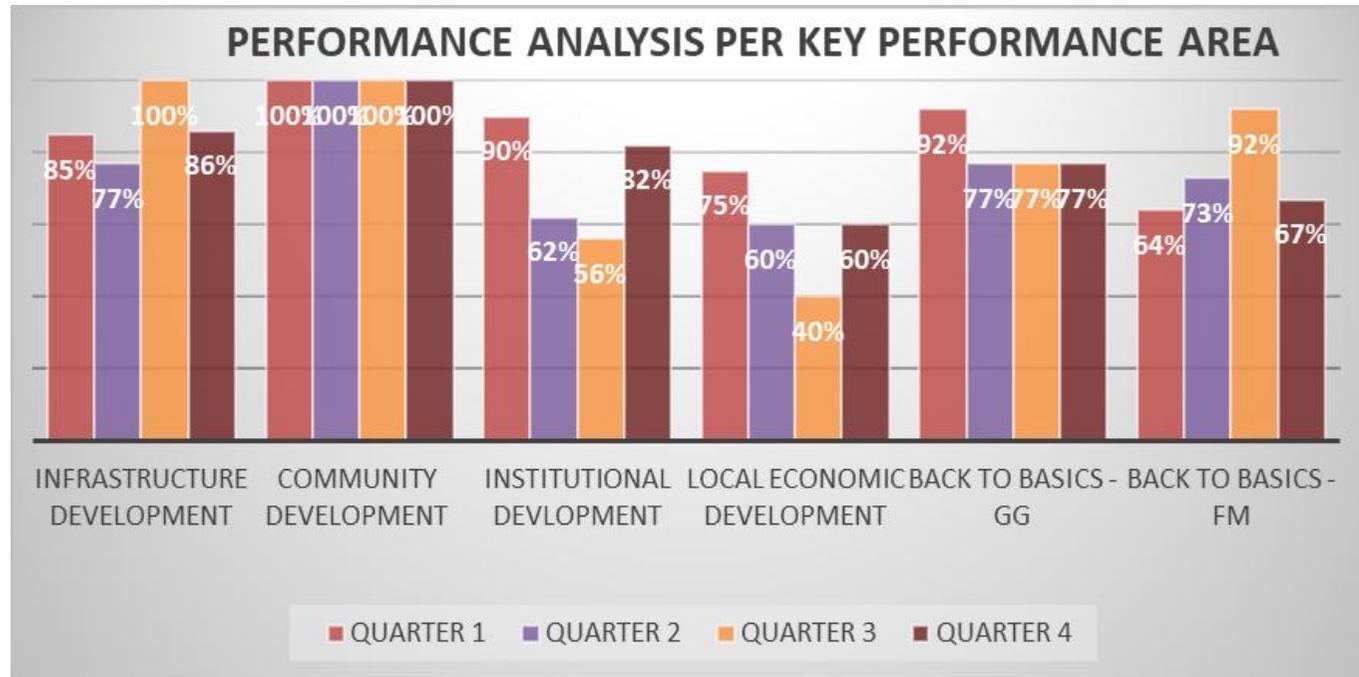
Total Number of Key Performance Indicators per KPA = 57
Number of Key Performance Indicators on Target/Completed = 44
Number of Key Performance Indicators Not on Target = 13
Percentage on Target = 77%

OVERALL KEY PERFORMANCE INDICATOR TARGET ACHIEVEMENT

Total Number of Key Performance Indicators = 66
Number of Key Performance Indicators on Target = 54
Number of Key Performance Indicators Not on Target = 12
Percentage on Target = 82%

