

Dr Beyers Naude  
Local Municipality

2023/24

# ANNUAL REPORT

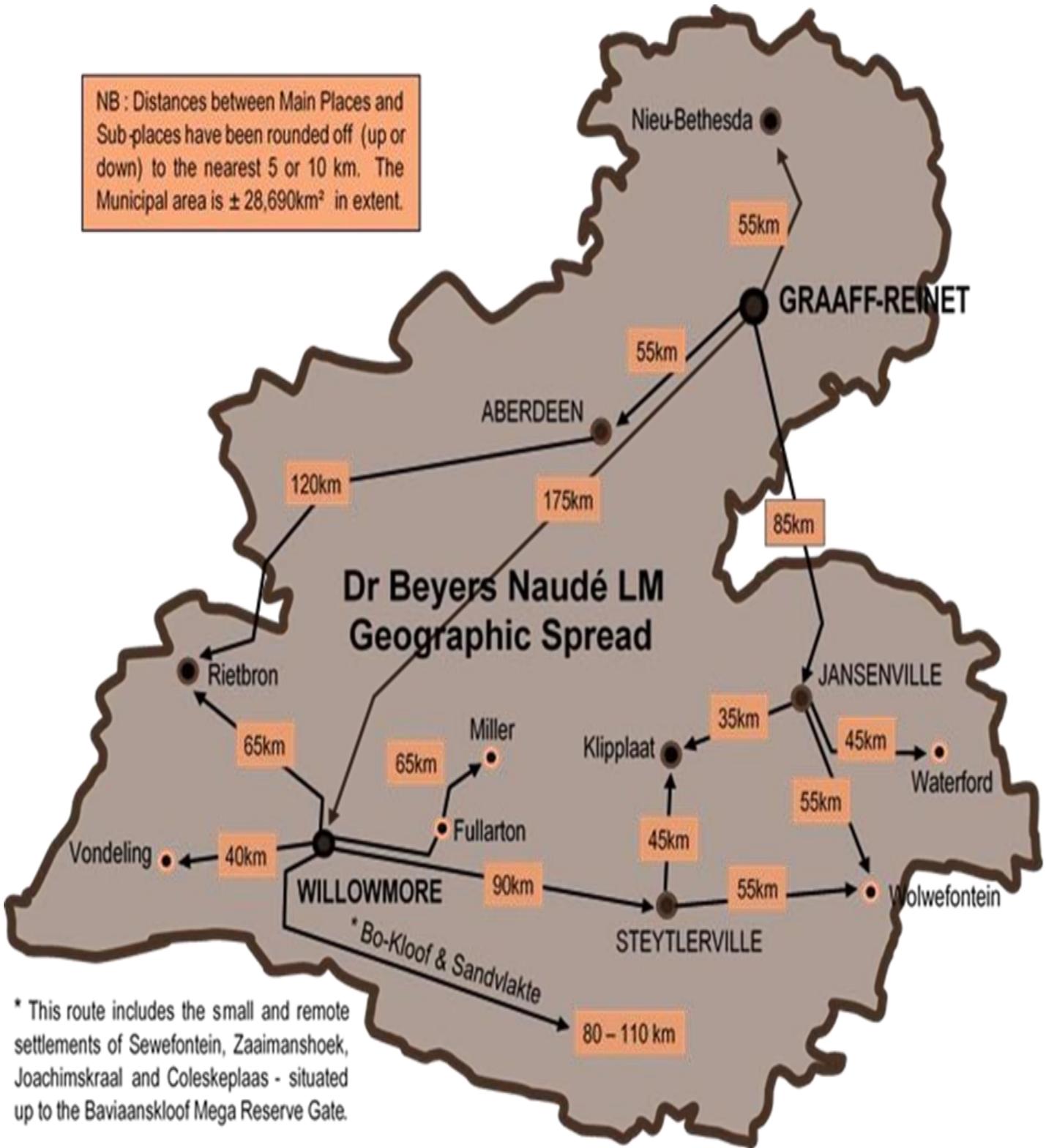


**Dr. Beyers Naudé**  
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NB : Distances between Main Places and Sub-places have been rounded off (up or down) to the nearest 5 or 10 km. The Municipal area is ± 28,690km<sup>2</sup> in extent.



\* This route includes the small and remote settlements of Sewefontein, Zaaimanshoek, Joachimskraal and Coleskeplaas - situated up to the Baviaanskloof Mega Reserve Gate.

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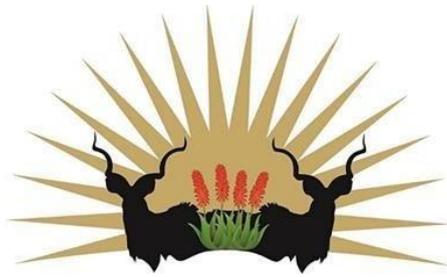
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## ABBREVIATIONS & ACRONYMS

ADMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor-General
AGSA	-	Auditor-General South Africa
ANC	-	African National Congress
B&T	-	Budget and Treasury
CDW	-	Community Development Worker
CFO	-	Chief Financial Officer
COGTA	-	Cooperative Governance and Traditional Affairs
CPF	-	Community Police Forum
CPMD	-	Consolidated Program for Management Development
CSA	-	Compatriots of South Africa
DA	-	Democratic Alliance
DBNLM	-	Dr Beyers Naudé Local Municipality (or 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



TO BE UPDATED



I have great pleasure in presenting the 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.

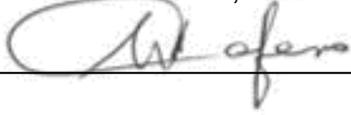
The support of the Community is crucial in this regard. The Municipality has performed exceptionally well in implementation of municipal capital projects, which resulted in additional grant funding being directed to the municipality. All grants were 100% spent at financial year end. I am delighted to 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 SÄFERS

A handwritten signature in black ink, appearing to read 'W. Sifers', is written over a solid horizontal line.

## 1.1 MUNICIPAL MANAGER'S OVERVIEW

TO BE UPDATED



As the Municipal Manager of Dr Beyers Naude Local Municipality, I am pleased to present the annual report for the year 2022/2023. 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 R10 million MIG and R21 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

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## 1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

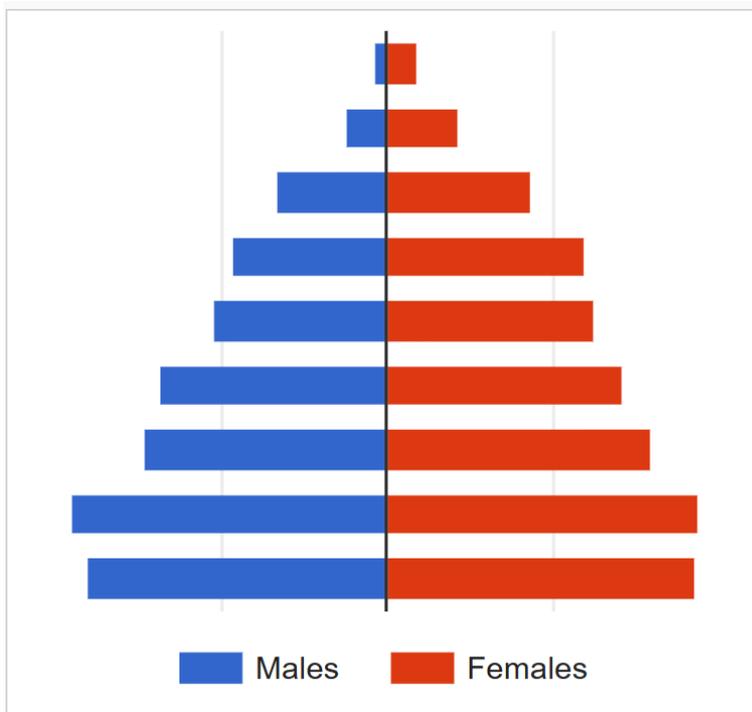
### POPULATION PROFILE AND ACCESS TO BASIC SERVICES

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

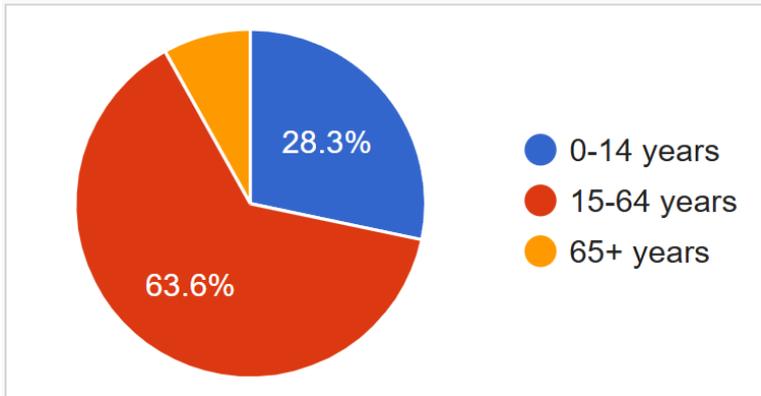
**Dr Beyers Naudé key stats:**

NAME	2022	2016
<b>Total population</b>	101 001	79 292
<b>Young children (0-14 years)</b>	28,3%	30,2%
<b>Working age population (15-64 years)</b>	63,6%	62,9%
<b>Elderly (65+ years)</b>	8,1%	6,8%
<b>Dependency ratio</b>	57,3	58,9
<b>Sex ratio</b>	89,6	94,9
<b>No schooling (20+ years)</b>	4,2%	9,3%
<b>Higher education (20+ years)</b>	8,0%	7,6%
<b>Number of households</b>	23 318	19 922
<b>Average household size</b>	4,3	4,0
<b>Formal dwellings</b>	97,2%	95,3%
<b>Flush toilets connected to sewerage</b>	96,1%	87,1%
<b>Weekly refuse disposal service</b>	88,7%	80,9%
<b>Access to piped water in the dwelling</b>	66,9%	56,7%
<b>Electricity for lighting</b>	97,3%	92,1%

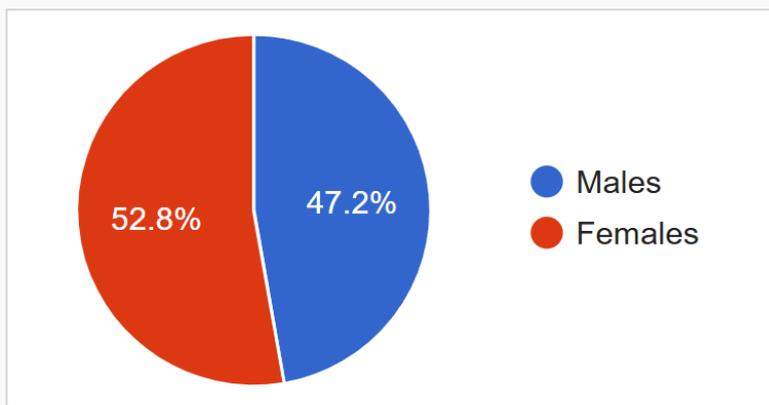
### POPULATION BY POPULATION GROUP, GENDER AND AGE



Age Distribution (C 2022)	
80+ years	1,402
70-79 years	3,484
60-69 years	7,690
50-59 years	10,551
40-49 years	11,501
30-39 years	13,910
20-29 years	15,241
10-19 years	18,886
0-9 years	18,306



Age Groups (C 2022)	
0-14 years	28,604
15-64 years	64,197
65+ years	8,170

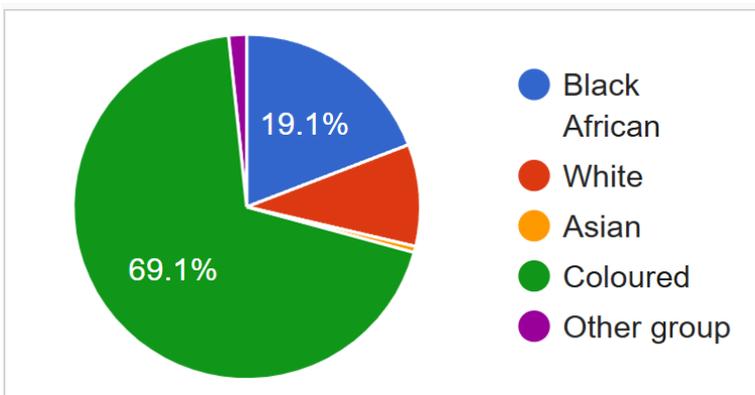


Gender (C 2022)	
Males	47,720
Females	53,281

Dr Beyers Naude Local Municipality's male/female split in population was 96.7 males per 100 females in 2022. The Dr Beyers Naude Local Municipality appears to be a fairly stable population with the share of female population (52.80%) being very similar to the national average of (51.07%). In total there were 53 281 (52.8%) females and 47 720 (47.2%) males. This is different from the Sarah Baartman District Municipality as a whole where the female population counted 271 000 which constitutes 50.82% of the total population of 533 253.

**NUMBER OF HOUSEHOLDS BY POPULATION GROUP**

The composition of the households by population group consists of 69.1% which is ascribed to the Coloured population group with the largest amount of households by population group. The African population group had a total composition of 19.1% (ranking second). The White population group had a total composition of 9.5% of the total households. The smallest population group by households is the Asian population group with only 0.6% in 2022, other groups 1,7%.



Population Group (C 2022)	
Black African	19,310
White	9,633
Asian	586
Coloured	69,689
Other group	1,701

The Asian population group is not the biggest in size, it was however the fastest growing population group between 2012 and 2022 at 5.20%. The average annual growth rate in the number of households for all the other population groups has increased with 1.23%.

**POPULATION DENSITY**

In 2022, with an average of 3.525 people per square kilometre, Dr Beyers Naude Local Municipality had a lower population density than Sarah Baartman (9.32 people per square kilometre). Compared to Eastern Cape

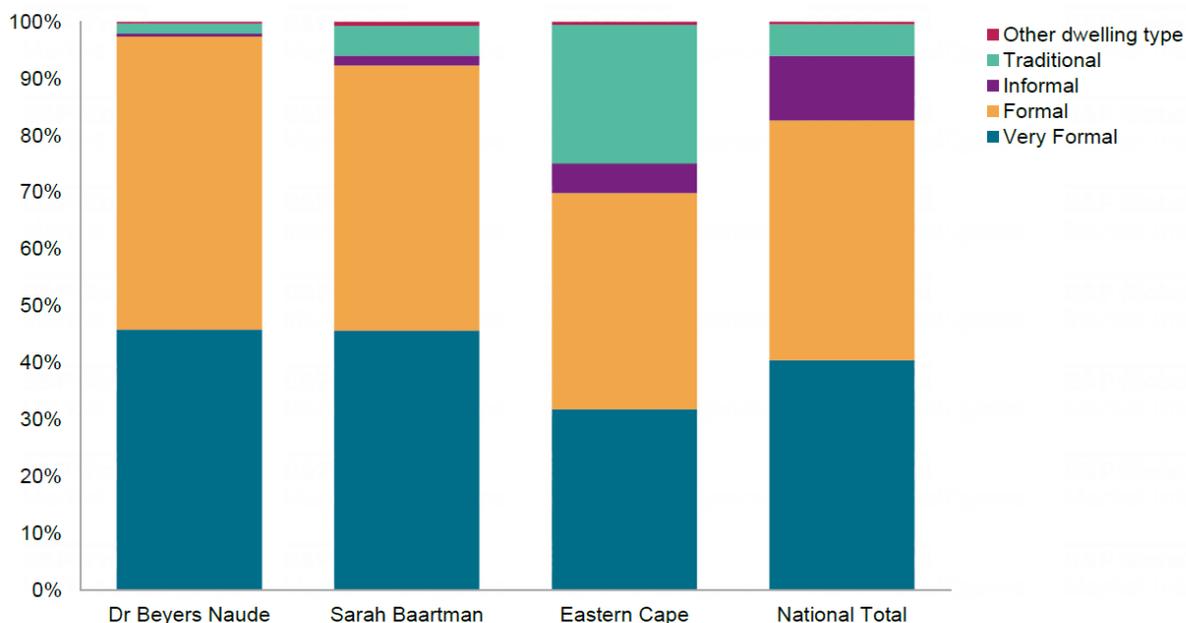
Province (44.2 per square kilometre) it can be seen that there are less people living per square kilometre in Dr Beyers Naude Local Municipality than in Eastern Cape Province.

## ACCESS TO BASIC SERVICES

The number of formal dwellings increased from 95.3% in 2011 to 97.2% in 2022. Access increased for all the following: flush toilets (87.1% 2011 to 96.1% in 2022); weekly refuse (80.9% in 2011 to 88.7% in 2022); access to piped water (56.7% in 2011 to 66.9% in 2022) and electricity for lighting (92.1% in 2011 to 97.3% in 2022).

## Housing and Infrastructure

Dr Beyers Naude Local Municipality had a total number of 11 100 (45.85% of total households) very formal dwelling units, a total of 12 500 (51.57% of total households) formal dwelling units and a total number of 130 (0.54% of total households) informal dwelling units.



**CHART 47. Households by dwelling unit type - Dr Beyers Naude, Sarah Baartman, Eastern Cape and National Total, 2022 [Percentage]**

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
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**TABLE 33. Households by dwelling unit type - Dr Beyers Naude and the rest of Sarah Baartman, 2022 [Number]**

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Dr Beyers Naude	11,076	12,460	130	424	70	24,160
Blue Crane Route	5,009	6,088	42	165	22	11,326
Makana	10,627	12,309	457	1,114	110	24,617
Ndlambe	6,197	15,345	440	1,189	116	23,287
Sundays River Valley	5,318	13,682	259	1,436	83	20,778
Kouga	24,956	9,967	1,227	3,811	586	40,548
Kou-Kamma	9,557	4,462	187	236	94	14,536
<b>Total Sarah Baartman</b>	<b>72,740</b>	<b>74,313</b>	<b>2,742</b>	<b>8,374</b>	<b>1,083</b>	<b>159,252</b>

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
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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 sewerspillages. 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. This did not improve the Municipality's dire situation and more focused support is required to overcome these challenges.

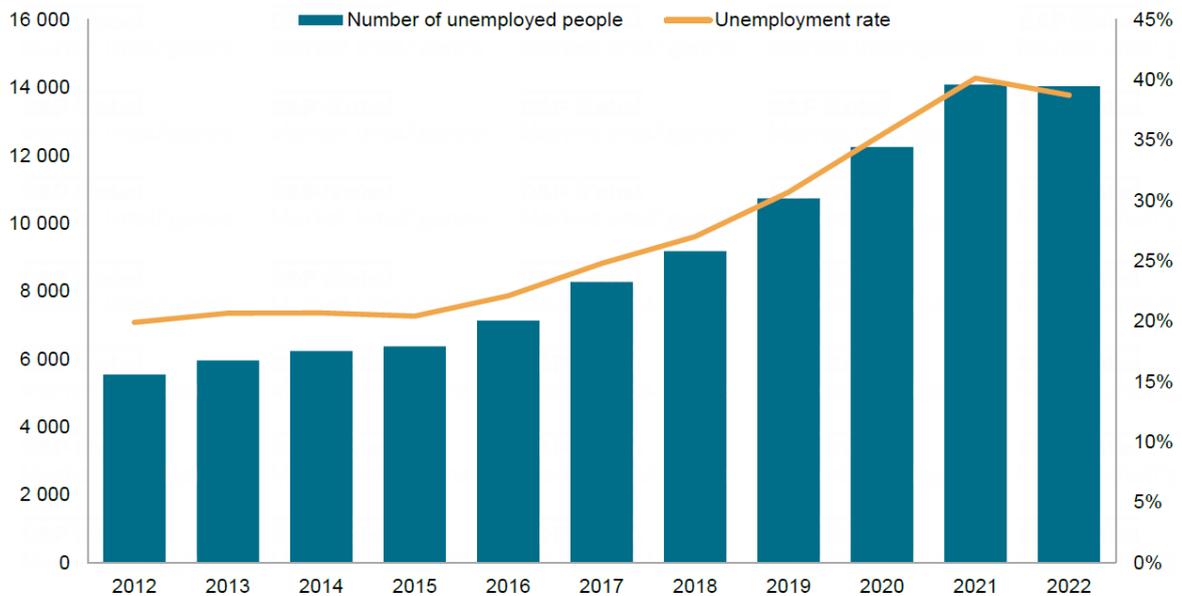
#### **2.2.1 Unemployment**

In 2022, there were a total number of 14 000 people unemployed in Dr Beyers Naude, which is an increase of 8 490 from 5 540 in 2012. The total number of unemployed people within Dr Beyers Naude constitutes 18.24% of the total number of unemployed people in Sarah Baartman District Municipality. The Dr Beyers Naude Local Municipality experienced an average annual increase of 9.73% in the number of unemployed people, which is worse than that of the Sarah Baartman District Municipality which had an average annual increase in unemployment of 9.28%. The unemployment rate in the Eastern Cape increased in the first quarter of 2024, reaching 42.4%.