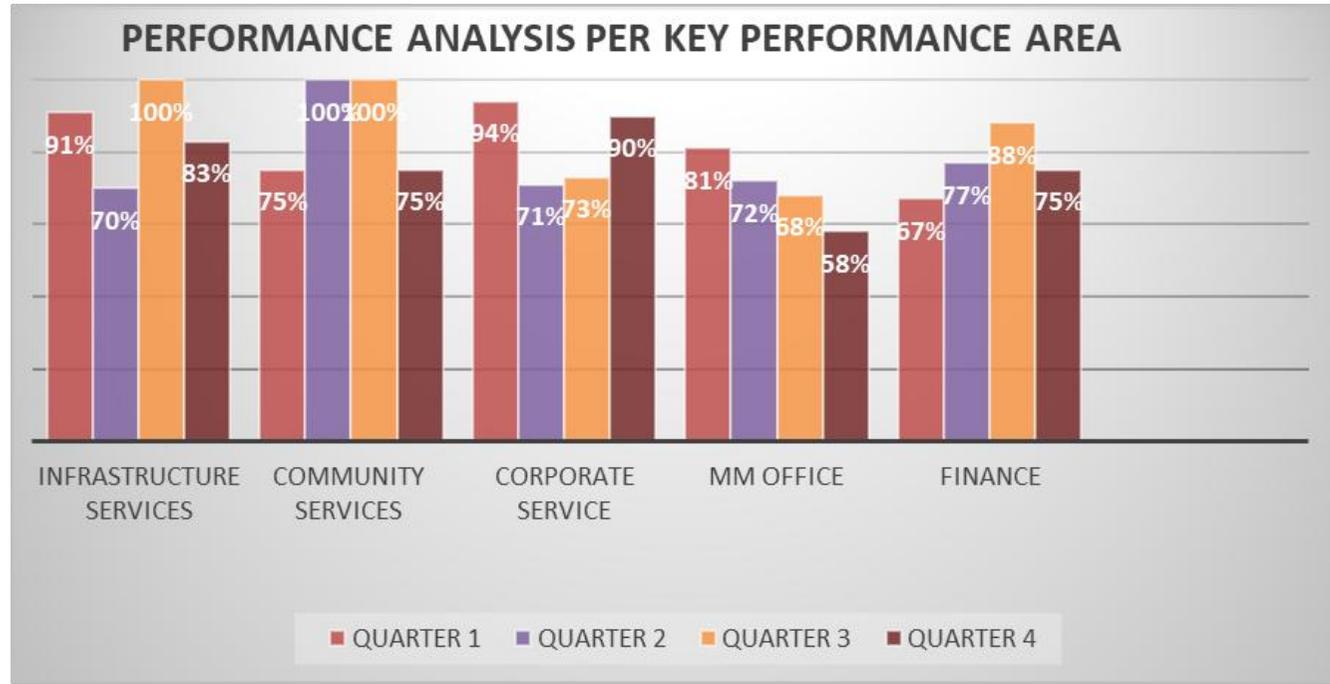
DEPARTMENTAL SDBIP OVERALL PERFORMANCE

The graph illustrates the SDBIP Organizational performance per Key Performance Area



INSTITUTIONAL KPA OVERALL PERFORMANCE

The graph illustrates the SDBIP performance per directorate for the four quarters of the financial year.



CAPITAL BUDGET PROJECT ANALYSIS

SDBIP ANALYSIS REPORT – CAPITAL BUDGET PROJECTS - 2022/2023

Infrastructure Development

Number of projects: 7

Number of projects Completed/ On Target: 7

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 2022/2023				
									Annual Target	On Target/ Not on Target	Brief description of actual output	Variance	Reason for variance and plan of action
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations	Number of pipelines installed for Jansenville and Klipplaat boreholes, and redrill borehole in Klipplaat by 30 th June 2023.	10 & 11	Infrastructure Services	External -RBIG	38,061,000.00	38,049,009.45	99.97%	1. 3800m of pipeline 2. Redrill 1 borehole	On Target	13,652m pipeline installed Borehole redrilled in Klipplaat and Jansenville	+9852 +1	Exiting borehole in Jansenville could not be equipped and therefore also redrilled.
To adequately increase bulk water storage, upgrade	Upgrade reticulation system by systematically replacing old	Refurbishment of "Skuins Dak" Reservoir in Graaff Reinet by	2-7	Infrastructure Services	External - WSIG	4,212, 847.00	4, 212, 847.00	100%	Refurbishment of "Skuins Dak" Reservoir in Graaff Reinet	On Target	Refurbishment of Skuins Dak Reservoir occurred through installing New	None	n/a

reticulation systems, secure permanent water supply and properly maintain all infrastructure	installations .	30 th June 2023.									Roof on reservoir in Graaff-Reinet		
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 .	Installation of 1000 water meters by 30 th June 2023.	10	Infrastructure Services	External - WSIG	6,726,152.95 Reduced to 4,726,152 by DWS	4,726,152	100%	Klipplaat - 1000 water meters installed.	On Target	1113 water meters installed.	+113	Additional 113 meters installed
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 Steel pipeline Replaced from Wanhoop by 30 th June 2023.	8&9	Infrastructure Services	External – MIG	5,845,045.89 + 3,606,741.00 9,428,800.00	9,428,800.01	100%	2000m	On Target	Completed 3352m.	+1352m	Additional funding was provided by MIG
To adequately upgrade and/or construct Wastewater Treatment Works and	Systematically upgrade existing Transformers; replace and rehabilitate	Refurbish 2 pump stations and install 2 mechanical screens	2-7	Infrastructure Services	External MIG	5,014,454.11	5,014,454	100%	Install mechanical screen at Tronkdrift pump station and Tweede drift, refurbish	On Target	Installed mechanical screen at Tweede drift, refurbished Plasket and Van Rooyen Pump	Non	n/a