**TABLE 21. Unemployment rate (official definition) - Dr Beyers Naude, Sarah Baartman, Eastern Cape and National Total, 2012-2022 [Percentage]**

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2012	19.9%	18.3%	28.9%	25.1%
2013	20.7%	18.8%	29.6%	25.2%
2014	20.7%	18.6%	29.4%	25.2%
2015	20.4%	18.3%	29.2%	25.5%
2016	22.1%	19.5%	30.5%	26.4%
2017	24.8%	21.8%	32.9%	27.2%
2018	27.0%	23.6%	35.0%	27.4%
2019	30.7%	26.5%	38.0%	28.4%
2020	35.5%	30.4%	41.5%	30.3%
2021	40.1%	34.2%	44.9%	33.6%
2022	38.7%	32.8%	43.8%	33.7%

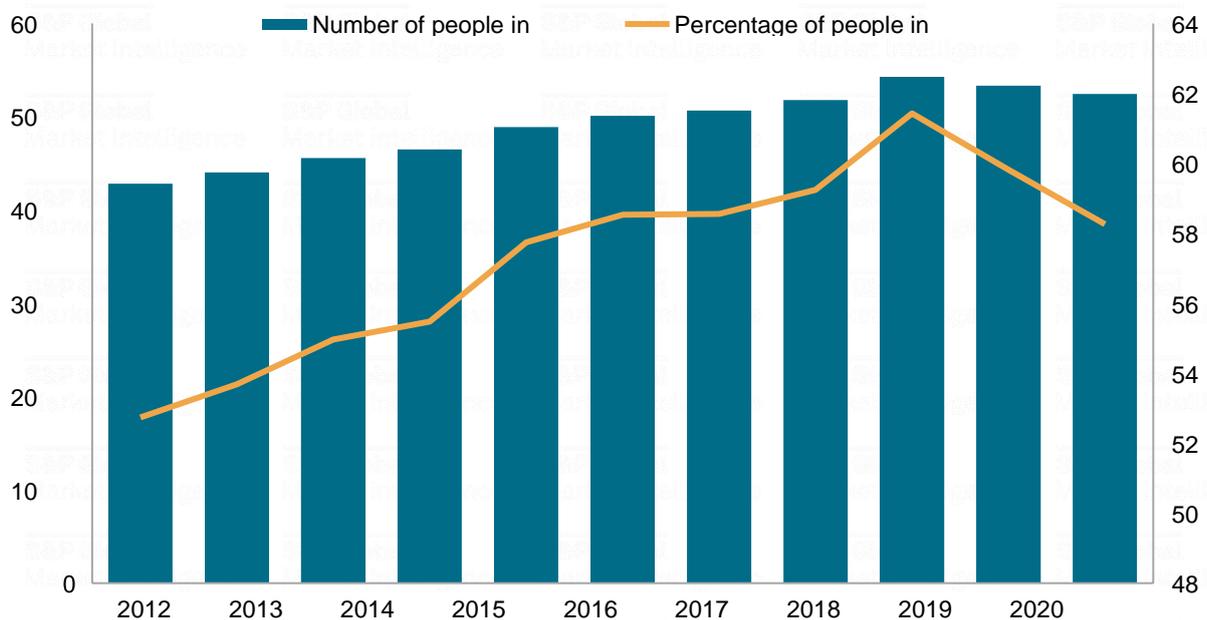
Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
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**CHART 25. Unemployment and unemployment rate (official definition) - Dr Beyers Naude Local Municipality, 2012-2022 [number percentage]**

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
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## 2.2.2 Poverty



**Number and percentage of people living in poverty - Dr Beyers Naude Local Municipality, 2012-2022 [Number percentage]**

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
© 2024 S&P Global.

In 2022, there were 52 400 people living in poverty, using the upper poverty line definition, across Dr Beyers Naude Local Municipality - this is 22.44% higher than the 42 800 in 2012. The percentage of people living in poverty has increased from 52.74% in 2012 to 58.26% in 2022, which indicates a increase of -5.52 percentage points.

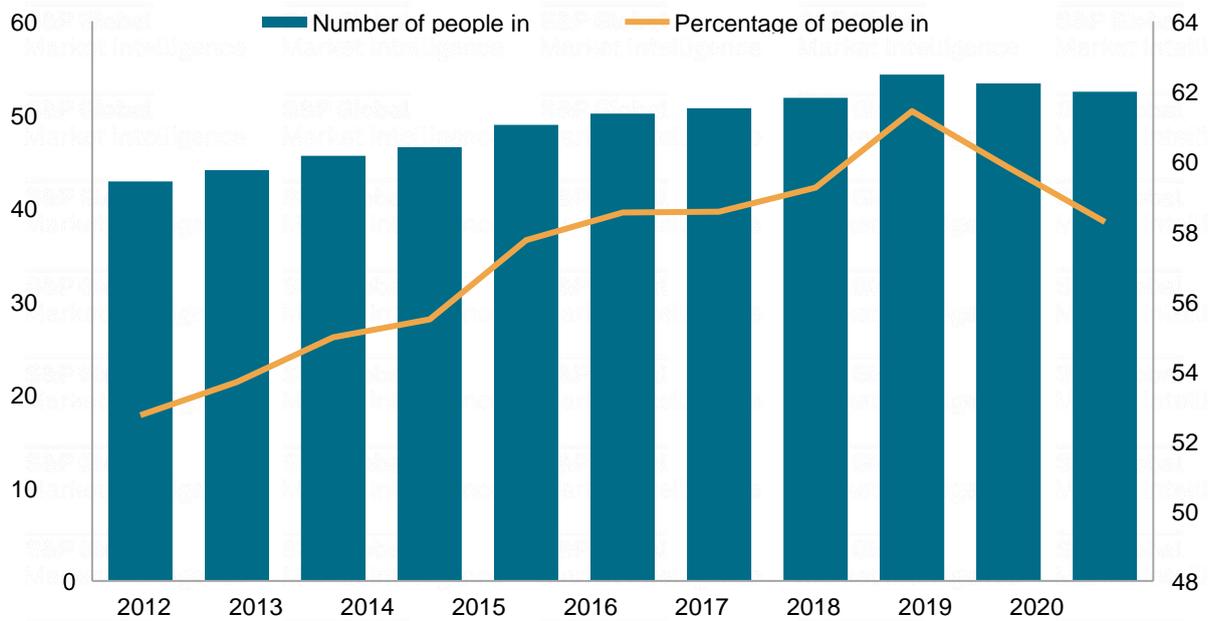
**Percentage of people living in poverty by population group - Dr Beyers Naude, 2012-2022[Percentage]**

African	White	Coloured	
2012	67.3%	0.7%	54.7%
2013	68.4%	0.8%	55.5%
2014	69.7%	0.8%	56.8%
2015	70.3%	0.9%	57.2%
2016	73.4%	1.1%	59.2%
2017	75.2%	1.2%	59.5%
2018	76.5%	1.4%	58.8%
2019	78.5%	1.9%	58.8%
2020	81.4%	2.6%	60.7%
2021	80.7%	2.6%	58.4%
2022	79.5%	2.5%	56.4%

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
© 2024 S&P Global.

In 2022, the population group with the highest percentage of people living in poverty was the African population group with a total of 79.5% people living in poverty, using the upper poverty line definition. The proportion of the Coloured population group, living in poverty, decreased by -1.83 percentage points, as can be seen by the change from 54.71% in 2012 to 56.35% in 2022. In 2022 2.54% of the White population group lived in poverty, as compared to the 0.71% in 2012.

**2.2.3 Poverty**



**Number and percentage of people living in poverty - Dr Beyers Naude Local Municipality, 2012-2022 [Number percentage]**

Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
© 2024 S&P Global.

- a) In 2022, there were 52 400 people living in poverty, using the upper poverty line definition, across Dr Beyers Naudé Local Municipality - this is 22.44% higher than the 42 800 in 2012. The percentage of people living in poverty has increased from 52.74% in 2012 to 58.26% in 2022, which indicates a increase of -5.52 percentage points.

**Percentage of people living in poverty by population group - Dr Beyers Naude, 2012-2022[Percentage]**

<b>African</b>	<b>White</b>	<b>Coloured</b>	
2012	67.3%	0.7%	54.7%
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Source: South Africa Regional eXplorer v2443.  
Data compiled on 15 Jan 2024.  
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## **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.

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

Settlement Type	Households	Population
<b>TOWNS</b>		
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
<b>Sub-Total</b>	<b>11,478</b>	<b>47,299</b>
<b>TOWNSHIPS</b>		
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
<b>Sub-Total</b>	<b>5,192</b>	<b>18,530</b>
<b>RURAL SETTLEMENTS</b>		
Waterford	14	43
Non-urban settlements & farms	3,241	13,419
<b>Sub-Total</b>	<b>3,255</b>	<b>13,462</b>
<b>INFORMAL SETTLEMENTS</b>		
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.		
<b>TOTAL</b>	<b>19,925</b>	<b>79,291</b>

*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

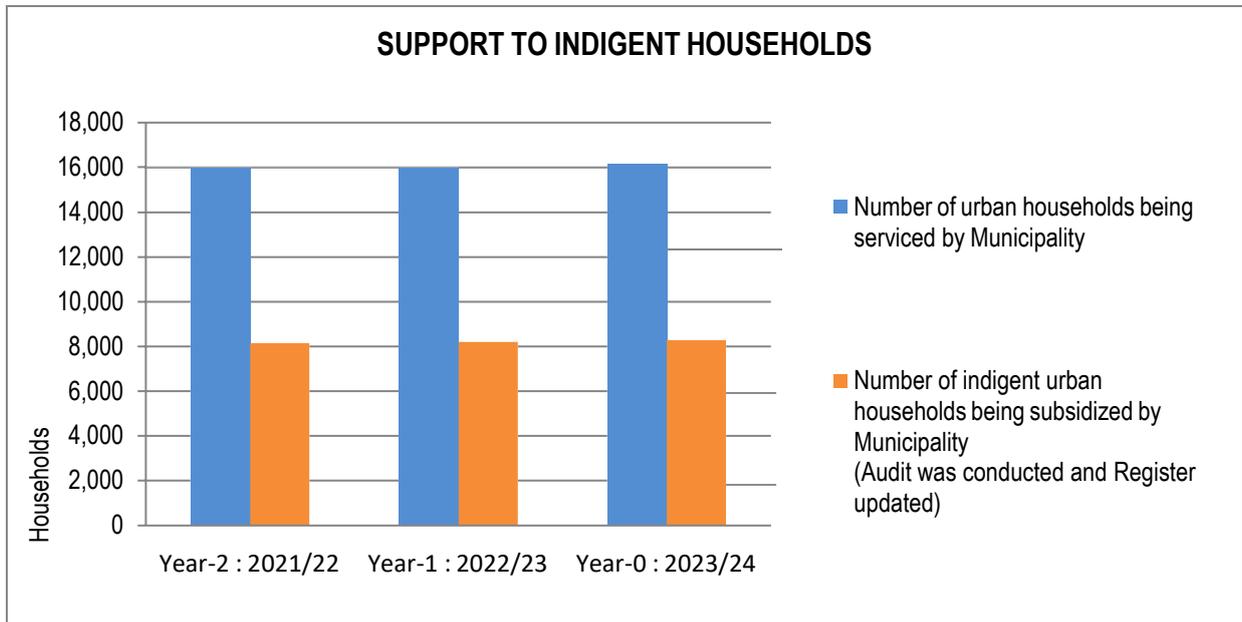
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national 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 <sup>2</sup> 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.*

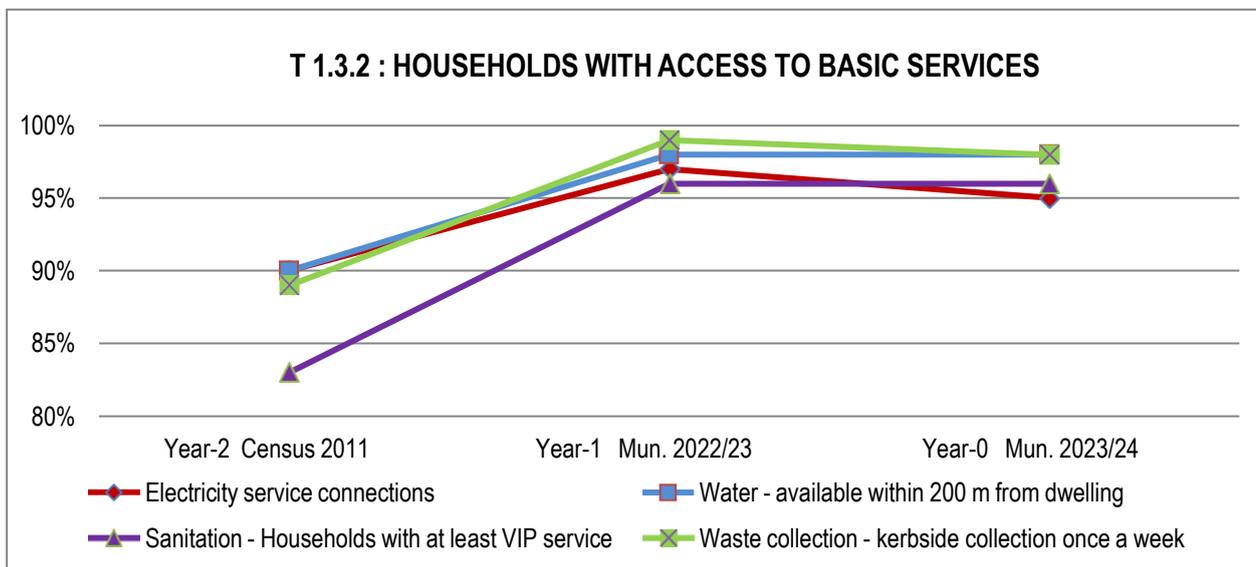
## 1.3 SERVICE DELIVERY OVERVIEW

### 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 (UPDATE)

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 R701 million, whilst actual operating expenditure amounted to R737 million, resulting in an operating loss of R38 million. The Adjustments Budget for operating revenue during the 2023/24 financial year amounted to R614 million, whilst Adjustment Budget for operating expenditure amounted to R654 million, with an anticipated budgeted deficit of R40 million.

The favorable revenue variance of R87 million was attributable to the following factors:

- a) Due to the municipal debt relief application, an amount of R148 million was not budgeted for and realized during the year.
- b) Under performance on the revenue from service charges and property rates of R 36 million.
- c) Underperformance of government grants of R14 million. The Regional bulk infrastructure grant budget does not align with the actuals due to the fact that the financial years are not the same. An unspent portion of the Municipal Disaster Relief Grant of R6 million results in variance in underperformance.

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 0.20:1(2023:0:11:1) far below the National Treasury norm of 2:1. The result reveals a deterioration from the previous financial year and confirms the current liquidity challenges the municipality is experiencing.
- b) Remuneration as a percentage of total operating expenses is at 26.5% (2023: 29.6%) is within the National treasury norm of 25% - 40% however is very high.

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

<b>FINANCIAL OVERVIEW : 2023/24</b>			
R'000			
<b>Details</b>	<b>Original budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>
Income:			
Grants	200 530	210 336	196 286
Taxes, Levies and tariffs	292 885	362 665	326 494
Other	34 593	41 182	178 644
<b>Sub Total</b>	<b>528 008</b>	<b>614 183</b>	<b>701 423</b>
Less: Expenditure	554 298	654 833	739 002
<b>Net Total*</b>	<b>(26 290)</b>	<b>(40 650)</b>	<b>(37 579)</b>
<i>* Note: surplus/(deficit) excluding actuarial gains</i>			T 1.4.2

<b>OPERATING RATIOS FOR 2023/24</b>	
<b>Detail</b>	<b>%</b>
Original Budget	26.5%
Adjustment Budget	2.04%
Actual	26%
	T 4.1.3

### COMMENT ON OPERATING RATIOS

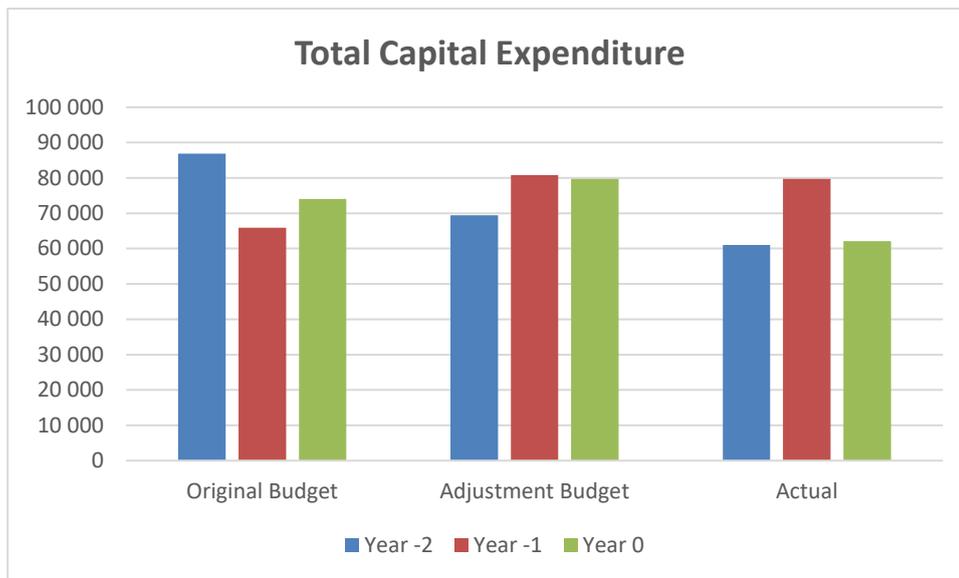
Remuneration as a percentage of total operating expenses is at 26.5% (2023: 29.6%) is within the National treasury norm of 25% - 40%

Repairs and maintenance are 2.04% 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 26% (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	2021/22	2022/23	2023/24
Original Budget	86 898	65 899	74 050
Adjustment Budget	69 445	80 824	84 395
Actual	61 071	79 752	62 093
			T 1.4.4

T 1.4.5.1



## COMMENT ON CAPITAL EXPENDITURE

The municipality spent 74% of the adjusted capital budget for 2023/24 financial year. The variance is attributable to the timing difference for RBIG grants with allocation for projects spreading beyond our financial year and the unspent grant related to municipal disaster relief grant. This amount is subject of roll over application to be spent in 2024/25.

## 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 2023
- 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 2022/2023 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 2023/24

- ❖ *THE 2023/24 AUDIT REPORT WITH AUDIT OUTCOMES WILL BE ATTACHED AS ANNEXURE 2 IN VOLUME II OF THIS REPORT ONCE AUDIT IS CONCLUDED*

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 2023/24 ANNUAL PERFORMANCE REPORT WILL BE ATTACHED AS ANNEXURE 4 IN VOLUME II OF THIS REPORT ONCE AUDIT OF PREDETERMINED OBJECTIVES IS CONCLUDED*



Dr. Beyers Naudé  
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rising together for development

# 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.

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 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

## 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. Look: 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.

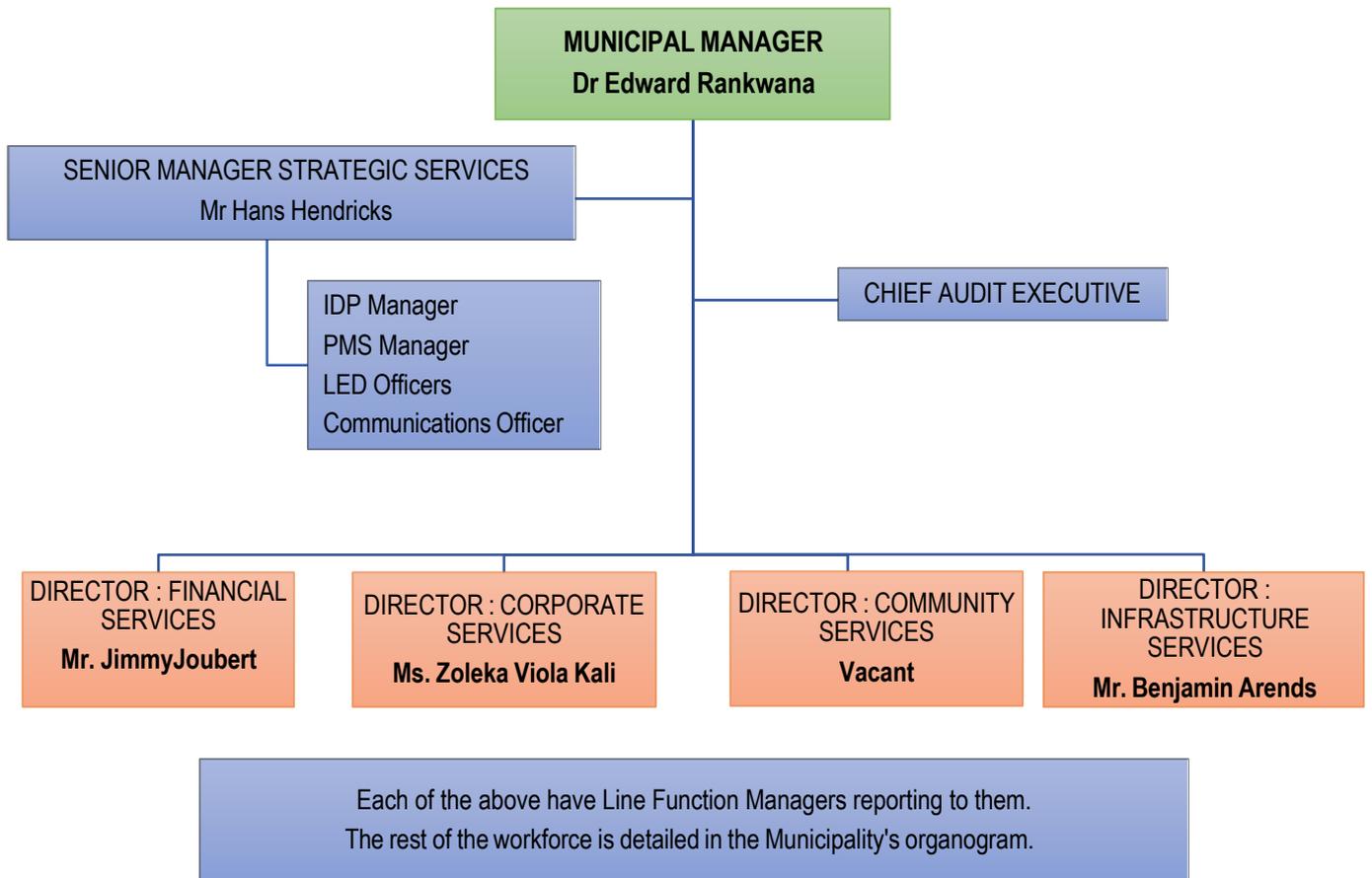
T 2.1.3

## 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 **2023/24**.

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 (TO BE UPDATED)

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	2
3	1
4	2

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 2023/24

#### 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**

<b>Ward, nature and purpose of meeting</b>	<b>Date</b>	<b>Number of Participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Issue addressed (Yes/No)</b>	<b>Dates and manner of feedback given to community</b>
WARD 1 Mayoral Outreach						
WARD 2 Mayoral Outreach						
WARD 3 Mayoral Outreach						
WARD 4 Mayoral Outreach						
WARD 5 Mayoral Outreach						

WARD 6 Mayoral Outreach						
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WARD 7 Mayoral Outreach						
WARD 8 Mayoral Outreach						
WARD 9 Mayoral Outreach						
WARD 10 Mayoral Outreach						
WARD 11 Mayoral Outreach						
WARD 12 Mayoral Outreach						

**FREE BASIC SERVICES (FBS) COMMUNITY OUTREACHES**

<b>Ward, nature and purpose of meeting</b>	<b>Date</b>	<b>Number of Participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Brief description of session and whether objective was achieved</b>

					T 2.4.3



**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD (TO BE UPDATED)**

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.

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.*

## 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 2023/24				
Description	Public Participation conducted prior to adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
<b>EXISTING BY-LAWS</b>				
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
<b>NEW BY-LAWS</b>				
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 = 2021/22	Year -1 = 2022/23	Year 0 = 2023/24		
Integrated Development Plan (IDP) and related documents (Year 0)			Yes	
Integrated Development Plan (IDP) and related documents (Year 0, Year -1, Year -2)			Yes	
Annual and adjustments budgets and all budget-related documents (Year 0)			Yes	
Annual and adjustments budgets and all budget-related documents (Year -1)			Yes	
All current budget-related policies			Yes	
Service Delivery and Budget Implementation Plan (SDBIP – Year 0)				
The previous annual report (Year -1)			Yes	
The annual report (Year -1) published / to be published (Draft)			Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards (Year 0)			Yes	
All service delivery agreements (Year 0)			No	
All long-term borrowing contracts (Year 0)			No	
All supply chain management contracts above a prescribed value (R10 million or 5 years)			No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year -1.			No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section			No	
Public-private partnership agreements referred to in section 120 made in Year 0			No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0			No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>				T 2.10.1

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

T 2.10.1.1.

PUBLIC SATISFACTION LEVELS

T 2.11.1

**SATISFACTION SURVEYS UNDERTAKEN DURING: 2022/23 & 2023/24**

Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
<b>Overall satisfaction with:</b>				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
<b>Satisfaction with:</b>				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				

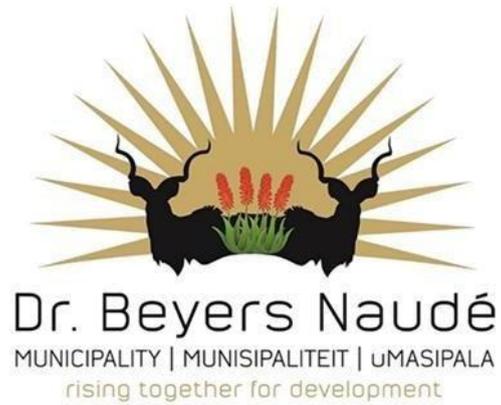
\* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory

T 2.11.2

**COMMENT ON PUBLIC SATISFACTION LEVELS**

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

T 2.11.2.2



# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT: PART 1)



**INTRODUCTION**

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

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

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

T 3.0.1

SERVICES	HOUSEHOLDS WITH ACCESS
Water	97%
Sanitation	84%
Electricity	98%
Solid Waste	100%
Roads & Stormwater	100%

**COMPONENT A: BASIC SERVICES**

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

**INTRODUCTION TO BASIC SERVICES**

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

T 3.1.0

### 3.1 WATER PROVISION

#### INTRODUCTION

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

Dr Beyers Naudé Municipality is a Water Services Provider (WSP) and Water Services Authority (WSA). 97% of households in the Dr Beyers Naudé Municipal area have access to piped water on their premises or within 200m from the dwellings. Coca Cola Beverage South Africa also assisted with the equipment of four boreholes including renewable energy systems at the Southern Wellfield in Graaff-Reinet and the automation of boreholes to ensure boreholes management.

#### WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	16 ML/d	8,406 ML/d
Aberdeen	3,4 ML/d	2,267 ML/d
Nieu-Bethesda	0,83 ML/d	0,274 ML/d

The table above shows an increase in operational volumes and that all three towns have spare capacity. Carting of water is in place to assist with supply during temporary shortages as well. Nqweba Dam is currently on 94 % 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	0,731 ML/d
Steytlerville	2,0 ML/d	0,545 ML/d
Rietbron	0,27 ML/d	0,274 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. A contractor was appointed to attend to the unblocking of Erasmuskloof Subsoil Drainage system. The project for exposure and repairing of subsoil drainage system in Erasmuskloof will commence during 2024/25. 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.

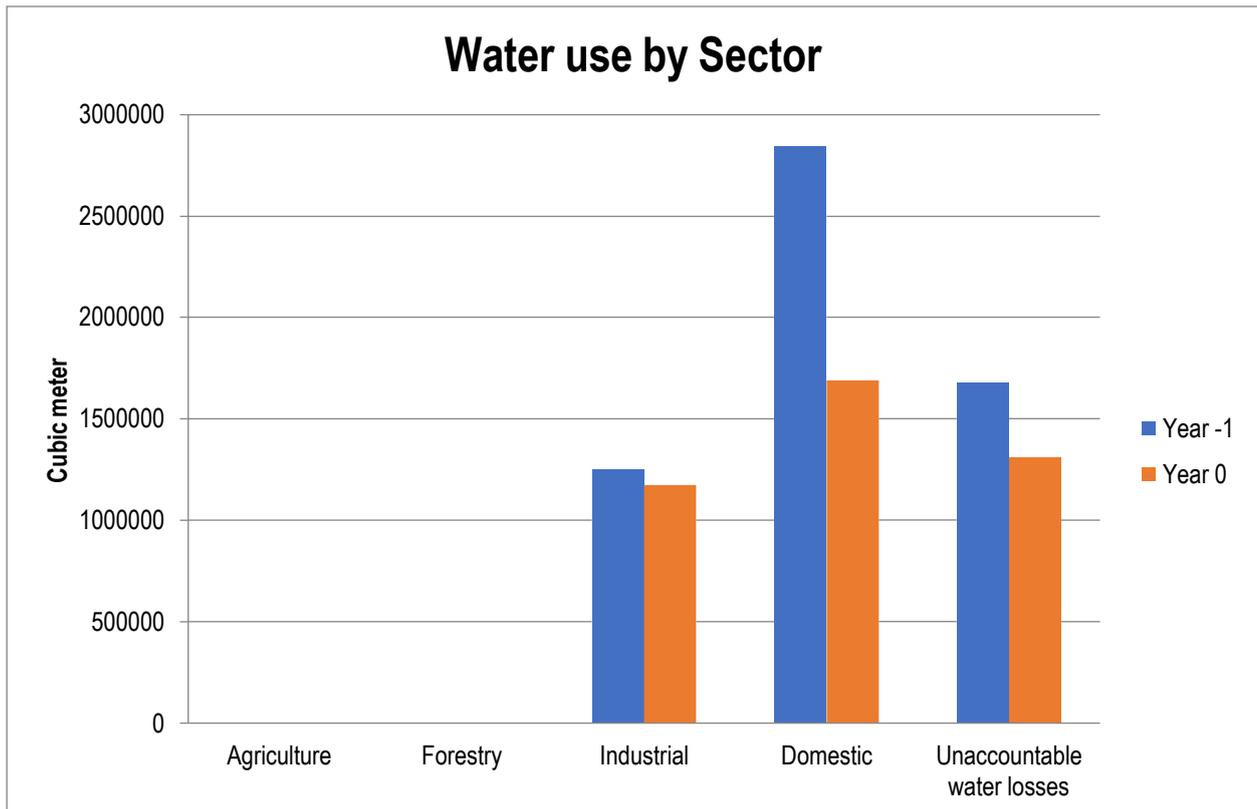
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	2,5 ML/d	1,020 ML/d
Klipplaat	1,5 ML/d	0,572 ML/d

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 60 % 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	418 870	1 967 495	1 166 420
2022/23	0	0	397 887	1 917 887	2 184 960

*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 water shortages/interruptions.

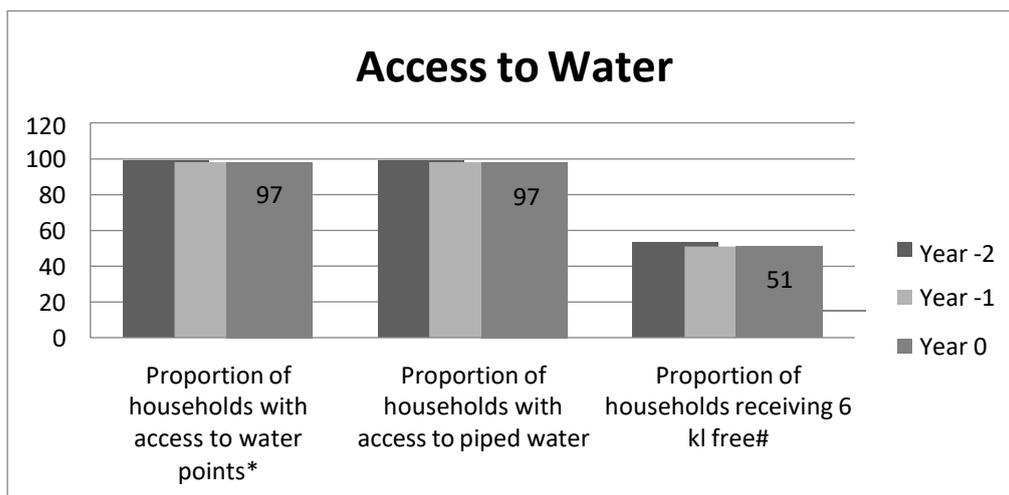
*T 3.1.2.2*

HOUSEHOLD WATER SERVICE DELIVERY LEVELS			
Description	2021/22	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>Water: (above min level)</b>			
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%
<b>Water: (below min level)</b>			
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%
<b>Total number of households</b>	<b>16 164</b>	<b>16 208</b>	<b>16 348</b>
<i>* To include informal settlements</i>			<i>T 3.1.3</i>

HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM			
Description	2021/2	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>FORMAL SETTLEMENTS</b>			
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%
<b>INFORMAL SETTLEMENTS</b>			
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 #
2021/22	97 %	97 %	51 %
2022/23	97 %	97 %	51 %
202/24	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)	2022/23		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)
<b>Service Objective No. 1</b>									
Households Without Minimum water supply	Additional households provided with minimum water supply during the year	0	0	0	0	0	0	0	0
<b>Service Objective No. 2</b>									
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%
<b>Service Objective No. 3</b>									
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%	35%
<b>Service Objective No. 4</b>									
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)	202/23	2023/24			
	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%
<b>Total</b>	<b>60</b>	<b>84</b>	<b>60</b>	<b>60</b>	<b>71%</b>
<i>T 3.1.7</i>					

FINANCIAL PERFORMANCE 2023/2024: WATER SERVICES					
R'000					
Details	2022/23	2023/24			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	<b>(83 807)</b>	<b>(90 025)</b>	<b>(96 801)</b>	<b>(87 586)</b>	<b>10%</b>
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%
<b>Total Operational Expenditure</b>	<b>87 918</b>	<b>65 753</b>	<b>61 653</b>	<b>92 492</b>	<b>-50%</b>
<b>Net Operational Expenditure</b>	<b>4 110</b>	<b>(24 273)</b>	<b>(35 148)</b>	<b>4 906</b>	
<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 2023/24 : WATER SERVICES					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>57 799</b>	<b>66 158</b>	<b>43 532</b>	<b>1%</b>	
Graaff-Reinet Bulk Water Supply Scheme: Phase 2	2 053	2 053	2 053	0%	<b>28 000</b>
Drilling of additional boreholes southern wellfield	9 946	9 946	9 946	0%	<b>12 000</b>
Graaf-Reinet Emergency Bulk Water Supply Scheme (WSS)	16 000	16 000	15 995	0%	<b>71 834</b>
Ikwezi Bulk Water supply 2018/19	10 000	5 000	4 999	0%	<b>67 722</b>
Ground Water Development in Jansenville, Klipplaat and Rietbron	6 057	6 057	6 057	0%	<b>6 057</b>
New Bulk Water reticulation steel pipeline Willowmore 2020/21	4 500	4 500	4 478	0%	<b>13 928</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 3.1.9</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:

Load shedding and vandalism.

#### Other major challenges are:

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

A few towns are still 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 still faces drought challenges which may reduce the supply of clean and safe drinking water to consumers. As per IRIS total compliance on drinking water quality for Micro Health of 98.86 % was achieved during this financial year.

### 3.2 WASTEWATER (SANITATION) PROVISION (TO BE UPDATED)

#### INTRODUCTION

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

#### WASTE WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY

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

All above plants are operating well within their design capacities.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,0 ML/d	0,62 ML/d
Steytlerville	1,0 ML/d	0,61 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.

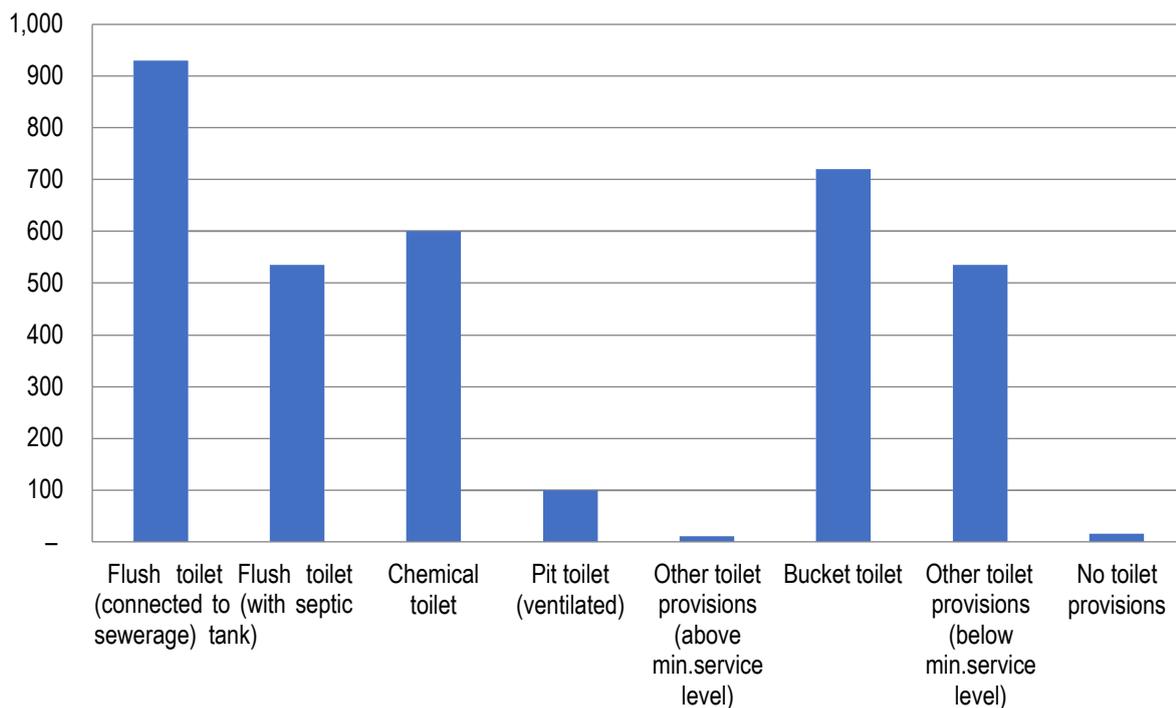
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0 ML/d	0,44 ML/d
Klipplaat	0,6 ML/d	0,13 ML/d

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 Wastewater Treatment Works. This project will commence during 2024/25.

<b>SANITATION SERVICE DELIVERY LEVELS</b>			
Households			
Description	2021/22	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>Sanitation/sewerage: (above minimum level)</b>			
Flush toilet (connected to sewerage)	10 706	10 967	10 976
Flush toilet (with septic tank)	2 247	2 247	2247
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other (Communal) toilet provisions (above minimum service level)	505	509	509
<i>Minimum Service Level and Above sub-total</i>	13 458	13 723	13 732
<i>Minimum Service Level and Above Percentage</i>	84 %	84 %	84%
<b>Sanitation/sewerage: (below minimum level)</b>			
Bucket toilet	4	4	4
Other toilet provisions (below minimum service level)	2 591	2591	2591
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	30	30	20
<i>Below Minimum Service Level Percentage</i>	16 %	16%	16%
<b>TOTAL HOUSEHOLDS</b>	<b>16 083</b>	<b>16 348</b>	<b>16 348</b>
<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) : 2023/24



### HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2021/2022	202/2	2023/24
	Actual No.	Actual No.	Actual No.
<b>FORMAL SETTLEMENTS</b>			
Total households	16 083	16 348	16 348
Households below minimum service level	2 625	2 625	2 615
% Proportion of households below minimum service level	16 %	16 %	16%
<b>INFORMAL SETTLEMENTS</b>			
Total households	3 100	3 104	3 104
Households is below minimum service level	30	30	20
% Proportion of households below minimum service level	1 %	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)
<b>Service Objective No. 1</b>									
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
<b>Service Objective No. 2</b>									
<b>Service Objective No. 3</b>									
<b>Service Objective No. 4</b>									
									T 3.2.6

EMPLOYEES : SANITATION SERVICES					
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	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%
<b>Total</b>	<b>60</b>	<b>84</b>	<b>60</b>	<b>60</b>	<b>71%</b>

T 3.2.7

FINANCIAL PERFORMANCE 2022/23 : SANITATION SERVICES					
R'000					
Details	2022/23	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(42 954)</b>				
Expenditure:					
Employees	7 037				
Repairs and Maintenance	15 409				
Other	32 603				
<b>Total Operational Expenditure</b>	<b>55 049</b>				
<b>Net Operational Expenditure</b>	<b>12 096</b>				
<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 202/2: SANITATION SERVICES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</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 breakdowns and faults causing spillages. Vandalism, theft and breakages remain a major concern in Klipplaat. Graaff-Reinet Wastewater Treatment Plant security fence still needs to be replaced. Application for funding of this project was submitted. The development of Wastewater Risk Abatement Plans for all plants will be due for approval during 2024/25. The municipality and the Department of Water and Sanitation is attending to secure Water Use licenses for all plants. Refurbishment of Graaff-Reinet Wastewater Treatment Plant commenced and will be completed during 2024/25.