maintain them on a regular basis.	where applicable								Plasket and Van Rooyen Pump Stations.		Stations.		
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 recycling facility and a 300m roadway at the Steytlerville Solid Waste Disposal Site by 30 th June 2023.	12	Infrastructure Services	External MIG	4,000,000.00	4,000,000.00	100%	Construct new Recycling Facility, new roadway 300m and site lighting	On Target	Constructed new Recycling Facility, new 300m roadway and site lighting. Project phase completed.	None	n/a
To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular maintenance thereof	Identify and implement suitable Electrification Projects.	Number of Transformers procured by 30 th June 2023.	Institutional	Infrastructure Services	Internal	1,000,000.00	780,385,72	78%	3	On Target	7 Transformers delivered.	+4	Due specification changes, more transformer procured.

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 2022/2023				
									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.	Construct new Guard house, Construct new Tuck shop , refurbish two(2) existing ablutions facilities by 30 th June 2023	2-7	Community Services	External MIG	6,000,000.00 Increased to: 12,416,245	12,416,245	100%	Construct new Guard house, Construct new Tuck shop, refurbish two (2) existing ablutions	On Target	Constructed new Guard house, Constructed new Tuck shop, upgraded storage facility and refurbished two (2) existing ablutions	Upgrade of storage facility.	Additional funding also provided by MIG

Institutional 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 2022/2023				
									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 office furniture procured by 31 December 2022.	Institutional	Budget & Treasury	External – FMG	80,000.00	85,994.50	107,49%	5	On Target	9	+4	Additional furniture required and procured.

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS

INFRASTRUCTURE DEVELOPMENT					OVERALL PERFORMANCE 2022/2023				
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 36 Samples per quarter.	144	On Target	423	+ 279 samples	Drought Conditions. Load Shedding. Construction of new infrastructure/pipes. Monitoring of carting.
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	85.79 %	>0.79 %	To ensure safe drinking water to all consumers
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 10% by 30 th June 2023.	10%	On Target	8.8%	n/a	n/a

Infrastructure Development & Service Delivery	To have all Municipal water-supply consumers connected to a metering system and registered on the debtor's database for monthly billing purposes.	Improve reticulation losses and improve revenue by replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce water losses to at least 35% by 30 th June 2023.	35%	Not On Target	43% water losses	n/a	Water losses not reduced to at least 35%. Challenges experienced with possible wind due to mechanical nature of meters. High lying areas had water interruptions/shortages during the financial year, but as a result of wind, this affected consumption. Directorate will phase installation of air valves to release wind.
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 2023.	4	On Target	7 waste management campaigns held.	+3	Additional campaigns were held to emphasize the war on waste and environment awareness focus area of the directorate.
Infrastructure Development & Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Develop a new Integrated waste management plan for Dr. Beyers Naude Municipality and review it regularly.	Community Services	Number of illegal dumping sites cleaned within DBNLM by 30 th June 2023	24	On Target	24 illegal dumping sites cleaned.	n/a	n/a

Infrastructure and 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 installation of new meters in newly constructed houses	Infrastructure Services	Number of electricity meters installed by 30 th June 2023	2	On Target	11	+9	Electricity meters was going to be installed in stages; however, all could be installed.
COMMUNITY DEVELOPMENT					OVERALL PERFORMANCE 2022/2023				
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 December 2022.	1	On Target	1 Policy tabled on the 9th Nov at the Corporate Service Standing Committee, EXCO on the 3th Dec and Council on the 13th December. Policy was approved, subject to a workshop. Workshop occurred, final adoption with amendments by Council on 30 th March 2023.	None	n/a
Good Governance	To fully involve, capacitate and empower the SPU	Design programmes and arrange	SPU/ Corporate Services	Monitor Functionality of SPU	4	On Target	4	None	n/a