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 / currently in process
- Identify and implement suitable electrification projects.
- Upgrade old Infrastructure.
- Replace inefficient public street lighting with energy efficient streetlight technology. Graaff -Reinet, Aberdeen, Jansenville, Klipplaat and Rietbron (In process)
- Electrification needs are identified in the IDP, based on the Ward and Master Plans. The Municipality is supporting three renewable energy projects in the area namely:
  - Solar PV Farm (Carbon Metrics)
  - 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 2023/2024 financial year, 3 High mast lights were installed in Aberdeen.

#### 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
- Purchase of standby transformers
- Implement meter audits

T 3.3.2

<b>HOUSEHOLD ELECTRICITY SERVICE DELIVERY LEVELS</b>			
<b>Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
<b>Energy: (above minimum level)</b>			
Electricity (at least minimum service level)	2,528	2,537	2537
Electricity - prepaid (minimum service level)	10,639	11,686	11686
<i>Minimum Service Level and Above sub-total</i>	13,167	14223	14223
<i>Minimum Service Level and Above Percentage</i>	98.9%	98.4%	98.4%
<b>Energy: (below minimum level)</b>			
Electricity (< minimum service level)	-	-	-
Electricity - prepaid (< minimum service level)	218	225	225
Other energy sources			
<i>Below Minimum Service Level sub-total</i>	218	225	225
<i>Below Minimum Service Level Percentage</i>	1.6%	1.5%	1.5%
<b>Total number of households</b>	<b>13,317</b>	<b>14448</b>	<b>14448</b>
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	2021/22	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>			
Total households	11107	13167	14448
Households below minimum service level	0	0	0
% Proportion of households below minimum service level	0%	0%	0%
<b>Informal Settlements</b>			
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.)

**TO BE UPDATED**

EMPLOYEES : ELECTRICITY SERVICES					
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	15	15	15	3	20%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	3	0%
10 – 12	10	10	10	1	10%
13 – 15	2	2	2	1	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>4</b>	<b>15%</b>
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
<b>Total Operational Revenue</b>	<b>(126 984)</b>	<b>(182 561)</b>	<b>(179 976)</b>	<b>(126 675)</b>	<b>-30%</b>
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%
<b>Total Operational Expenditure</b>	<b>148 179</b>	<b>158 338</b>	<b>153 440</b>	<b>137 246</b>	<b>11%</b>
<b>Net Operational Expenditure</b>	<b>21 195</b>	<b>(24 224)</b>	<b>(26 536)</b>	<b>10 571</b>	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

<b>Capital Expenditure Year 0: Electricity Services</b>					
					<b>R' 000</b>
<b>Capital Projects</b>	<b>Year 0 – 2023/2024</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Standby Transformer	R800 000	0	R750 000		R750 000
<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 have led to an increase in the number of illegal dumping sites within our various wards.

#### CHALLENGES

The Waste Management Operational Plan and Turnaround Strategy still could not be adhered to because of 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 the 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.
- 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

<b>HOUSEHOLD SOLID WASTE (REFUSE REMOVAL) SERVICE DELIVERY LEVELS</b>			
Description	2021/2	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal: (Minimum level)</b>			
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>			
<b>Solid Waste Removal: (Below minimum level)</b>			
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>			
<b>Total number of households</b>	<b>15 872</b>	<b>15 872</b>	<b>15 872</b>
<i>T 3.4.2</i>			

<b>HOUSEHOLD SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM</b>			
Description	2021/2	2022/23	2023/24
	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>			
Total households	15 332	15 332	15 332
Households below minimum service level			
% Proportion of households below minimum service level	100%	100%	100%
<b>Informal Settlements</b>			
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)
<b>Service Objective No. 1</b>									
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 Steyterville	Tender process and Construction of 1 Cell		Application for licencing of Jansenville landfill site			
<b>Service Objective No. 2</b>									
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.	-							
<b>Service Objective No. 3</b>									
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		
<b>Service Objective No. 4</b>									
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 skips to deal with the clearing of illegal dumping sites.				

T 3.4.4

**EMPLOYEES: SOLID WASTE MANAGEMENT, WASTE DISPOSAL & CLEANING SERVICES**

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	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
<b>Total</b>	<b>89</b>	<b>192</b>	<b>90</b>	<b>96</b>	<b>50%</b>

*T 3.4.5 & T 3.4.6*

**FINANCIAL PERFORMANCE 2023/24 : SOLID WASTE MANAGEMENT SERVICES**

R'000					
Details	2022/23	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(34 463)</b>				
Expenditure:					
Employees	14 211				
Repairs and Maintenance	192 126				
Other	36 061				
<b>Total Operational Expenditure</b>	<b>50 464</b>				
<b>Net Operational Expenditure</b>	<b>16 001</b>				
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.7 &amp; T 3.4.8</i>

**CAPITAL EXPENDITURE 2023/24 : WASTE MANAGEMENT SERVICES**

R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<i>T 3.4.9</i>

## COMMENTS ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Waste management is one of the municipal functions that is the cause of the most dissatisfaction from communities. Fortunately, this is also one of the functions that poses the opportunity to gain quick wins. Great strides have already been made in turning around this function 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 Economic Development & Environmental Affairs 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 experienced with refuse removal.

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

R6,845,443 has been provided through the Municipal Infrastructure Grant for the procurement of specialized waste management vehicles. Two TLB's, one compactor truck, and one front-end loader have been procured. In addition to this, it is envisaged to commence with the phasing-in of wheelie bins. 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 was closed to the public, but it was 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 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 Councilors/ward committees, Mayoral weekly newsletter, etc.
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. 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.
5. 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.
6. Policies and by-laws are outdated: to be reviewed in 2024/25.
7. 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.
8. 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.
9. Insufficient vehicles and equipment for refuse removal – a bulldozer is one of the implements that is urgently required, and submission for consideration in the municipal budget has been made.
10. 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 Acting Manager: Waste Management will be held accountable for improved and cost-effective refuse management.
11. Refuse is not removed as scheduled: revised refuse removal schedules have been compiled and distributed. Deviations from schedules only occur due to break-downs, whereby residents are notified.
12. No responsibility or accountability for poor performance or not removing refuse: disciplinary actions are taken against ill-discipline and poor performance.
13. No pride in work and communities not taking pride or responsibility for their own environments and hygiene.
14. Ill-discipline of workforce: strict discipline is being enforced.

T 3.4.10

## 3.5 HOUSING / HUMAN SETTLEMENTS

### INTRODUCTION (to be updated)

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
2023/24	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)
<b>Service Objective No. 1</b>									
New RDP houses in Nieu-Bethesda					100	0	62	0	62
<b>Service Objective No. 2</b>									
Upgrading of Nieu-Bethesda Informal Settlement				0	0	0	0	0	16
									T 3.5.3

EMPLOYEES : HOUSING / HUMAN SETTLEMENT SERVICES					
Job Level	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					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
<b>Total</b>					%
					T 3.5.4

FINANCIAL PERFORMANCE 2023/24: HOUSING SERVICES					
R'000					
Details	2022/23 Actual	2023/24			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(0)				
Expenditure:					
Employees	0				
Repairs and Maintenance	0				
Other	141				
<b>Total Operational Expenditure</b>	<b>141</b>				
<b>Net Operational Expenditure</b>	<b>141</b>				
<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	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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 centered in the delivery of housing the community as outlined in the South African Constitution.

The recent steps taken by Management to formalize 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 was completed in 2022/2023. No housing projects in 2023/2024.

T 3.5.7

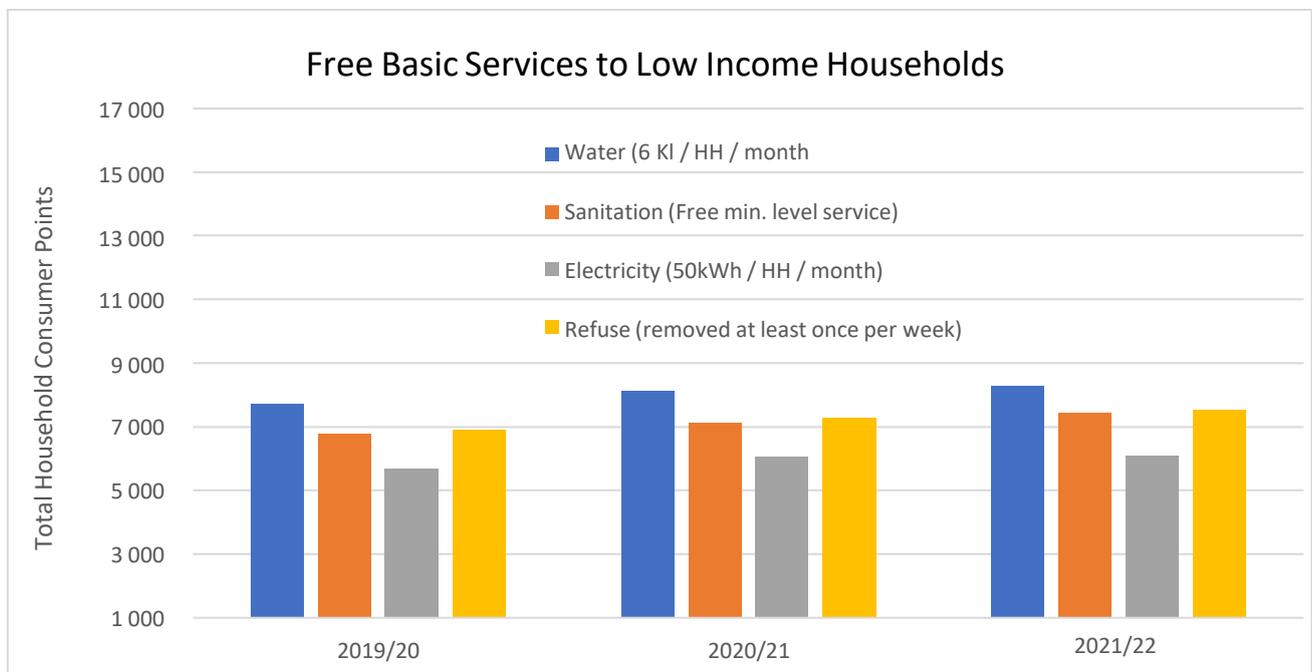
## 3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

### INTRODUCTION (TO BE UPDATED)

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	%
2021/22	15,977	8,120	51%	7,121	45%	6,054	38%	7,273	46%
202/23	15918	8277	52%	7435	47%	6084	38%	7507	47%
202/234									

\*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 2023/24 : COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
Services Delivered to Indigent Households	2022/23	2023/24			
	Actual	Budget	Adjustment Budget	Actual	% Variance to Budget
Water (6Kl per HH per month)	5 363 969				
Sanitation (free monthly service)	9 683 613				
Electricity (50kWh per HH per month)	11 798 840				
Refuse Removal (free weekly service)	7 839 222				
Rates (annual property tax)	1 694 514				
<b>Total</b>	<b>36 380 159</b>				

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)
<b>Service Objective No. 1</b>									
Providing Free Basic Services and Indigent Support	None	None	None	None	None	None	None	None	None
<b>Service Objective No. 2</b>									

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.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes roads, transport and stormwater drainage.

### INTRODUCTION TO MUNICIPAL ROADS INFRASTRUCTURE

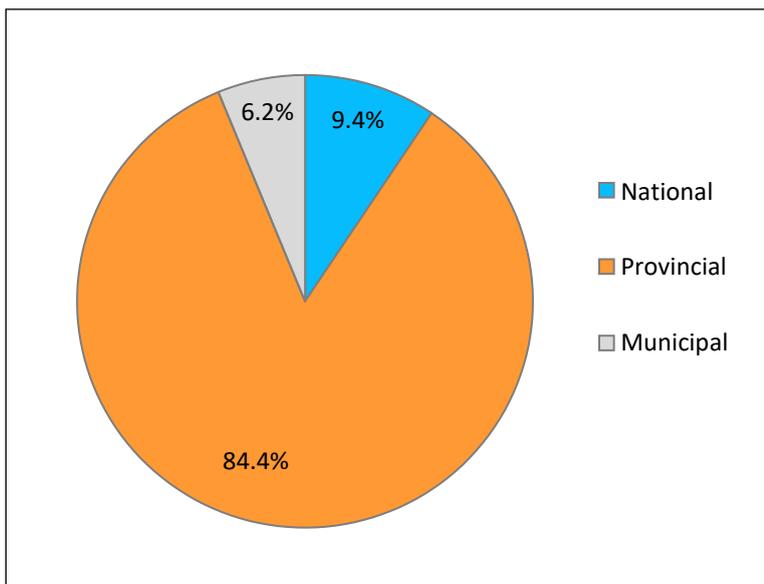
The road network within the Dr Beyers Naudé Local Municipal Area falls under the jurisdiction of three (3) authorities, namely:

- 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
<b>Total</b>	<b>5 379.44</b>



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

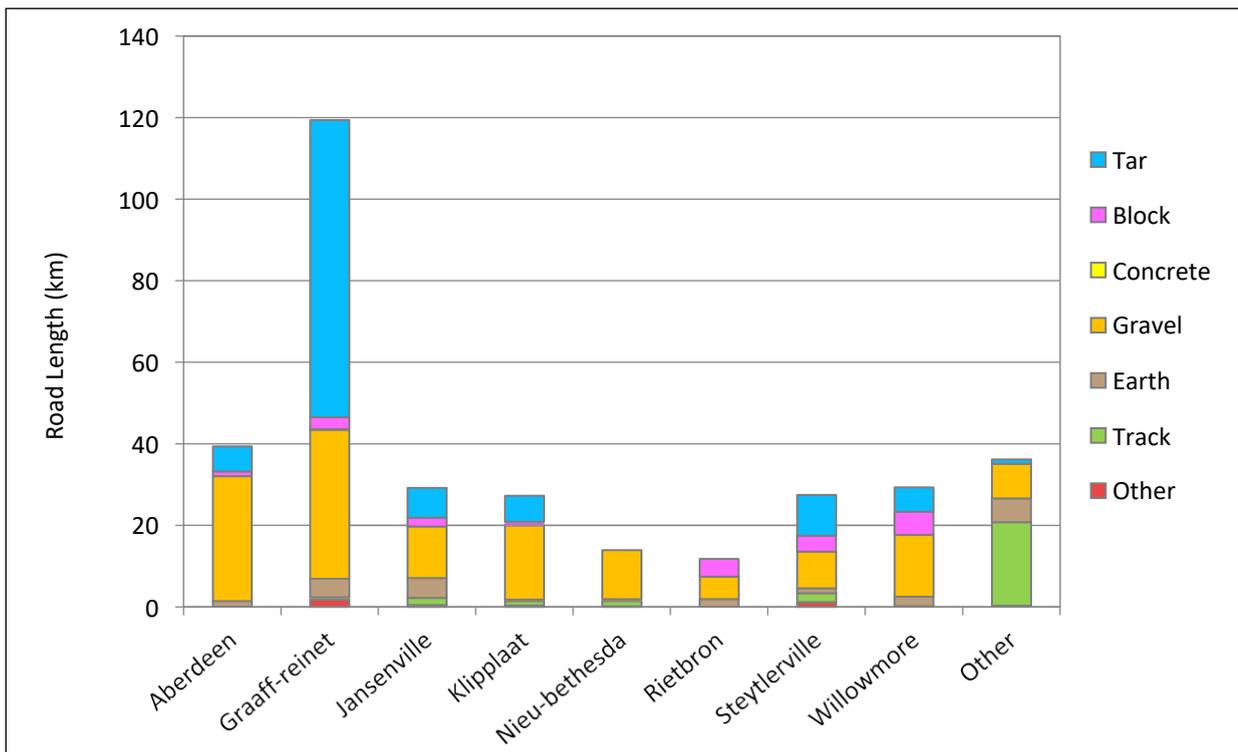
The total road network within the Dr Beyers Naudé Local Municipal Area and under the jurisdiction of the municipality comprises of approximately 333.82km, of which approximately 131.16km (or approximately 39%) are Paved roads.

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
<b>Total</b>		<b>333.82</b>



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.

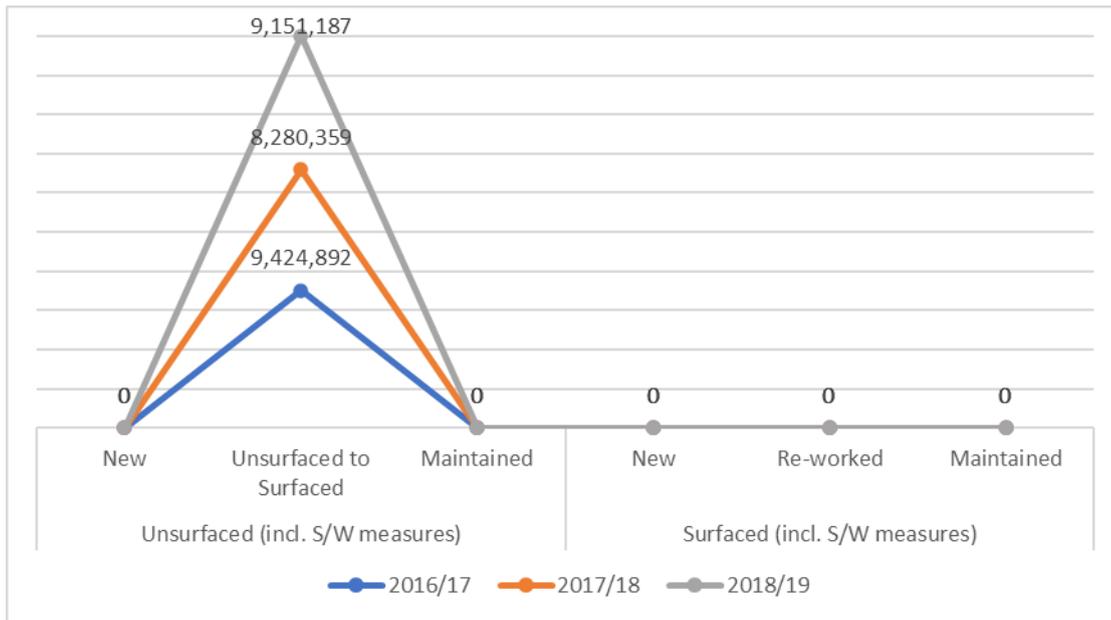
ROAD INFRASTRUCTURE IN KILOMETRES				
202/234	Total unsurfaced roads	New unsurfaced roads constructed	Unsurfaced roads upgraded to surfaced	Unsurfaced roads graded/maintained
	202.7	0	0	158
T 3.7.2				

SURFACED ROAD INFRASTRUCTURE IN KILOMETRES				
2023/24	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				
2023/24	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
2021/22	0					
2022/23	0					
2023/24	0					
T 3.7.4 & T 3.9.3						

Graph to be updated



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)
<b>Service Objective No. 1</b>									
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)	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	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%
<b>Total</b>	<b>29</b>	<b>74</b>	<b>29</b>	<b>45</b>	<b>61%</b>

T 3.7.7

FINANCIAL PERFORMANCE 2022/23 : ROADS & STORMWATER SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(31 002)</b>				
Expenditure:					
Employees	8 725				
Repairs and Maintenance	1 504				
Other	19 509				
<b>Total Operational Expenditure</b>	<b>29 738</b>				
<b>Net Operational Expenditure</b>	<b>1 264</b>				

CAPITAL EXPENDITURE 2023/24 : ROADS & STORMWATER SERVICES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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 &amp; 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**

**Update**

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
<i>T 3.10.2</i>						

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

EMPLOYEES : PLANNING SERVICES					
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					
7 – 9					
10 – 12	2	1	2	4	
13 – 15	1	1	1		
16 – 18		1	1	1	
19 – 20					
<b>Total</b>					%
<i>T 3.10.4</i>					

FINANCIAL PERFORMANCE 2023/24 : PLANNING SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(110)				
<b>Expenditure:</b>					
Employees	0				
Repairs and Maintenance	0				
Other	306				
<b>Total Operational Expenditure</b>	306				
<b>Net Operational Expenditure</b>	196				

CAPITAL EXPENDITURE 2023/24 : PLANNING SERVICES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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, for a period of three year.

**TO BE UPDATED**

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
<b>Total</b>	<b>2967.0</b>	<b>3029.2</b>	<b>3320.76</b>	<b>3036.22</b>
				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.

<b>ECONOMIC EMPLOYMENT BY SECTOR</b>				
<b>Sector</b>	<b>Number of Jobs</b>			
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
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
<b>Total</b>	<b>28 822</b>	<b>38046</b>	<b>50221</b>	<b>118830</b>
			<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

<b>JOBS CREATED DURING 2022/23 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)</b>				
<b>Total Jobs created / Top 3 initiatives</b>	<b>Number of Jobs created</b>	<b>Number of Jobs lost / displaced by other initiatives</b>	<b>Net total number of jobs created in 2019/20</b>	<b>Method of validating jobs created / lost</b>
<b>Total (all initiatives)</b>				
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.

<b>JOB CREATION THROUGH EPWP* PROJECTS</b>		
<b>Year</b>	<b>Number of EPWP Projects</b>	<b>Number of Jobs created through EPWP projects</b>
2021/22	2	162
2022/23	2	200
2023/24		
<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)
<b>Service Objective No. 1</b>									
<b>SMME Development and Support</b>	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	-	-
<b>Service Objective No. 2</b>									
<b>Job Creation</b>	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	-	-	-	-	-	-	-
<b>Service Objective No. 3</b>									
<b>Black Economic Empowerment &amp; Partnerships</b>	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	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		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					
<b>Total</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>90%</b>

T 3.11.8

**FINANCIAL PERFORMANCE 2022/23 : LOCAL ECONOMIC DEVELOPMENT SERVICES**

R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>217</b>				
Expenditure:					
Employees	1 937				
Repairs and Maintenance	0				
Other	325				
<b>Total Operational Expenditure</b>	<b>2 262</b>				
<b>Net Operational Expenditure</b>	<b>2 044</b>				
<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 2023/24 : ECONOMIC DEVELOPMENT SERVICES**

R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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 2023/24 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
<b>Wholesale, retail, catering, and hospitality</b>	There has been a rise in the appointment of personnel for this function. This has had a positive contribution to the economy.
<b>Tourism</b>	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.
<b>Agriculture</b>	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.
<b>Manufacturing</b>	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.
<b>Community Services</b>	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 Equivalent) 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)

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 managed.

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)
<b>Service Objective No. 1</b>									
<b>Service Objective No. 2</b>									
<b>Service Objective No. 3</b>									
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)
<b>Service Objective No. 1</b>									
<b>Building of libraries in areas where there is no library</b>	To be included in the budget							To include building of libraries on the budget	
T 3.12.3 (B)									

<b>EMPLOYEES : RECORDS &amp; ARCHIVES</b>					
<b>Job Level (TG)</b>	<b>2022/23</b>	<b>2023/24</b>			
	<b>Number of Employees</b>	<b>Number of Posts</b>	<b>Number of Employees</b>	<b>Number of Vacancies (fulltime equivalents)</b>	<b>Vacancies as a % of total No. of Posts</b>
0 – 3					
4 – 6	3	5	3	2	60%
7 – 9	0	1	0	1	100%
10 – 12					
13 – 15	1	1	1	0	0
16 – 18					
19 – 20					
<b>Total</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>43%</b>
<i>T 3.12.4 (A)</i>					

<b>EMPLOYEES : LIBRARIES &amp; COMMUNITY FACILITIES</b>					
<b>Job Level (TG)</b>	<b>2022/23</b>	<b>2023/24</b>			
	<b>Number of Employees</b>	<b>Number of Posts</b>	<b>Number of Employees</b>	<b>Number of Vacancies (fulltime equivalents)</b>	<b>Vacancies as a % of total No. of Posts</b>
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
<b>Total</b>	<b>27</b>	<b>80</b>	<b>30</b>	<b>50</b>	<b>63</b>
<i>T 3.12.4 (B)</i>					

- There are some important senior posts that need to be filled.

## FINANCIAL PERFORMANCE 2023/24 : LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(2 425)				
Expenditure:					
Employees	15 841				
Repairs and Maintenance	429				
Other	9 282				
<b>Total Operational Expenditure</b>	<b>25 553</b>				
<b>Net Operational Expenditure</b>	<b>23 128</b>				

## CAPITAL EXPENDITURE YEAR 202/24: LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>6 000</b>	<b>6 000</b>	<b>6 000</b>	<b>0%</b>	
Upgrading of Kollie Koeberg Sport Complex	6 000	6 000	6 000	0%	<b>21 716</b>
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

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 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. Records stored there are open for public viewing.

### 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. During the 2023/2024 financial year, repairs and maintenance occurred at the following libraries, namely, Aberdeen Library, Jansenville Library, Horseshoe, Kroonvale and Umasizakhe Libraries in Graaff-Reinet.
- 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. The amount received does not meet the operational costs of the services rendered to the communities. The municipality has 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 years already. This is a District competency, however the Municipal Information Technology Department has assisted with internet connection at some of the libraries. 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, however funding has been approved by the Department of Human Settlements for phased implementation from 2024/2025 financial year.

*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.

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 has been done in-house, which expedites matters and saves costs.
4. The new Adendorp cemetery is being prepared for utilization 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 is also nearing capacity.
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 to address these challenges.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES

<b>CEMETERIES POLICY OBJECTIVES TAKEN FROM IDP</b>									
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)
<b>Service Objective No. 1</b>									
<i>T 3.13.3</i>									

<b>EMPLOYEES : CEMETERY SERVICES</b>					
Job Level	202/2	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	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
<b>Total</b>	0	20	0	0	100%
<i>T 3.13.4</i>					

FINANCIAL PERFORMANCE 2022/23 : CEMETERIES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>				
Expenditure:					
Employees	142				
Repairs and Maintenance	0				
Other	150				
<b>Total Operational Expenditure</b>	<b>292</b>				
<b>Net Operational Expenditure</b>	<b>292</b>				
<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 2023/2 : CEMETERIES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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	202/23	2023/24			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies as a % of total No. of Posts
<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					
<b>Total</b>					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 2023/24: SPECIAL PROGRAMMES UNIT					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Expenditure:					
Employees	1 301	1 397	1 397	1 372	2%
Repairs and Maintenance		<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Other	59	13	13	7	50%
<b>Total Operational Expenditure</b>	<b>1 360</b>	<b>1 411</b>	<b>1 411</b>	<b>1 379</b>	<b>2%</b>
<b>Net Operational Expenditure</b>	<b>1 360</b>	<b>1 411</b>	<b>1 411</b>	<b>1 379</b>	<b>2%</b>

*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 2023/24: SPECIAL PROGRAMMES UNIT**

R' 000

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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.

## 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 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 2023/24 : HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING, ETC.					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>				
Expenditure:					
Employees	389				
Repairs and Maintenance	0				
Other	1 152				
<b>Total Operational Expenditure</b>	<b>1 541</b>				
<b>Net Operational Expenditure</b>	<b>1 541</b>				
<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>

2023/24 SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.			
Data Elements		Value	Comment
1.	<b>WATER QUALITY MONITORING</b>		
	EH Domestic water sample collected	176	
	EH Domestic water sample compliant	134	Corrective action requests on failures.
2.	<b>FOOD CONTROL</b>		
	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.	<b>WASTE MANAGEMENT</b>	172	
	EH Health care waste generator inspected	24	
	EH Health care waste generator compliant	24	
4.	<b>HEALTH SURVEILLANCE OF PREMISES</b>		
	EH Premises tobacco legislation inspected	166	
	EH Premises tobacco legislation compliant	166	
5.	<b>VECTOR CONTROL</b>		
	EH Surveillance/Inspection of premises	172	
	EH Rodent/Pest compliant	172	
6.	<b>ENVIRONMENTAL POLLUTION CONTROL</b>		
	EH Pollution control on premises	23	
	EH Pollution on premises compliant	23	
7.	<b>DISPOSAL OF THE DEAD</b>		
	EH Inspection of Funeral Parlours	44	
	EH Funeral undertaker's/mortuaries compliant	44	
8.	<b>BUILDING PLAN INSPECTIONS</b>		
	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. Regular roadblocks in conjunction with SAPS, Provincial Traffic and Safety Communication Officers are conducted on the N9 to ensure road safety.

## 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;
- GRT and Willowmore Traffic Departments were fully operational and met the minimum requirements of The Department of Transport.

The Provincial Department of Transport recommended that more staff need to be appointed, e.g. Examiners, Enatis Cashiers, etc.

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

The Municipality is addressing the recommendation, however, it is budget dependent.

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.

T 3.20.1

MUNICIPAL TRAFFIC CONTROL AND ROAD SAFETY SERVICES DATA			
Details	2021/22	2022/23	2023/24
	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	2022/23	2023/24			
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 – 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%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

T 3.20.4

FINANCIAL PERFORMANCE 2023/24: TRAFFIC CONTROL					
R'000					
Details	2022/23	2023/24			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(3 244)</b>				
Expenditure:					
Employees	6 181				
Repairs and Maintenance	52				
Other	851				
<b>Total Operational Expenditure</b>	<b>7 084</b>				
<b>Net Operational Expenditure</b>	<b>3 841</b>				
<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 2023/24 : TRAFFIC CONTROL					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Project A	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					<i>T 3.20.6</i>

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

TRAFFIC SERVICES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators  (i)	Outline Service Targets  (ii)	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)
<b>Service Objective No. 1</b>									
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	In place is the District Disaster Management Advisory Forum and Local Transport Forum and Community Safety Forum which meets quarterly	4	Local Transport forum to be established.
<b>Service Objective No. 2</b>									

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.	1	There is an established Community Safety Forum	1	There is an established Community Safety Forum	1	There is an established Community Safety Forum	1	
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<b>Service Objective No. 3</b>									
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		
<b>Service Objective No. 4</b>									
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.		Incidents management Committee Forum which sits quarterly		Incidents management Committee Forum which sits quarterly		Operation plan developed and priority areas addressed		
<i>T 3.20.3</i>									

**COMMENTS ON PERFORMANCE OF TRAFFIC SERVICES OVERALL**

The Department has been fully operational, executing its function with limited resources and 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		2022/23 Actual No.	2023/24		2024/25
			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. Sarah Baartman District Municipality issued fully equipped rescue bakkie to improve the time response to alls, 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)
<b>Service Objective No. 1</b>									
<b>Service Objective No. 2</b>									
<b>Service Objective No. 3</b>									
<b>Service Objective No. 4</b>									

T 3.21.3

### CURRENT FIRE AND RESCUE STATIONS

The Municipality does not have any suitable or purpose-designed fire stations but is utilizing fire garages in which fire pumpers are stored. In the previous financial year, upgrades occurred at the Aberdeen and Klippaat fire garages

The Fire and Rescue Service operates from 7 locations/sites at the moment which are situated in:

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

## 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

## 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. There are currently one Fire Officer and 5 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 contract fire fighters. Any support fire appliances or firefighters during an above normal incident need to be deployed from Graaff-Reinet. An application has been made to the Sarah Baartman District Municipality for funding to procure a Fire Truck to service the Aberdeen area and surrounds.

## STEYTLERVILLE

Steytlerville has no fire station. However, the fire water trailer unit located in the area is housed within an electrical services garage. There is one Fire Station Officer, and one contract fire fighter 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. A contract fire fighter has been deployed to service the area.

## JANSENVILLE

Jansenville has no fire station. However, they share a multi-purpose garage with Infrastructure 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	2022/23	2023/24			
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%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

T 3.21.4

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

FINANCIAL PERFORMANCE 2023/24 : FIRE SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(3 059)</b>				
Expenditure:					
Employees	8 137				
Repairs and Maintenance	30				
Other	1 014				
<b>Total Operational Expenditure</b>	<b>9 182</b>				
<b>Net Operational Expenditure</b>	<b>6 124</b>				
<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.

<b>CAPITAL EXPENDITURE 2023/24: FIRE SERVICES</b>					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	0	0	0	0
		0	0	0	0
Project A :	0	0	0	0	0
Project B					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					<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 from SBDM. 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.

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 carried out at schools and wards in terms of fire safety, waste management, traffic safety.



**DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC. POLICY OBJECTIVES TAKEN FROM IDP**

Service	Outline Service	2021/22		2022/23		2023/24	2023/24		
		Target	Actual	Target	Actual		Target		
Service Indicators	Targets	Previous Year		Previous Year	Current Year		Current Year	Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective No. 1</b> 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.					A Forum for Disaster Management is established from the SBDM and there is a Satellite office to assist in disaster.
<b>Service Objective No. 2</b> 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.									

T 3.22.

- 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	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	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%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
					<i>T 3.22.4</i>

- Dr Beyers Naudé Local Municipality does not have a staff component dealing with Disaster Management. It utilizes the Satellite Officers 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	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	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%
<b>Total Operational Expenditure</b>	0	0	0	0	0%
<b>Net Operational Expenditure</b>	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 2023/24 : DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	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	2024/25		
		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)
<b>Service Objective No. 1</b>									
To provide facilities and services that will address the recreational and other social needs of the community.				Refurbishment of Kollie Koberg Stadium					Repairs and Maintenance of 3 identified sport facilities
<b>Service Objective No. 2</b>									
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.				
<b>Service Objective No. 3</b>									
Play parks in all Wards that are safe, secured and healthy recreational areas for children in our communities.		Regular Maintenance & cleansing of Play parks			Regular Maintenance & cleansing of Play parks				Regular Maintenance & cleansing of Play parks

T 3.23.2

EMPLOYEES : SPORT AND RECREATION					
Job Level	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					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
<b>Total</b>					<b>%</b>
					T 3.23.3

FINANCIAL PERFORMANCE 202/24: SPORT AND RECREATION					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other					
<b>Total Operational Expenditure</b>	0	0	0	0	0%
<b>Net Operational Expenditure</b>	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 2023/24: SPORT AND RECREATION					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	0	0	0	0	0

<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>	<i>T 3.23.5</i>
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## 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	2022/23 Actual	2023/24			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(10)</b>				
Expenditure:					
Employees	14 963				
Repairs and Maintenance	0				
Other	19 269				
<b>Total Operational Expenditure</b>	<b>34 232</b>				
<b>Net Operational Expenditure</b>	<b>34 223</b>				



### 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 2023/24 : FINANCIAL SERVICES					
R'000					
Details	2022/23	202/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(149 109)</b>				
Expenditure:					
Employees	31 402				
Repairs and Maintenance	2 472				
Other	82 094				
<b>Total Operational Expenditure</b>	<b>115 968</b>				
<b>Net Operational Expenditure</b>	<b>(33 141)</b>				
<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 2023/2: FINANCIAL SERVICES					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</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 3.25.6

#### 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)
<b>Service Objective No. 1</b>									
<b>Organogram</b>	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 workshoped and tabled to LLF 3 May 2023
<b>Service Objective No. 2</b>									
<b>Placement of Staff</b>	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
<b>Service Objective No. 3</b>									

<b>Recruitment of Staff</b>	Filling of vacant Section 57 Positions	Filling of Director Corporate Services	Process not yet started	Filling of Director Corporate Services	Advertise vacant Section 57 positions	Recruitment process to be finalised	0	Position of Director: Corporate	All three director positions has been filled
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								services; Infrastructure; and Community services has been Filled 1 August 2020	including the position of the CFO
<b>Service Objective No. 4</b>									
<b>Recruitment of Staff</b>	Filling of vacancies						Advertise vacant positions after completion of placement	Recruitment of Staff especially critical positions	Recruitment of staff is on going especially in critical positions, although placement process is not finalised yet
T 3.26.3									

<b>EMPLOYEES : HUMAN RESOURCE SERVICES</b>					
Job Level	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	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					
<b>Total</b>	<b>9</b>	<b>16</b>	<b>9</b>	<b>8</b>	<b>50%</b>
T 3.26.4					

<b>FINANCIAL PERFORMANCE YEAR 2023/24 : CORPORATE SERVICES (INCL. HR SERVICES)</b>					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditure:					
Employees	0	0	960	211	78%
Repairs and Maintenance	0	0	0	0	0
Other	1 086	1 844	1 444	851	41%
<b>Total Operational Expenditure</b>	<b>1 086</b>	<b>1 844</b>	<b>2 404</b>	<b>1 062</b>	<b>56%</b>
<b>Net Operational Expenditure</b>	<b>1 086</b>	<b>1 844</b>	<b>2 404</b>	<b>1 062</b>	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

## CAPITAL EXPENDITURE YEAR 202/24 : HUMAN RESOURCE SERVICES

R' 000					
Capital Projects	Year 2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	
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)
<b>Service Objective No. 1</b>									
<b>Service Objective No. 2</b>									
<b>Service Objective No. 3</b>									

T 3.27.3

EMPLOYEES : ICT SERVICES					
Job Level	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					
7 – 9	2	8	4	2	25%
10 – 12		1	1		
13 – 15					
16 – 18					
19 – 20					
<b>Total</b>					<b>25%</b>

T 3.27.4

FINANCIAL PERFORMANCE YEAR 2023/24 : ICT SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>				
Expenditure:					
Employees	1 673				
Repairs and Maintenance	692				
Other	0				
<b>Total Operational Expenditure</b>	<b>2 364</b>				
<b>Net Operational Expenditure</b>	<b>2 364</b>				
<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 2023/24: ICT SERVICES					
R' 000					
Capital Projects	Year 2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</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 3.27.6

## **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 01<sup>st</sup> 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 30<sup>th</sup> 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 Immovable Property Management Policy during an Ordinary Council meeting held on the 07<sup>th</sup> 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)	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	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
<b>Total</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>100%</b>
T 3.28.4					

FINANCIAL PERFORMANCE YEAR 2023/24 : PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>(740)</b>				
Expenditure:					
Employees	973				
Repairs and Maintenance	16				
Other	3 838				
<b>Total Operational Expenditure</b>	<b>4 828</b>				
<b>Net Operational Expenditure</b>	<b>4 088</b>				
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 3.28.5

**CAPITAL EXPENDITURE YEAR 2023/24 : PROPERTY, LEGAL,  
RISK MANAGEMENT AND PROCUREMENT SERVICES**

R' 000

Capital Projects	Year 2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</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 3.28.6

- 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)
<b>Service Objective No. 1</b>									
<b>Service Objective No. 2</b>									
									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					
<b>Total</b>					%
					T 3.29.2

FINANCIAL PERFORMANCE YEAR 2022/23 : AIRPORT SERVICES					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
<b>Total Operational Revenue</b>	<b>(116)</b>				
Expenditure:					
Employees	793				
Repairs and Maintenance	0				
Other	1 388				
<b>Total Operational Expenditure</b>	<b>2 181</b>				
<b>Net Operational Expenditure</b>	<b>2 064</b>				
<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 2023/24: AIRPORT SERVICES**

R' 000

Capital Projects	Year 2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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 2023/24**

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 2023 to 30 June 2024 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).

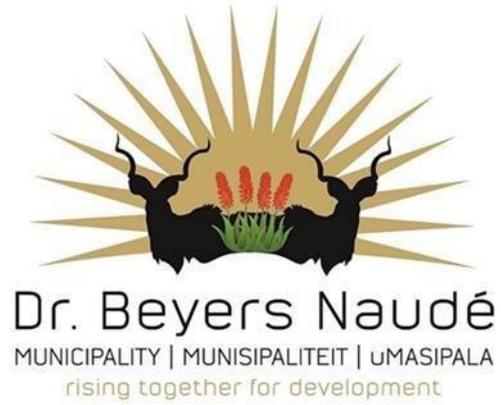
This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2023/2024

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 2023/24 financial year, the organizational scorecard reflects the following performance results per development priority, namely:

<b>IDP DEVELOPMENT PRIORITY</b>	<b>Number of KPIs</b>	<b>On Target</b>	<b>Not on Target</b>	<b>% Achieved</b>
Infrastructure Development	18	11	7	62%
Community Development	2	2	0	100%
Institutional Development	18	15	3	83%
Local Economic Development	5	1	4	20%
Back to Basics: Good Governance	11	7	4	64%
Back to Basics: Sound Financial Management	12	5	7	42%
<b>OVERALL TOTALS</b>				
				<i>T3.30</i>



# 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 organizational 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 449 employees in filled positions and those in the corporate pool. The remaining number of posts (570) comprises of the vacant positions on the organogram. Due to the placement process not being finalized yet, it is difficult to give a ratio in terms vacancy rates. It is only possible to provide figures for the current filled positions.