	Sector, with special focus on the Disabled, Youth	events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.		consultative councils/ Forums by providing quarterly reports to the Corporate Services Portfolio Committee.					
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 2022/2023	10	On Target	10 1 st Quarter - Mandela Day Commemorations in Rietbron & Steytlerville, Women's Day Commemoration in Jansenville and Heritage Day Commemorations in Willowmore. 2 nd quarter – provincial launch of 16 days of activism against women and children – 25 th November 2023 Establishment of local Aids Council – 28 th November 2022. 3 rd Quarter – Humans Rights Awareness - Graaff-Reinet 2 sessions in partnership with sector departments.	None	n/a

							4 th Quarter – Freedom Day Stakeholder engagement and dialogue in Steytlerville – 25 th April 2023. Youth Development and Empowerment Seminar in Steytlerville – 28 th June 2023 Youth Sports Day held in Willowmore		
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 2023.	1	On Target	1 Disaster Management Plan Adopted by SBDM inclusive of all 7 LM's inputs.	None	n/a
INSTITUTIONAL DEVELOPMENT					OVERALL PERFORMANCE 2022/2023				
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	Review the organogram annually.	Municipal Manager	Review organizational structure and table before	1	Not on Target	Draft reviewed organisational structure has been workshopped with	1	Draft to be tabled to Council in new Financial Year for adoption

	experience.			council by 31 December 2022.			Council and Labour and will be tabled at the next council meeting for adoption.		
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 2022.	100%	Not On Target	The placement process is 80% finalised, the finalisation of the process depends on the approval of the organisational structure	20%	Organisational structure not yet approved.
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 31 st December 2022.	100%	Not on Target	31% A total of 390 job descriptions has completed and 121 job descriptions has been evaluated with results.	69%	Evaluation of job descriptions are dependent on the external job evaluation committee
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 31 December 2022.	1	On Target	1 Employment Equity Plan has been developed and approved by Council; the plan needs to be reviewed to be in line with the staff regulations. Cogta and Salga has been requested to assist and give guidance.	None	n/a
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the	Implement Plan & Policies and upgrade systems	Corporate Services	Review HR plans by 31 December 2022.	1	On Target	1 The HR plan was reviewed and valid up until 30 June 2023.	None	n/a

	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	accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.					Plan to be revised in the 2023/24 financial year to include new staff regulations		
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 30 th June 2023.	1	On Target	1 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 2023.	4	On Target	4 14 th July 2022, 16 th February 2023, 14 th April 2023, and 25 th April 2023.	None	n/a
Organisational Transformation &	To provide sufficient operational	Implement Plan & Policies	Finance	Number of municipal	12	On Target	18 Financial policies reviewed and	+9	Additional policies developed

Institutional Development	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.	and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly		policies reviewed 30 June 2023			approved by council. 3 Financial By-Laws reviewed and approved by council.		
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 2023	12	On Target	20 HR policies reviewed and approved by Council	+8	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	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems	Finance	Prepare Supply Chain Management Implementation Compliance through 3 quarterly reports by 30 June 2023	3	On Target	3 Quarterly reports tabled.	None	n/a

	well as be legally compliant.	optimally and correctly							
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Finance	Develop and Monitor Contract register for all service providers and provide quarterly reports by 30 June 2023	3	On Target	3 Quarterly reports tabled.	None	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 2023, to inform Council of Institutional Performance.	4	On Target	4 SDBIP Performance reports developed by 30 th June 2023, and tabled to Council.	None	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	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems	Municipal Manager	Monitor Council resolutions by providing 4 quarterly reports on the implementation of council resolutions.	4	On Target	4	None	n/a

	well as be legally compliant.	optimally and correctly							
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services	Ensure an updated Lease Register on a quarterly basis.	1	On Target	1 updated lease register, tabled to Corporate Service Standing Committee quarterly.	None	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 Lease policy by 31 December 2022.	1	On Target	Lease policy tabled to Council on the 23 rd March 2023 for adoption thereof.	None	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	Implement Plan & Policies and upgrade systems accordingly; provide suitable	Corporate Services	Report on all disciplinary hearings and litigations on a quarterly basis to EXCO.	4	On Target	4 Disciplinary hearings and litigation reports tabled to EXCO and the Audit Committee quarterly.	None	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							
LOCAL ECONOMIC DEVELOPMENT					OVERALL PERFORMANCE 2022/2023				
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	Assistance and development of SMME's by 30 June 2023.	30	On Target	30 SMME's were trained in different capacity building programmes	None	n/a
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ LED Unit	LED strategy developed and approved by 30 September 2022	1	On Target	1 LED Strategy approved by Council	None	n/a