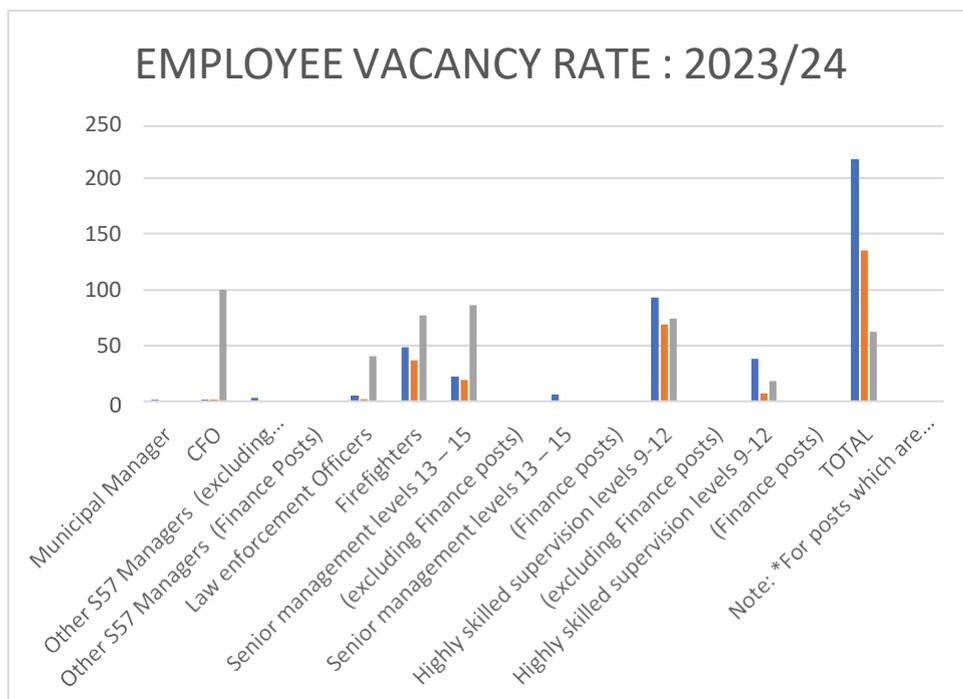
EMPLOYEES : 2023/24					
Description	2022/23	2023/24			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager and Staff	15	20	16	4	20%
CFO, Budget and Treasury & SCM Staff	64	105	74	31	30%
Corporate Services (Administration and HR)	84	113	55	58	51%
COMMUNITY & PUBLIC 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%
<b>Totals</b>	<b>511</b>	<b>1019</b>	<b>449</b>	<b>570</b>	<b>56%</b>
<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	29
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	92
<b>TOTAL</b>	<b>219</b>	<b>146</b>	<b>67</b>

*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

<b>30</b>	Grievance & Disciplinary procedures	Yes	Yes	SALGBC procedures in place
<b>31</b>	Customer care policy	Yes	Yes	30 June 2022
	Community Halls & Facilities Policy	Yes	Yes	30 June 2022
<b>32</b>	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 <sup>th</sup> 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.
<b>33</b>	Records management policy	Yes	Yes	Approved by province
<b>34</b>	ICT policies and procedures	Yes	Yes	04 August 2021
<b>35</b>	Ward Committee Policy	Yes	Yes	30 June 2022
<b>36</b>	Ward Operational Framework Plan	Yes	Yes	30 June 2022
<b>37</b>	Petition Policy	Yes	Yes	30 June 2022
<b>38</b>	Public Participation Policy	Yes	Yes	30 June 2022
<b>39</b>	Absenteeism Policy	Yes	Yes	30 JUNE COUN-044.4/22
<b>40</b>	Consequence Management policy	Yes	Yes	COUN-011.2/2020
<i>T 4.2.1.1</i>				

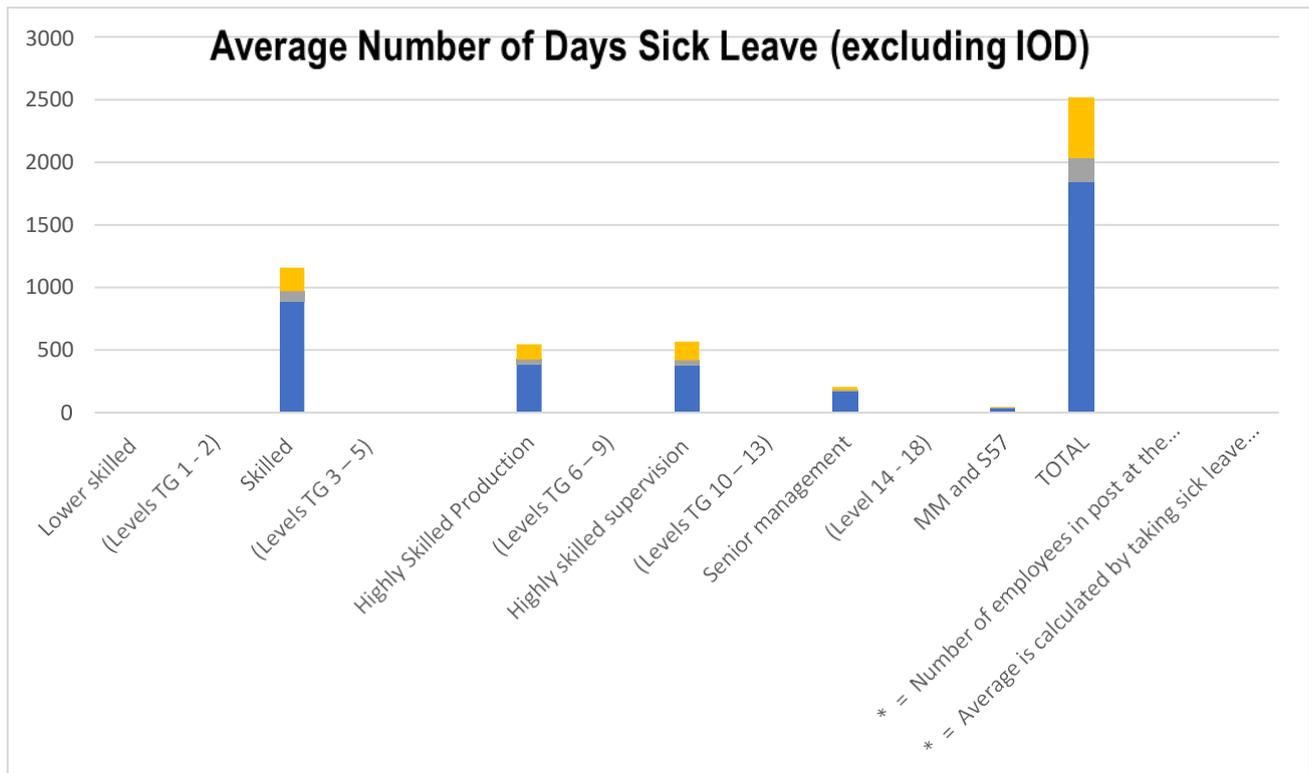
#### COMMENTS ON WORKFORCE POLICY DEVELOPMENT

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER AND COST OF INJURIES ON DUTY (IOD) : 2023/24					
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
					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) : 2023/24						
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)	6	0	2	26	0.23	3159.72
Skilled (Levels TG 3 – 5)	780	72.77	120	125	6.24	410763.60
Highly Skilled Production (Levels TG 6 – 9)	417	62.93	82	150	2.78	351105.66
Highly skilled supervision (Levels TG 10 – 13)	550	42.32	92	120	4.58	920953.00
Senior management (Level 14 - 18)	248	46.27	17	25	9.92	374 180
MM and S57	21	102.5	3	5	4.20	79343.76
<b>TOTAL</b>	<b>2022</b>	<b>58.65</b>	<b>314</b>	<b>482</b>	<b>4.20</b>	<b>2139505.74</b>
*= 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 2023/24 (TO BE UPDATED)				
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.	28 December 2021	Final written warning	4 July 2022

	Failure to institute disciplinary action against subordinates			
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
				T4.3.5

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
-	-	-	-
			T4.3.6

#### 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**  
**(to be updated)**

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		
			No.	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
MM and S57	Female	1	0	0	0	1	1	1	0	0	0	1	1	1
	Male	4	0	0	0	0	2	2	0	0	0	0	2	2
Councillors, senior officials and managers	Females	13	0	0	0	7	9	13	0	0	0	7	9	13
	Males	36	0	0	0	17	19	23	0	0	0	17	19	23
Technicians and associate Professionals*	Female	19	0	0	0	2	4	5	0	0	0	2	4	5
	Males	20	0	0	0	3	7	10	0	0	0	3	7	10
Professionals	Females	52	0	0	0	7	9	15	0	0	0	7	9	15
	Males	113	0	0	0	10	25	30	0	0	0	10	25	30
Sub total	Females	85	0	0	0	17	23	34	0	0	0	17	23	34
	Males	173	0	0	0	30	53	65	0	0	0	30	53	65
<b>Total</b>		<b>258</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>76</b>	<b>99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>76</b>	<b>99</b>
*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))
<b>Financial Officials</b>						
<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	1	1
<i>Any other financial officials</i>	29	0	29	8	0	8
<b>Supply Chain Management Officials</b>						
<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
<b>TOTAL</b>	<b>36</b>	<b>0</b>	<b>36</b>	<b>10</b>	<b>4</b>	<b>15</b>

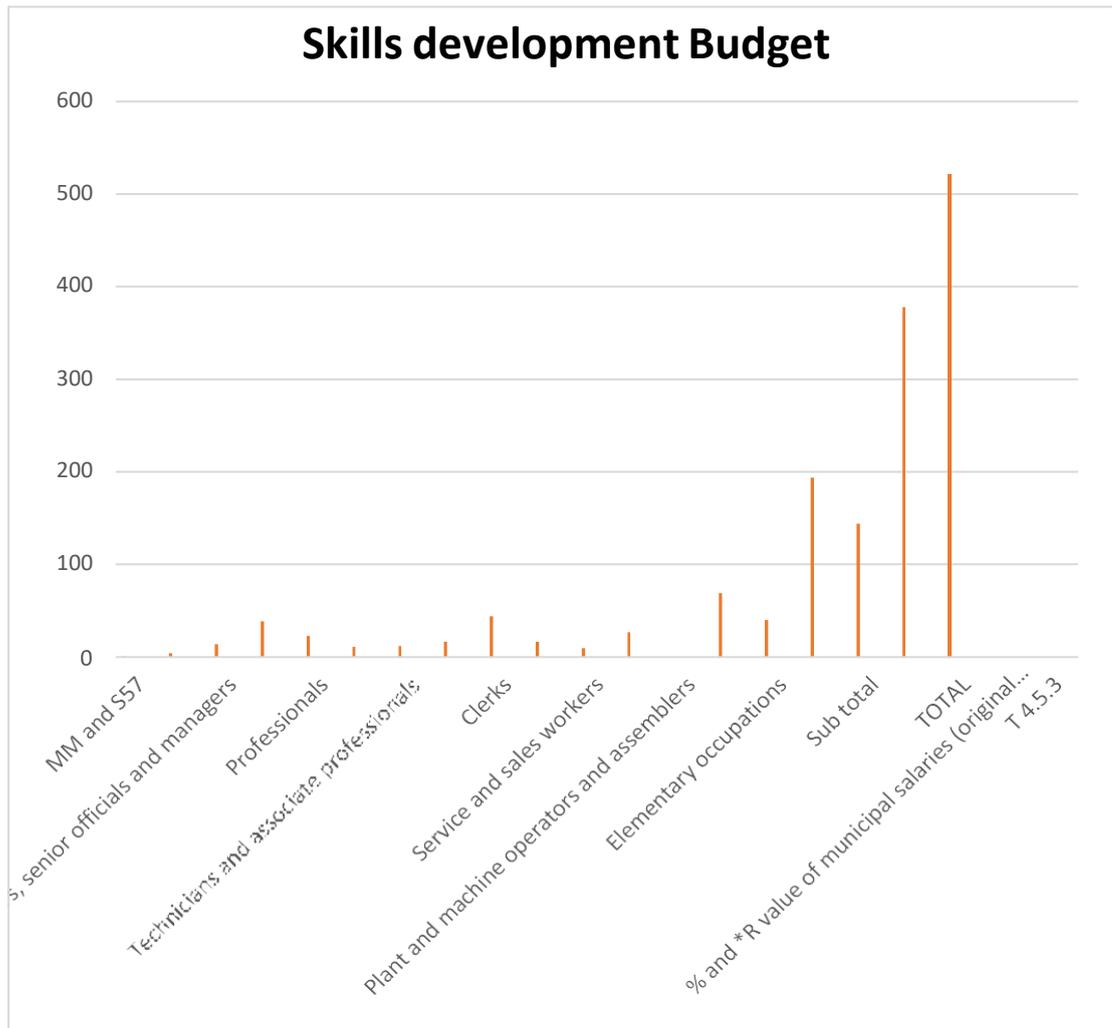
\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

**SKILLS DEVELOPMENT EXPENDITURE: 2022/23**  
**(to be updated)**

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	
			No.	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R	Actual R	Original Budget R
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	0	0
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	0	0
1 000 000.00	R26 000.00	3	0	0	1 000 000.00	0	1 000 000.00	R20 000.00	1 000 000.00	<b>R 974 000</b>
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 974 000
1 000 000.00	R 55400.00	3	0	0	1 000 000.00	0	1 000 000.00	55400.00	1 000 000.00	R 918 600
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 918 600
1 000 000.00	R 25500.00	30	0	0	1 000 000.00	0	1 000 000.00	R 25500.00	1 000 000.00	R 893 100
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 893 100
1 000 000.00	R79 800.00	13	0	0	1 000 000.00	0	1 000 000.00	R79 800.00	1 000 000.00	R 813 300
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 813 300
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 813 300
1 000 000.00	0	0	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	R 813 300
1 000 000.00	R47 864,52	53	0	0	1 000 000.00	0	1 000 000.00	R47 864,52	1 000 000.00	<b>765 435,48</b>
1 000 000.00	0	40	0	0	1 000 000.00	0	1 000 000.00	0	1 000 000.00	765 435,48
1 000 000.00	0	194	0	0	1 000 000.00	0	1 000 000.00	R127 930.00	1 000 000.00	<b>765 435,48</b>
Sub total	Female	132	0	0	0	0	0	0	0	0
	Male	332	0	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>464</b>	<b>0</b>	<b>0</b>	1 000 000.00	0	1 000 000.00	<b>765 435,48</b>	1 000 000.00	<b>765 435,48</b>
<i>% and *R value of municipal salaries (original budget) allocated for workplace skills plan</i>									0.0%	R 0

T 4.5.3



T4.5.4

#### 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, employees appointed with conditions are to apply from recognized institutions in order to ensure that amounts budgeted for and utilized. Department heads along with the SDF to encourage workers to apply for admission to obtain the relevant qualifications

### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

#### INTRODUCTION

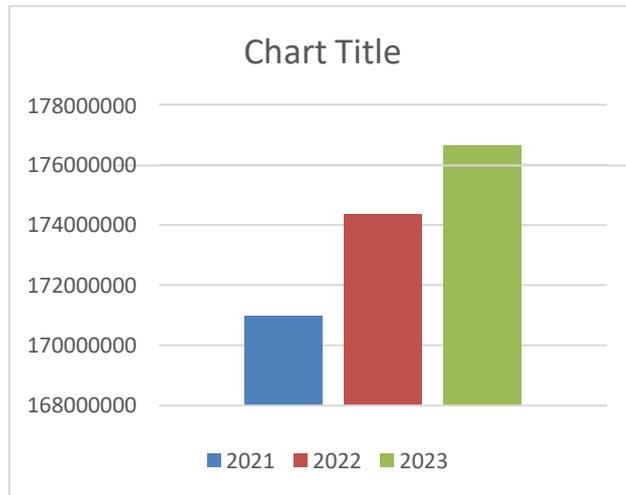
Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

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 (TO BE UPDATED)

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
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
<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



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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 2023/24 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 R38 million (R128 million 2022/23) which sees an reduction in the year on year performance. The contributing factor is the unique accounting treatment for the municipal debt relief programme where the debt of Eskom at 31 March 2023 will be written off over 3 years provided that the municipality meet certain conditions. The first year having lapsed at 30 November 2024. No formal communication has been received regarding the write-off from National Treasury yet.

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 26,5% to total expenditure (29,6% 2022/23). R71 million was spent on contracted services compared to 2022/23 financial year of R 48 million, a R23 million increase year on year. Finance cost of R83 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.

R62 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 R9 million.

T5.1.0

❖ *THE 2023/24 ANNUAL FINANCIAL STATEMENTS (AFS) ARE ATTACHED AS ANNEXURE 1 IN VOLUME II OF THIS REPORT.*

(TABLES TO BE UPDATED WITH 2023/2024 INFORMATION)

EC101 Dr Beyers Naudé Local Municipality- Table A2 Budget Summary

Description	2023/2024								2022/2023			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue - Functional</b>												
<b>Governance and administration</b>	142 983	33 708	176 691	167 276		(9 415)	94,7%	117,0%				154 339
Executive and council	162	—	162	14		(148)	8,7%	8,7%				10
Finance and administration	142 821	33 708	176 529	167 262		(9 267)	94,8%	117,1%				154 329
Internal audit	—	—	—	—		—	—	—				—
<b>Community and public safety</b>	10 341	(3 829)	6 512	4 734		(1 779)	72,7%	45,8%				6 929
Community and social services	2 456	(6)	2 451	2 495		44	101,8%	101,6%				2 457
Sport and recreation	63	—	63	63		0	100,2%	100,2%				68
Public safety	5 802	(1 803)	3 999	2 176		(1 823)	54,4%	37,5%				4 405
Housing	—	—	—	—		—	—	—				—
Health	2 020	(2 020)	—	—		—	—	—				—
<b>Economic and environmental services</b>	34 361	(170)	34 191	28 033		(6 158)	82,0%	81,6%				38 246
Planning and development	2 513	904	3 417	2 868		(549)	83,9%	114,1%				4 000
Road transport	31 847	(1 073)	30 774	25 165		(5 609)	81,8%	79,0%				34 246
Environmental protection	—	—	—	—		—	—	—				—
<b>Trading services</b>	340 267	56 466	396 733	501 345		104 612	126,4%	147,3%				291 679
Energy sources	141 424	1 320	142 744	283 427		140 683	198,6%	200,4%				117 736
Water management	99 415	20 965	120 380	116 232		(4 148)	96,6%	116,9%				96 525
Waste water management	70 303	14 566	84 869	65 217		(19 652)	76,8%	92,8%				42 954
Waste management	29 126	19 614	48 740	36 469		(12 271)	74,8%	125,2%				34 463
<b>Other</b>	55	—	55	37		(18)	66,6%	66,6%				334
<b>Total Revenue - Functional</b>	<b>528 007</b>	<b>86 175</b>	<b>614 183</b>	<b>701 424</b>		<b>87 241</b>	<b>114,2%</b>	<b>132,8%</b>				<b>491 526</b>
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>	148 522	80 111	228 633	230 104	1 470	1 470	100,6%	154,9%	—	—	—	184 393
Executive and council	30 791	2 108	32 899	34 112	1 213	1 213	103,7%	110,8%	—	—	—	33 452
Finance and administration	116 301	78 003	194 304	194 655	352	352	100,2%	167,4%	—	—	—	149 772
Internal audit	1 431	—	1 431	1 337	(94)	(94)	93,4%	93,4%	—	—	—	1 168
<b>Community and public safety</b>	42 600	(1 524)	41 076	32 883	(8 193)	(8 193)	80,1%	77,2%	—	—	—	37 926
Community and social services	7 241	544	7 785	5 219	(2 567)	(2 567)	67,0%	72,1%	—	—	—	4 980
Sport and recreation	22 111	(1 007)	21 104	16 071	(5 032)	(5 032)	76,2%	72,7%	—	—	—	20 865
Public safety	9 451	(141)	9 310	9 834	524	524	105,6%	104,0%	—	—	—	9 214
Housing	262	—	262	157	(105)	(105)	59,9%	59,9%	—	—	—	141
Health	3 535	(920)	2 615	1 602	(1 013)	(1 013)	61,3%	45,3%	—	—	—	2 726
<b>Economic and environmental services</b>	56 474	(827)	55 647	47 807	(7 840)	(7 840)	85,9%	84,7%	—	—	—	52 332
Planning and development	21 718	(156)	21 562	20 227	(1 335)	(1 335)	93,8%	93,1%	—	—	—	24 623
Road transport	34 756	(671)	34 085	27 580	(6 505)	(6 505)	80,9%	79,4%	—	—	—	27 708
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>	304 452	22 487	326 939	424 836	97 897	97 897	129,9%	139,5%	—	—	—	342 999
Energy sources	167 735	2 048	169 783	162 926	(6 858)	(6 858)	96,0%	97,1%	—	—	—	137 849
Water management	68 905	6 477	75 382	105 319	29 937	29 937	139,7%	152,8%	—	—	—	91 943
Waste water management	44 781	9 808	54 588	103 283	48 695	48 695	189,2%	230,6%	—	—	—	64 150
Waste management	23 031	4 155	27 186	53 308	26 123	26 123	196,1%	231,5%	—	—	—	49 056
<b>Other</b>	2 211	327	2 538	3 373	835	835	132,9%	152,6%	—	—	—	2 222
<b>Total Expenditure - Functional</b>	<b>554 258</b>	<b>100 575</b>	<b>654 833</b>	<b>739 003</b>	<b>84 170</b>	<b>84 170</b>	<b>112,9%</b>	<b>133,3%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>619 871</b>
<b>Surplus/(Deficit) for the year</b>	<b>(26 251)</b>	<b>(14 400)</b>	<b>(40 650)</b>	<b>(37 579)</b>	<b>3 071</b>	<b>3 071</b>	<b>92,4%</b>	<b>143,2%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(128 344)</b>