	& 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	Develop Tourism Sector Plan and approved by council by 30 th June 2023.	1	Not on Target	0 Funding has been received from SBDM for the development of the Tourism strategy. Supply Chain processes to appoint the service provider are currently underway.	1	Service provider to be appointed by September 2023
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* 2022	1	On Target	1 Business forum established.	None	n/a
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED	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	1 Developed the Informal Trading Policy. Policy to yet be workshopped with Management and Council. Submitted funding requests to various intuitions to assist	-1	Only one plan has been developed. The Informal trading policy Awaiting feedback on assistance requests from the various funding institutions

	& WOMEN						with development of another plan, Business Incentive and Retention Strategy,		
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BACK TO BASICS - KPA – Good Governance & Public Participation					OVERALL PERFORMANCE 2022/2023				
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 for 2022 – 2027, by 30 June 2023.	1	On Target	1 IDP developed for 2022-2027	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 Meetings held in terms of year planner by 30 June 2023. (4 Ordinary Council Meetings, 4 Standing Committee meetings and 4 EXCO Meetings)	8	On Target	Standing Committee Meetings – 16 meetings. 4 per quarter: 3 & 5 th August 2022, 8&9 th November 2022, 14, 15 th & 16 th February 2023 and 17 & 18 th May 2023. EXCO – 9 Meetings. 23 & 30 August 2022, 5 th December 2022, 7 th March 2023, 13 th April 2023, 11 May 2023, 23 rd	23	Additional meetings held.

							<p>May 2023, 29th May 2023, and 13th June 2023</p> <p>Council - 6 Meetings 6 October 2022, 13th December 2022, 23rd March 2023, 3 May 2023, 31 May 2023 and 07th June 2023.</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.	Corporate Services	Revise the Standing Rules of Order of Council by 31 December 2022	1	On Target	1 The Standing Rules and Orders for Council was reviewed during a workshop held on the 10 th May 2023 and approved by Council on the 31 st May 2023, promulgated in the EC Provincial Gazette on the 19 th June 2023.	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.	Municipal Manager	Number of MPAC meetings to assist with oversight function until 30 June 2023	4	Not On Target	2 27 th October 2023 & 18 th April 2023	2	Meetings scheduled postponed.
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 2023.	4	On Target	4 26 th August 2022 27 th October 2022 2 nd March 2023 8 th June 2023	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 2023.	4	On Target	4 20 July 2022 29 November 2022 1 st February 2023 – no quorum 26 th April 2023	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communication systems and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services	Ensure that the LLF is functioning properly and fulfilling its mandate by having 6 Meetings annually	6	On Target	7 24 th August 2022, 6 th September 2022, 7 th December 2022, 22 nd March 2023, 28 th March 2023, 19 th April 2023 & 21 st June 2023	+1	Additional meeting held due to urgent matters.
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communication systems and other systems that will improve information-sharing, enhance public participation	Corporate services	Number of Occupational Health and Safety Committee Meetings held by 30 th June 2023.	4	On Target	4 14 th July 2022 20 th October 2022 21 st February 2023 20 th June 2023	None	n/a

		and promote socio-economic development.							
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 quarterly newsletters distributed by 30 th June 2021	4	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	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	Revise Communication Strategy and Action plan by 31 December 2022	1	Not on Target	Communication strategy has been revised, yet the action plan needs to be amended and workshopped with council.	1	Action plan to be revised.
Good Governance &	To become the	Installing and	Infrastructure	Maintain	4	Not on	0	4	Beneficiary list

Public Participation	best performing Municipality, in all respects.	maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Services/ Housing section	updated housing beneficiary list and submit to Infrastructure Service standing committee on a quarterly basis by 30 June 2023		Target	Updated beneficiary list, however, not tabled before standing committee.		updated, yet not tabled to standing committee meetings.
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been established and are functioning properly, and that a CDW has been appointed in each Ward.	Corporate services	Quarterly consolidated reports on Ward Committee meetings by 30 June 2023.	4	On Target	4 Quarterly consolidated ward committee reports submitted to Corporate Service Standing Committee meetings, EXCO and Council	None	n/a
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-	Corporate services	Quarterly reports from the customer care call centre submitted to EXCO.	4	On Target	4 23 rd August 2022 5 th December 2022 07 th March 2023 13 th June 2023	None	n/a

		sharing, enhance public participation and promote socio-economic development.							
BACK TO BASICS – KPA – Sound Financial Management					OVERALL PERFORMANCE 2022/2023				
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 2023	100%	On Target	100% municipal grants spent	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 2023	100%	Not on Target	84% This was due to approval of the reports not within specified timeframes due to availability of senior management. Also, Financial system challenges have caused late submission.	16%	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	1	Not on Target	1 action plan 10 out of 19 activities completed.	None	Action plan not fully implemented.

				findings by 30 June 2023.					
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 Register compliant to GRAP standards)	100%	On Target	100% of action completed as per quarterly SDBIP targets	n/a	n/a
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 2023	100%	On Target	88% Budgeted amount: R80 824 500 Expenditure amount: 71 030 335	12%	The underspending relates to the RBIG grant which is 100% spent on the allocation received however the amount received was considerably less than the budgeted amount per DORA.
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	90% expenditure Budgeted amount: 532 951 338 Expenditure amount: 478 582 286	10%	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	2023//2024 Budget approved by Council by 30 June 2023	1	On Target	Budget adopted on the 31 st May 2023.	n/an	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 2023.	12	On Target	12 Budget and Funding Plan progress is reported and discussed in all management meetings held in 2022/2023	n/a	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Finance	Improve collection rate on service debtors to address cash flow constraints by 30 June 2023 (Service debtors/service debt collected)	95%	On Target	111% collection rate.	16%	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan	Finance	Financial recovery plan implemented and monitored by	4	On Target	4 FRP and Budget funding plan progress submitted to all BTO standing committee meetings	None	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.		submissions quarterly to EXCO by 30 June 2023			held within 2022/2023. The minutes for these meetings are approved by EXCO		
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 2023 Property rates collected/ property rate debtors.	Ensure average 95% recovery rate of property rates billed by 30 June 2023.	On Target	2042% The reason for the high performance is because of billing of most rates in July 2022, and only a fraction of the community is billed monthly. Collections monthly are then significantly higher than billing.		
Sound Financial Management	To receive a clean audit opinion from the Auditor General.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Finance	Average number of days taken for creditors to be paid: Creditors Payment Period Creditors Outstanding/Credit Purchases (Operating & Capital) x 365 (Norm is 30 days)	30 days	Not on Target	Due to cashflow constraints, creditors not paid within 30 days.	n/a	n/a

2021/2022 PERFORMANCE – TARGET ACHIEVEMENT VS 2022/2023 PERFORMANCE – TARGET ACHIEVEMENT

2021/2022 - CAPITAL BUDGET PROJECTS	2022/2023 – CAPITAL BUDGET PROJECT
<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>	<p><u>Infrastructure Development</u></p> <p>Number of projects: 7 Number of projects completed/ on target: 7 Number of projects Not on Target: 0 Percentage on targets: 100%</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: 1 Number of projects completed/ on target: 1 Number of projects Not on Target: 0 Percentage on targets: 100%</p> <p>Total Number of Capital Budget Projects per KPA = 9 Number of Key Performance Indicators on Target/Completed = 9 Number of Key Performance Indicators Not on Target = 0 Percentage on Target = 100%</p>

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2021/2022- OPERATIONAL KPI'S / PROJECTS	2022/2023 – OPERATIONAL KPI'S / PROJECTS
<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: Sound Financial Management Number of Indicators: 12 Number of indicators on target: 9 Number of indicators not on target: 3</p>	<p>Development Priority: Infrastructure Development Number of Indicators: 7 Number of indicators on target: 6 Number of indicators not on target: 1 Percentage on target: 86%</p> <p>Development Priority: Community Development Number of Indicators: 4 Number of indicators on target: 4 Number of indicators not on target: 0 Percentage on target: 100%</p> <p>Development Priority: Institutional Development Number of Indicators: 16 Number of indicators on target: 13 Number of indicators not on target: 3 Percentage on target: 81%</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: 13 Number of indicators on target: 10 Number of indicators not on target: 3 Percentage on target: 77%</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</p>

Percentage on target: 70% 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%	Percentage on target: 75% Total Number of Key Performance Indicators per KPA = 66 Number of Key Performance Indicators on Target/Completed = 54 Number of Key Performance Indicators Not on Target = 12 Percentage on Target = 82% OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 82%
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SERVICE PROVIDER PERFORMANCE 2022/2023

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.