Description	2023/2024							2022/2023				
	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
<b>Revenue By Source</b>												
Service charges - Electricity	141 120	1 059	142 179	147 725		5 546	103,9%	104,7%				117 665
Service charges - Water	40 832	15 593	56 426	51 742		(4 684)	91,7%	126,7%				40 609
Service charges - Waste Water Management	59 557	11 460	71 016	52 130		(18 886)	73,4%	87,5%				33 259
Service charges - Waste management	6 686	34 901	41 588	29 697		(11 890)	71,4%	444,2%				26 624
Sale of Goods and Rendering of Services	2 819	(666)	2 153	905		(1 248)	42,0%	32,1%				1 133
Agency services	6 134	(293)	5 841	1 903		(3 938)	32,6%	31,0%				1 857
Interest earned from Receivables	4 481	8 753	13 234	14 563		1 329	110,0%	325,0%				8 533
Interest from Current and Non Current Assets	616	580	1 196	1 102		(94)	92,1%	178,9%				646
Rental from Fixed Assets	3 727	(1 601)	2 127	970		(1 157)	45,6%	26,0%				2 217
Licence and permits	1 144	(180)	964	868		(96)	90,0%	75,9%				895
Operational Revenue	8 557	(104)	8 453	20 209		11 756	239,1%	236,2%				7 971
Property rates	45 043	6 717	51 761	45 518		(6 243)	87,9%	101,1%				42 323
Surcharges and Taxes	4 176	3 175	7 351	10 366		3 016	141,0%	248,3%				14 638
Fines, penalties and forfeits	720	(626)	94	1 311		1 217	1401,0%	182,0%				534
Licence and permits	-	-	-	-		-	-	-				-
Transfers and subsidies - Operational	125 659	(1 117)	124 542	123 584		(958)	99,2%	98,3%				117 261
Interest	1 865	796	2 661	1 907		(755)	71,6%	102,2%				2 366
Operational Revenue	-	-	-	133 241		133 241	#DIV/0!	#DIV/0!				-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>453 136</b>	<b>78 448</b>	<b>531 584</b>	<b>637 740</b>		<b>106 156</b>	<b>120,0%</b>	<b>140,7%</b>				<b>418 531</b>
<b>Expenditure By Type</b>												
Employee related costs	184 072	7 822	191 893	185 151	(6 742)	(6 742)	96,5%	100,6%				165 857
Remuneration of councillors	9 276	979	10 255	9 974	(282)	(282)	97,3%	107,5%				9 416
Bulk purchases - electricity	130 815	2 592	133 407	134 569	1 162	1 162	100,9%	102,9%				112 711
Inventory consumed	5 582	(828)	4 753	4 304	(450)	(450)	90,5%	77,1%				3 913
Debt impairment	8 969	-	8 969	417	(8 551)	(8 551)	4,7%	4,7%				-
Depreciation and amortisation	65 308	-	65 308	65 172	(136)	(136)	99,8%	99,8%				66 714
Interest	10 452	61 935	72 387	83 101	10 713	10 713	114,8%	795,0%				59 462
Contracted services	19 327	23 444	42 771	62 039	19 268	19 268	145,0%	321,0%				28 857
Transfers and subsidies	150	-	150	120	(30)	(30)	80,0%	80,0%				22
Irrecoverable debts written off	4 829	-	4 829	110 699	105 870	105 870	2292,3%	2292,3%				85 275
Operational costs	115 569	4 542	120 110	83 458	(36 653)	(36 653)	69,5%	72,2%				87 645
<b>Total Expenditure</b>	<b>554 348</b>	<b>100 485</b>	<b>654 833</b>	<b>739 003</b>	<b>84 170</b>	<b>84 170</b>	<b>112,9%</b>	<b>133,3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619 871</b>
<b>Surplus/(Deficit)</b>	<b>(101 212)</b>	<b>(22 037)</b>	<b>(123 249)</b>	<b>(101 263)</b>		<b>21 986</b>	<b>82,2%</b>	<b>100,1%</b>				<b>(201 340)</b>
Transfers and subsidies - capital (monetary allocations)	74 871	7 728	82 599	63 684		(18 914)	77,1%	85,1%				72 996
<b>Surplus/(Deficit) for the year</b>	<b>(26 341)</b>	<b>(14 310)</b>	<b>(40 650)</b>	<b>(37 579)</b>		<b>3 071</b>	<b>92,4%</b>	<b>142,7%</b>				<b>(128 344)</b>

## 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 %
<b>National Government:</b>	111 783	118 797	118 600	118 600		
Equitable share	107 059				0%	0%
Municipal Systems Improvement					0%	0%
Drought relief					0%	0%
Other transfers/grants					0%	0%
<b>Provincial Government:</b>	-	-	-	-		
Health subsidy	-	-	-	-	0%	0%
Office of the premier	-	-	-	-	0%	0%
Ambulance subsidy	-	-	-	-	0%	0%
Sports and Recreation	-	-	-	-	0%	0%
Other transfers/grants	-	-	-	-	0%	0%
<b>Sarah Baartman District Municipality:</b>	5 365	6 529	5 609	4 906		
Fire Grant	3 056					
Library Grant						
Operational Grant						
<b>Other grant providers:</b>	735	333	429	516		
SETA	518	333	333	420	126%	126%
TOURISM	217	0	96	96	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>117 883</b>	<b>125 659</b>	<b>124 638</b>	<b>124 021</b>		
<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 increased since prior year mostly due to increased equitable share.

The Municipality received a Finance Management Grant to the value of R3 million (consistent with the 2022/23) which is mainly used for the appointment of Finance Interns and skills development of Finance staff, including the minimum competency training.

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.

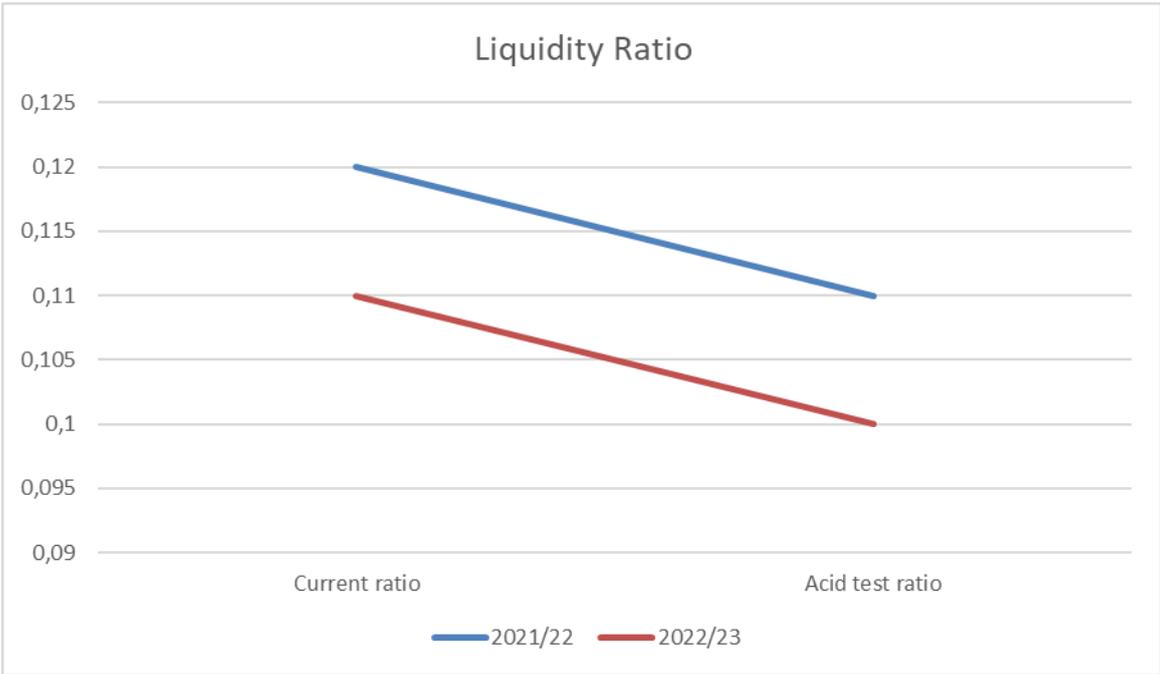
T 5.3.3

REPAIR AND MAINTENANCE EXPENDITURE : 202/234				
R' 000				
Description	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	43 793	32 344	22 371	31%
				T 5.3.4

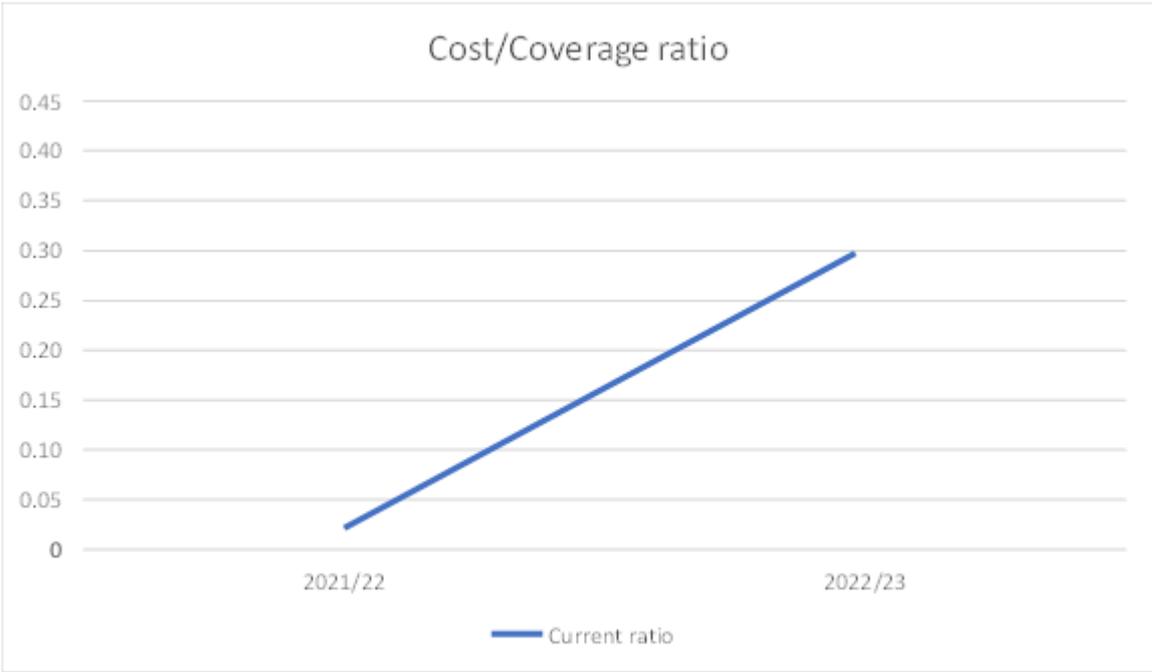
### COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

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**  
**TO BE UPDATED**

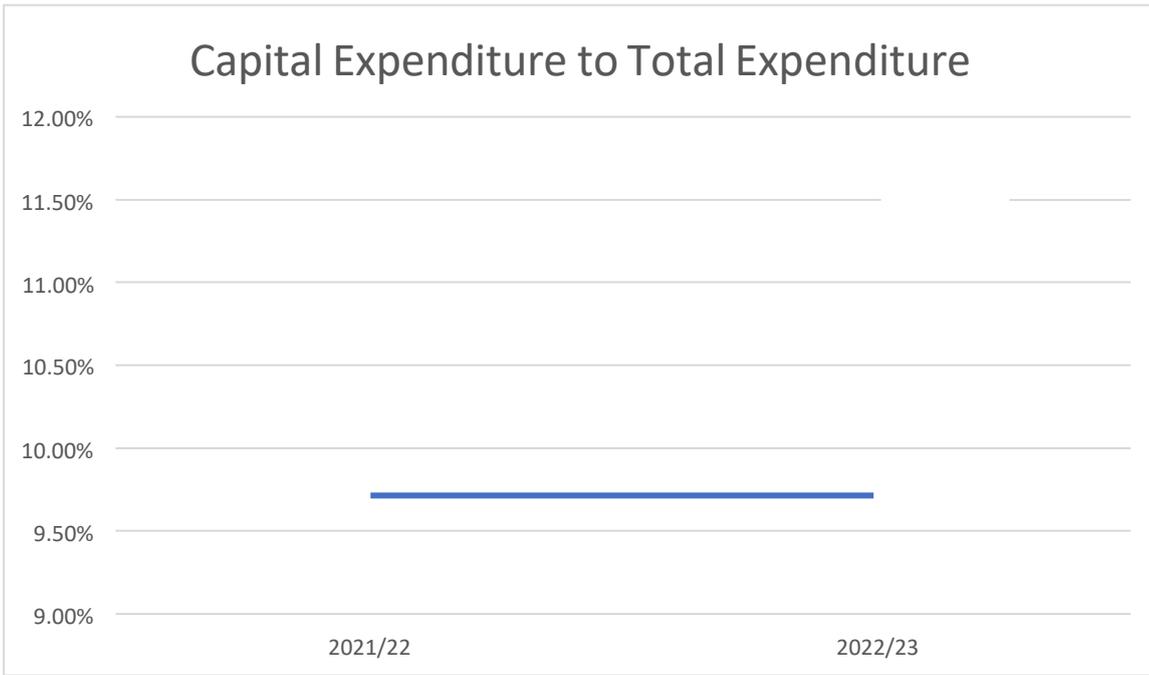


T5.4.1 : Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality’s current liabilities. A higher ratio is better.



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.

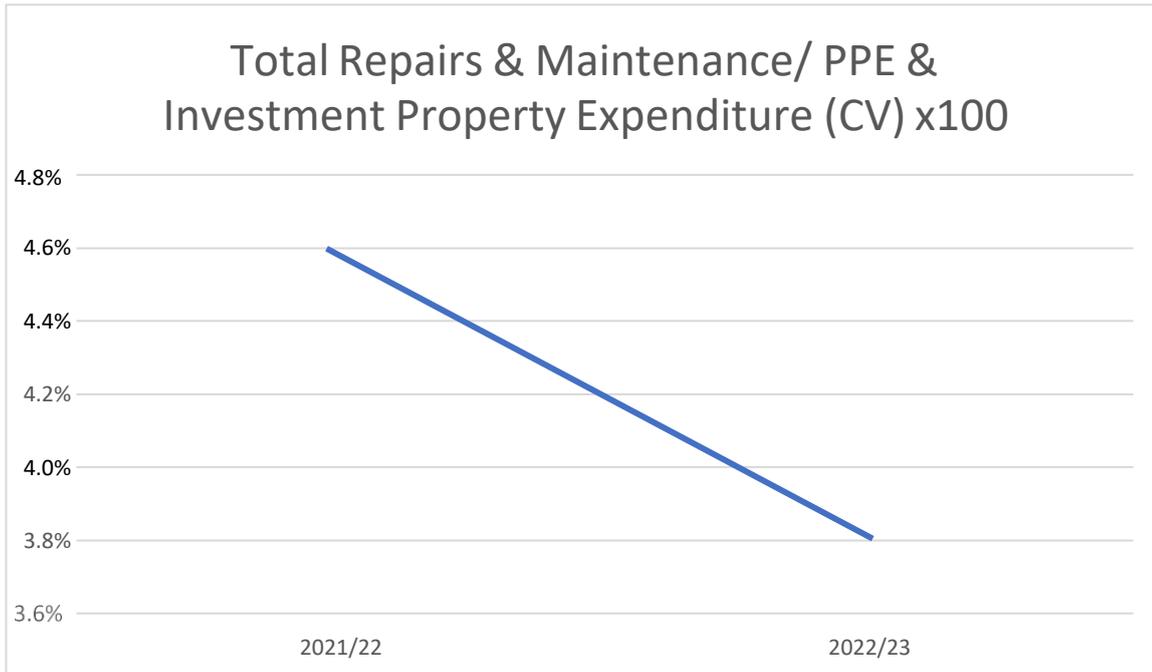
- T 5.4.3 : Outstanding Service Debtors
- T 5.4.4 : Debt Coverage
- T 5.4.4 : Creditors System Efficiency



*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.*



T5.4.8 : Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

**COMMENTS ON FINANCIAL RATIOS**

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

Dr Beyers Naudé Municipality Liquidity ratios: The current ratio is 0.20:1 (0.18:1 2022/23). The acid test ratio is 0.11:1 (0.10:1 2022/23). 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 29.6% to 26.5% year on year and a decrease in relation to revenue totals from 37.7% to 27.8%. This is mostly attributable to the many terminations during the year.

The Municipality is currently only spending 2.13% of total PPE and Investment Property on repairs and maintenance which contributes to the poor quality of the fleet and equipment as well as infrastructure. Repairs and maintenance should in future be prioritised.

Capital expenditure to operating expenditure has decreased from 11.25% to 7.77% in the 2023/24 year. This is primarily due to the decrease in the capital expenditure and growth in total expenditure on operations.

Creditors cannot be paid within the required 30 days

**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.

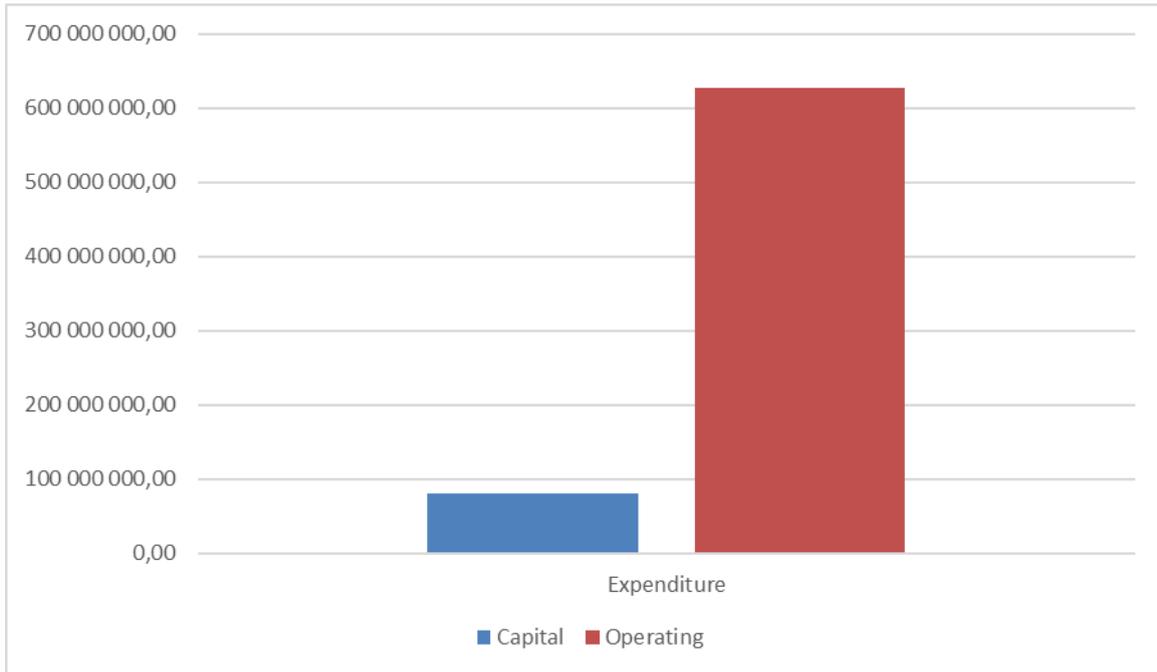
*T 5.4.9*

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION

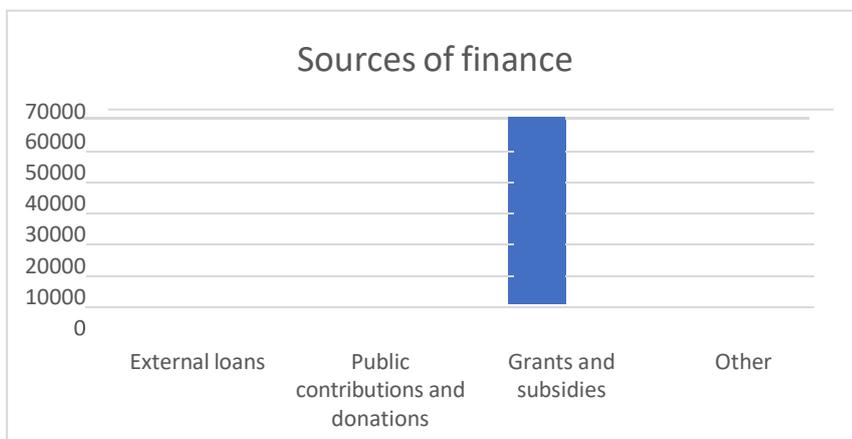
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings, and surpluses.