Contract Management Structure

The position of Contract Management currently falls under Asset Management. The function has been moved back to SCM under the new organogram that is yet to be adopted. The function is currently being performed by the SCM Practitioner: Demand Management until the position is filled.

Tenders Awarded and Expenditure to date.

TENDER NUMBER	DESCRIPTION	SUCCESSFUL BIDDER(S)	APPOINTMENT DATE	TOTAL CONTRACT PRICE	FUNDING SOURCE	ESTIMATED COMPLETION DATE	TOTAL PAYMENTS AT YEAR END	COMMITMENT AT YEAR END
TENDER 49/2022	CONSULTING ENGINEERS: REPLACING INTERNAL WATER RETICULATION SYSTEM IN KLIPPAAT AND INSTALL WATER METERS	MJM CONSULTING ENGINEERS	2022/08/02	598 426,79	Government Grants	2023/06/30	458 076,70	140 350,09
TENDER 50/2022	CONSULTING ENGINEERS: REFURBISHMENT OF SKUINSDAK RESERVIOR IN GRAAFF-REINET	MJM CONSULTING ENGINEERS	2022/08/02	399 083,42	Government Grants	2023/06/30	399 083,42	-
TENDER 08/2022	SUPPLY OF FUEL AND OILD IN STEYTLERVILLE FOR A PERIOD OF 3 YEARS	WARDS FUEL AND AGRI	2022/08/15	-	Own Resources	2025/08/15	431 906,26	-
TENDER 09/2022	SUPPLY OF FUEL AND OIL IN ABERDEEN	VOLKS DELTA	2022/08/15	-	Own Resources	2025/08/15	452 230,50	-

	FOR A PERIOD OF 3 YEARS							
TENDER 48/2022	INFRASTRUCTURE ASSET PLAN	SMEC SOUTH AFRICA	2022/08/15	1 108 446,36	Government Grants	2023/06/30	876 966,17	231 480,19
TENDER 74/2022	SUPPLY, DELIVERY AND OFFLOADING OF TRANSFORMERS	ARTIVOLT	2022/10/24	897 443,58	Own Resources	2023/01/31	448 721,79	448 721,79
TENDER 101/2022	SUPPLY, DELIVERY AND OFFLOADING OF CEMENT FOR A PERIOD OF 2 YEARS	SERVIPIX 72 CC	2023/01/16	-	Own Resources	2025/01/15	135 000,00	-
TENDER 102/2022	SUPPLY AND DELIVERY OF PHOTOSTAT PAPER	SERVIPIX 72 CC	2023/01/16	777 988,00	Own Resources	2023/06/30	194 499,50	583 488,50
TENDER 105/2022	REFURBISHMENT OF MECHANICAL AND ELECTRICAL WORKS AT THE GRAAFF-REINET WASTE WATER TREATMENT PLANT	NORTHFIELD ENGINEERING	2023/01/16	1 972 812,63	Own Resources	2023/06/30	-	1 972 812,63
TENDER 110/2022	SKUINSDAK REHABILITATION IN GRAAFF-REINET	PLATINUM CONSTRUCTION	2023/01/16	3 991 951,23	Government Grants	2023/06/30	3 813 763,63	178 187,60
TENDER 52/2022	REPAIR AND MAINTENANCE OF VEHICLES FOR A PERIOD OF 2 YEARS	POWER VACUUM	2023/02/01	-	Own Resources	2024/08/15	-	-
TENDER	REPLACING	IKHONO TECHNI	2023/03/03	19 985	Government	2025/06/30	4 268 076,25	15 716 923,75

111/2022	INTERNAL WATER RETICULATION SYSTEM IN KLIPPAAT AND INSTALL WATER METERS			000,00	Grants			
TENDER 115/2022	SUPPLY AND DELIVERY OF NEW LEASE VEHICLES FOR A PERIOD OF 3 YEARS	SKY METRO	2023/03/13	-	Own Resources	2026/03/30	-	-
TENDER 09/2023	CONSULTING ENGINERS: COMMUNITY LIGHTING: HIGH MAST LIGHTS FOR GRAAFF-REINET, WILLOWMORE AND ABERDEEN	MJM CONSULTING ENGINEERS	2023/04/13	242 975,01	Government Grants	2024/06/30	-	242 975,01
TENDER 19/2023	PROVISION OF MEDICAL SRURVEILANCE SERVICES FOR MUNICIPAL EMPLOYEES	TLAKULA OCCUPATIONAL HEALTH SERVICES	2023/04/13	-	Own Resources	2023/06/30	-	-
TENDER 99/2022	REGISTRATION ON MUNICIPAL PANEL OF ATTORNEYS FOR A PERIOD OF 3 YEARS	GOLDBERG, MC WILLIAMS, WIKUS, CJ BOUWER, LANGSON, WESLEY	2023/04/20	-	Own Resources	2026/04/19	-	-

		PRETORIUS, JOUBERT						
TENDER 10/2023	CONSULTING ENGINEERS: UPGRADING OF STREETS AND STORMWATER IN DR BEYERS NAUDE MUNICIPALITY	LA CONSULTING ENGINEERS	2023/04/21	428 367,51	Government Grants	2025/06/30	-	428 367,51
TENDER 104/2022	SUPPLY AND DELIVERY OF SAFETY BOOTS AND SHOES	CRUDANEX	2023/04/21	563 760,00	Own Resources	2023/06/30	-	563 760,00
TENDER 29/2023	PROVISION OF FINANCE MINIMUM COMPETENCY TRAINING	KGOLO INSTITUTE	2023/06/01	-	Government Grants	2024/06/30	-	-
TENDER 30/2023	APPOINTMENT OF A PANEL OF TRAINING SERVICE PROVIDERS	VARIOUS	2023/06/01	-	Own Resources	2026/05/30	-	-
TENDER 31/2023	COMMUNICATION AND NETWORK STRENGTHENING - SDWAN FOR A PERIOD OF 3 YEARS	BCX	2023/06/01	-	Own Resources	2026/05/30	-	-
TENDER 33/2023	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING	PREMIER PIPE SUPPLY	2023/06/01	1 578 156,50	Own Resources	2023/11/30	-	1 578 156,50

Overpayments

None

Contract performance monitoring

No issues raised – contract performance forms per service provider is retained in a portfolio of evidence file.

Rates Based Tenders

- TENDER 08/2022: Wards Fuel and Agri - Supply and Delivery of Fuel and Oil in Steytlerville for a period of 3 years
- TENDER 09/2022: Volks Delta – Supply and Delivery of Fuel and Oil in Aberdeen for a period of 3 years
- TENDER 52/2022: Power Vacuum – Repair and Maintenance of Vehicles for a period of 2 years

Recurring Contracts from previous years

The following contracts are on a month-to-month basis:

- Telkom/Business Connexion (Email)
- Chimes of Freedom/Bluesky (Internet Service Provider)
- Tender 66/2018 – Lease of Vehicles

Contracts that have been extended

- Tender 24/2018 - Utilities (Prepaid Vending System)
- R-data (Financial Management System)

IMPROVING PERFORMANCE – AUDIT IMPLEMENTATION ACTION PLAN

Dr Beyers Naude Local Municipality
Audit Action Plan 2021/22

TOTAL ACTIONS	19
Not Started	- 0%
Past due not Completed	10 53%
In Progress	- 0%
Completed	9 47%

Nr	FSLI	COAF #	Audit Finding	Audit Action Plan	Responsible Designation and Official	Target Date	Status	COMMENT
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	Reduce the deviations procurement by 75% from prior year.	CFO	30/06/2023	Past due not completed	Targeted amount for Deviations was not more than R 8 730 813 (25% of 34 923 253). The value of the deviations is currently at R27 492 247. (Not yet audited)
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	Compile methodology document (or review policy) for council approval on appropriateness of deviations from SCM regulations	SCM manager	31/03/2023	Completed	

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.	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	Completed	
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.	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	Completed	Invoice date
5	Procurement and contract management	13	Bids were identified for using locality as a functionality as a criterion	Confirm that no tenders are evaluated for locality criterion for functionality in line with the SCM regulations and circulars	SCM manager	30/06/2023	Completed	All bids pertaining to locality has been identified and disclosed on the irregular listing. No bids are eliminated based on locality. Ensure that the adjustment obtains the relevant tenders
6	Consequence management	15	For the unauthorized 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 all unauthorized expenditure at 30 June 2022 is investigated by the relevant oversight committees and dealt with by council	COO	30/06/2023	Past due not completed	Zero movement

Conclusion

Dr. Beyers Naudé Local Municipality is proud to present this Annual Performance Report for 2022/2023. An increase in target achievement is evident, compared to the last financial year. The Municipality remains committed to respond to the expectations of communities within our jurisdiction, by providing quality and affordable services.