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 : 2022/23 TO 2023/24						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Adjustment to Original Budget (%)	Actual to Original Budget (%)
<b>Source of Finance</b>						
External Loans	0	0	0	0	0	0
Public Contributions and Donations	3 612	0	0	12 602	100%	100%
Grants and Subsidies	76 140	74 050	84 395	49 491	14%	67%
Other	0	0	0	0	0	0
<b>Total</b>	<b>79 752</b>	<b>74 050</b>	<b>84 395</b>	<b>62 093</b>	<b>79 752</b>	
<i>Percentage of Finance</i>						
External Loans	0%	0%	0%	0%	0%	
Public Contributions and Donations	5%	0%	0%	20%	5%	
Grants and Subsidies	95%	100%	100%	80%	95%	
Other	0%	0%	0%	0%	0%	
<b>Capital Expenditure</b>						
Water & Sanitation	63 814	54 584	58 218	44 735	6.7%	81.9%
Electricity	780	3 517	3 517	3 058	0%	86.9%
Housing	0	0	0	0	0%	100%
Roads & Stormwater	0	4 676	166	567	-9.4%	12.1%
Other	15 158	11 274	22 495	13 733	199.5%	121.8%
<b>Total</b>	<b>79 752</b>	<b>74 050</b>	<b>84 395</b>	<b>62 093</b>		
<i>Percentage of Expenditure</i>						
Water & Sanitation	80%	74%	69%	72%		
Electricity	1%	5%	4%	5%		
Housing	0	0%	0%	0%		
Roads & Stormwater	0	6%	0%	1%		
Other	19%	15%	27%	22%		

#### COMMENT ON SOURCES OF FUNDING

The above graph and table indicate the extent of the grant dependency for capital projects.

## 5.6 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					
R' 000					
Name of Project	2023/24			Variance 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - IKWEZI BULK WATER SUPPLY	31 000	25 090	13 472	56.5%	46.3%
B – Graaff Reinet Emergency BWS Phase 2	11 209	13 209	11 486	2.5%	13%
C - Steytlerville: New Proposed Solid Waste Site	3 791	11 041	9 601	253.3%	13%
D – Steytlerville: New Proposed Solid Waste Site	4 288	4 288	3 729	13%	13%
E - High mast Lights Installation/New	3 517	3 517	3 058	13%	13%
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Name of Project - A</b>	IKWEZI BULK WATER SUPPLY				
Objective of Project	To Augment water supply in Jansenville				
Delays	None				
Future Challenges	Multi year Project				
Anticipated citizen benefits					
<b>Name of Project - B</b>	Graaff Reinet Emergency BWS Phase 2				
Objective of Project	To upgrade the bulk water supply to the town of Graaff-Reinet				
Delays	None				
Future Challenges	Project Completed successfully				
Anticipated citizen benefits	40421				
<b>Name of Project - C</b>	Retrofit Of All Indigent Household Toilets				
Objective of Project	Retrofit Of All Indigent Household Toilets				
Delays	None				
Future Challenges	Project completed successfully				
Anticipated citizen benefits					
<b>Name of Project - D</b>	Steytlerville: New Proposed Solid Waste Site				
Objective of Project	Steytlerville: New Proposed Solid Waste Site				
Delays	None				
Future Challenges	Project completed successfully				
Anticipated citizen benefits					
<b>Name of Project - E</b>	High mast Lights Installation/New				
Objective of Project	High mast Lights Installation/New				
Delays	None				
Future Challenges	Multi year project				
Anticipated citizen benefits	IKWEZI BULK WATER SUPPLY				

T5.7.1

### COMMENT ON CAPITAL PROJECTS



## 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 2024				
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 : 2023/24						
R' 000						
Details	Budget	Adjustments Budget	Actual	% Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Infrastructure - Road transport</b>						
<i>Roads, Pavements &amp; Bridges</i>	2 700	2 876	2 876	0%	-3%	
<i>Storm water</i>						
<b>Infrastructure – Electricity</b>						
<i>Generation</i>						
<i>Transmission &amp; Reticulation</i>						
<i>Street Lighting</i>						
<b>Infrastructure – Water</b>						
<i>Dams &amp; Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
<b>Infrastructure – Sanitation</b>						
<i>Reticulation</i>						
<i>Sewerage purification</i>						
<b>Infrastructure – Other</b>						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
<b>Other Specify:</b>						
<i>Sports stadiums</i>						
<b>Total</b>						
<p>* 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.</p>						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	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Ratepayers and Other	199 164	382 374	760 792	220 022
Government – Operating	201 422	144 241	326 840	202 696
Other receipts	2 004	0	0	2 502
Interest	646	616	1 196	1 102
Suppliers and Employees	(305 297)	(467 994)	(569 377)	(382 730)
<b>NET CASH FROM / (USED) OPERATING ACTIVITIES</b>	97 940	59 237	519 452	43 592
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds on disposal	21	0	0	17 143
Increase in PPE	(75 238)	(73 800)	(158 195)	(50 716)
<b>NET CASHFLOWS FROM / (USED) INVESTING ACTIVITIES</b>	(75 217)	(73 800)	(158 195)	(33 573)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in Consumer deposits	0	0	0	
Increase (Decrease) in financial liabilities	(11 836)	0	0	(12 859)
<b>NET CASH FROM / (USED) FINANCING ACTIVITIES</b>	(11 836)	0	0	(12 859)

<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	10 887	(14 563)	361 257	(2 840)
Cash/cash equivalents at the year begin	1 319	12 206	12 206	12 206
Cash/cash equivalents at the year end	12 206	2 357	349 051	9 366
				<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*

<b>MUNICIPAL INVESTMENTS</b>	<b>2020/2021 Actual</b>	<b>2022/23 Actual</b>	<b>2023/24 Actual</b>
Securities - National Government			
Listed Corporate Bonds	0	0	0
Deposits – Bank	1 319	12 206	9 366
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers' Acceptance Certificates	0		0
Negotiable Certificates of Deposit - Banks	0		0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements – Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
<b>Consolidated total</b>		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 2024. 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 May 2024. The following amendments were made:

ITQ thresholds have been increased from R 200 000 to R 300 000 as per new regulations.  
The threshold for variation orders that may be approved by the accounting officer has increased to R 300 000  
Verbal and written quotations have been removed as per new regulations.  
I section has been added, further elaborating on the process of negotiations with the preferred bidder.

#### 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 2023/24.**

#### SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2023/24

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 analyzed in conjunction with the SDBIP.

#### **CHALLENGES FACED DURING THE YEAR**

Staff shortages – no appointed contract management official

#### **MAIN AUDIT FINDINGS DURING 2023/24 – refer to the audit report 2023/24**

##### **T 5.12.1 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*

#### **MSCOA IMPLEMENTATION**

##### **MSCOA IMPLEMENTATION**

*T 5.14.1*

The Dr Beyers Naudé Local Municipality has converted to mSCOA and is reporting monthly.



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

# 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 remained an unqualified audit opinion for the 2023/24 financial year.

**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.
- The Oversight report on 2022/23 annual report not made public.
- The performance of some contractors was not monitored.

**6.1 AUDITOR-GENERAL'S REPORT FOR 2022/23**

<b>AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2022/23</b>	
<b>Audit Report Status*:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
S122 of the MFMA not complied with. The financial statements were not compiled free of material	
misstatement	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
Reasonable steps were not taken to prevent irregular and unauthorised expenditure as required by section 62 of the MFMA.	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(E) of	

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE : 2023/24	
<b>Audit Report Status**:</b>	<b>Usefulness : No Material Findings</b> <b>Reliability : No Material Findings</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
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 2023/24**

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE : 2023/24	
<b>Audit Report Status*:</b>	<b>Unqualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Reasonable steps were not taken to prevent irregular and unauthorised expenditure as	Action plan draft and monitored frequently by audit committee, management meetings and provincial treasury in addressing the responses.
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	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 : 2023/24*	
<b>Audit Report Status**:</b>	<ul style="list-style-type: none"> <li><b>Usefulness: No Material Findings</b></li> <li><b>Reliability: No Material Findings</b></li> </ul>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
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
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**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 2023/24 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"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>

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
<b>AS FROM 1 NOVEMBER 2021 LOCAL GOVERNMENT ELECTIONS (24 COUNCILLORS)</b>					
Cllr: Willem. Jacobus Säfers	FT	Chair of EXCO Chair of IDP Rep Forum & political champion of the IDP	Mayor and PR Councillor		
Cllr: Cheslin Felix	FT	Chairperson of Council	Speaker & PR Councillor		
Cllr: Yvonne. Frazenburg	PT		Ward 1 Councillor		
Cllr: Ricardo Smith	PT	Community Services Committee	Ward 2 Councillor		
Cllr: Annela. Koeberg	PT	Community Services Committee	Ward 3 Councillor		
Cllr: Xolile Galada	PT	MPAC	Ward 5 Councillor		
Cllr: Joy Williams	PT	Community Services Committee	Ward 4 Councillor		
Cllr: Andile. Nofemele	PT	Local Labour Forum	Ward 6 Councillor		
Cllr: Nathan Jacobs	PT	Infrastructure Services Committee & BTO	Ward 7 Councillor		
Cllr: Ewald Look	PT	Chairperson of BTO  EXCO Member	Ward 8 Councillor		
Cllr: H Booysen	PT	Infrastructure Services Committee	Ward 9 Councillor		
Cllr: I Bolligello	PT	MPAC	Ward 10 Councillor		
Cllr: Abraham Arries	PT	Corporate Services Committee	Ward 11 Councillor		
Cllr: Danie Bezuidenhout	PT	Infrastructure Services Committee	Ward 12 Councillor		
Cllr: Sakkie. Van Zyl	PT	MPAC	PR Councillor		

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

#### **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
<b>Municipal Manager</b>	Municipal Manager: Dr E.M. Rankwana
	Senior Manager Strategic Services: Mr H. Hendricks
	Chief Internal Audit Executive: Mr G. Maya
	IDP Manager: Mr. V. Dala
	PMS Manager: Mrs E. Abader
<b>Corporate Services</b>	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	
<b>Community Services</b>	Director Community Services: Mr. G. W. Hermanus
	Manager Protection Services: Mr D. Fortuin
	Manager Community Services: Mr M. Pietersen
<b>Budget &amp; Treasury</b>	Chief Financial Officer: Mr J. Joubert
	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
<b>Infrastructure Services</b>	Director Infrastructure Services: Mr B. Arends
	Manager, Electrical Services : Mr T. Van Zyl
	Manager, Planning & Spatial Development : Mr N. Camngca
	Manager, PMU (EPWP/MIG) : Mr S. Fourie

**APPENDIX D****FUNCTIONS OF MUNICIPALITY / ENTITY**

<b>MUNICIPAL POWERS AND FUNCTIONS</b>	<b>Applicable to Municipality</b>	<b>Applicable to Entity</b>
<b>RSA Constitution Schedule 4, Part B Functions</b>	<b>(Yes / No)</b>	<b>(Yes / No)</b>
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

<b>MUNICIPAL POWERS AND FUNCTIONS</b>	<b>Applicable to Municipality</b>	<b>Applicable to Entity</b>
<b>RSA Constitution Schedule 5, Part B Functions</b>	<b>(Yes / No)</b>	<b>(Yes / No)</b>
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

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	<b>Cllr Yvonne Frazenburg</b> - Brendan Flippies - Bernardo De Vos - Godwin Grobbelaar - Johnika Arries - Jane Saayman - Wongalethu Magewu - Pamela Mgazi - Xolelwa Dlayedwa - Loyiso Skosana - Johannes Mauply				
2	<b>Cllr Ricardo Smith</b> - Sakkie Van Zyl - Michelle Erasmus - Jacobus Petrus Grobbelaar - Kim van Behr Imrie - Althea Jesersky - Shirley Haarhoff - Collen Haarhoff - Ulrich Engelbrecht - Gert Jonkers - Bernard Fillies				
3	<b>Cllr A Mfundisi</b> - Booi Smith - Cynthia Jaftha - Gilbert Vers - Alfred Damoms - Paul Skut - Selina Davids - Romano Jaftha - Cynthia Mabie - Deon Prins - Martha Hart				

4	<b>Cllr Joy Williams</b> - James Piet - Alfred Arries - Eldorique Gouws - Rienie Gouws - Nella Reid - Benjamin Jaftha - Jonathan Wessels - David Adams - Mariana Williams - Chantel Maitland				
5	<b>Cllr Xolile Galada</b> - Jacoba Baartman - Maureen Malaya - Emelda Fletcher - Cindy Davids - Magareth Jaftha - Charlotte Davids - Thembinkosi Booyesen - Solly Saul - Linda Jaftha - William Simons				
6	<b>Cllr A Nofemela</b> - Barthwell Goliath - Kwanele Jantjies - Portia Volontiya - Vuyisa Jantjies - Svuyile Thanda - Sphiwo Giyose - Dan Memese - Vuyelwa Fisani - Maria Meishek				
7	<b>Cllr Nathan Jacobs</b> - Margie Du Plooy - Ayrton Travill - Heinie Pienaar - Pieter Erasmus - Hanna Makoba - Gerald Erasmus - Evenise Weman - Jonathan Demas - Lilly Williams - Jesmina Stuurman				
8	<b>Cllr Ewald Loock</b> - Abbey-Gail Lukas - Henry Blou - Jane Zaayman - El-Christo Gouws - Kenward Neil Sarels				

9	<b>Cllr H Booyesen</b> - Christopher De Vos - Euna De Vos - Chris De Vos - Madeline Wolhurter - Stephanus Matyeka - Sussana Magillies - Zenobia Kitas - Jurieda Jordan - Will be co-opted - Andrew Diedericks				
10	<b>Cllr Bolligelo</b> - Madoda Jeyi - Vuyolwethu Desha - Jackson Ngayiza - Shirley Brouwers - Thembekile Kock - Luthando Sikiwe - Stanley Desha - Ntombizandile Nkasayi - Bukiwe Kock - Angeline Sakata				
11	<b>Cllr Abraham Arries</b> - Mavis Ngqeza - Anne Sauls - Thandokazi Nkasayi - Loretta Plaatjies - Sandisiwe Pheyi - Brenda Cola - Gladys Ketchem - Yolandi Afrika - Johnny Lewis - Mugabe Vanda				
12	<b>Cllr Daniel Bezuidenhout</b> - Sophia Stout - Willem Jafta - Kiewiet Witbooi - Elwean Fischer - Joe Kobe - Nonzaliseko Ntshsiza - Thozamile Jack - Portia Erasmus				

<b>WARD 1 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
<b>No.</b>	<b>Priority Name and Detail</b>	<b>Progress during 2023/24</b>
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.
<b>WARD 2 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
<b>No.</b>	<b>Priority Name and Detail</b>	<b>Progress during 2023/24</b>
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 but no MIG funding has been allocated for upgrading of sites in Graaff-Reinet in 3YCP.
<b>WARD 3 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
<b>No.</b>	<b>Priority Name and Detail</b>	<b>Progress during 2023/24</b>
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.
<b>WARD 4 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
<b>No.</b>	<b>Priority Name and Detail</b>	<b>Progress during 2023/24</b>

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 2023/24
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 2023/24
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 2023/24
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 2023/24
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"> <li>❖ Rietbron (40 houses built – identification of beneficiaries)</li> <li>❖ Baviaanskloof (for people living in mud dwellings)</li> </ul>	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).
<b>WARD 9 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
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 <sup>rd</sup> year of 2021/22 3YCP.) Maintenance on streetlights was done.
<b>WARD 10 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
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.
<b>WARD 11 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
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.
<b>WARD 12 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
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.
<b>WARD 13 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
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 <sup>rd</sup> 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.
<b>WARD 14 : Top Four Service Delivery Priorities for Ward (in order of importance, as per reviewed CBP Report)</b>		
No.	Priority Name and Detail	Progress during 2023/24
1	RDP Housing (housing delivery must be expedited to address critical need)	No progress – Provincial competency. Awaiting report from DoHS.
2	Streets (surfacing/paving of gravel streets with priority to those indicated on map)	Some areas were attended but there are streets that were listed as priority areas that still need to be attended to.
3	Waste Management (additional skips and refuse bins)	There has been some progress with cleaning up by BNLM and educational campaigns, but illegal dumping & littering is still a huge problem. Skips are required at specific spots and refuse bins for all households.
4	Stormwater (address areas prone to flooding as indicated on map)	Some work was done in neighbouring Wards. Flooding is still a problem in Ward 14; in particular Zinia Street where some reconstruction is required.
<i>CBP Report = Community-based Planning Report (containing Ward-based Plans), which is reviewed and updated annually, with the IDP.  3YCP = Three-year Capital Plan with allocations as per DORA promulgations. Current 3YCP covers 2021/22, 2122/23 and 2023/24.</i>		TF

**REPORT BY THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024 (TO BE INCLUDED)**

<b>LONG-TERM CONTRACTS</b>					
<i>(20 Largest Contracts Entered into during 2021/22)</i>					
R' 000					
<b>Name of Service Provider (Entity or Municipal Department)</b>	<b>Description of Services Rendered by the Service Provider</b>	<b>Start Date of Contract</b>	<b>Expiry date of Contract</b>	<b>Project manager</b>	<b>Contract Value</b>
NOT APPLICABLE. NO LONG-TERM CONTRACTS ENTERED INTO					

<b>PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING 2021/22</b>					
R' 000					
<b>Name and Description of Project</b>	<b>Name of Partner/s</b>	<b>Initiation Date</b>	<b>Expiry Date</b>	<b>Project manager</b>	<b>Project Value</b>
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; width: fit-content; margin: 0 auto;">                     NOT APPLICABLE. NO PERFORMANCE AGREEMENTS ENTERED INTO                 </div>									
(Insert Name)									
(Insert Name)									

Period 1 July 2022 to 30 June 2024		
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 Look	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

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

Tables to be updated

### 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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - COUNCIL (10: IE)	1	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: ADMINSTRN (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
<b>R thousands</b>										
<b>Revenue By Source</b>										
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		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>400 729</b>	<b>516 727</b>	<b>517 264</b>	<b>22 163</b>	<b>418 531</b>	<b>517 264</b>	<b>(98 733)</b>	<b>-19%</b>	<b>517 264</b>

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
<b>R thousands</b>									%	
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		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		-	-	-	-	-	-	-		-
<b>Provincial Government:</b>		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
<b>District Municipality:</b>		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
<b>Other grant providers:</b>		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	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	106 712	119 250	119 787	1 605	117 261	119 787	(2 526)	-2,1%	119 787
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		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
<b>Total Capital Transfers and Grants</b>	5	61 314	65 949	80 725	6 506	72 996	80 725	(7 729)	-9,6%	80 725
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	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
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (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
<b>Total Capital single-year expenditure</b>	4	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
<b>Total Capital Expenditure</b>		-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	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
<b>Community and public safety</b>		-	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
<b>Trading services</b>		-	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
<b>Total Capital Expenditure - Functional Classification</b>	3	-	65 899	80 825	7 015	(0)	80 825	(80 825)	-100%	80 825
<b>Funded by:</b>										
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
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2 100	2 250	607	-	2 250	(2 250)	-100%	2 250
<b>Total Capital Funding</b>		-	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) %
<b>WATER</b>					
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%
<b>SANITATION / SEWERAGE</b>					
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	9 655	9 655	9 655	100%	100%
<b>ELECTRICITY</b>					
<b>REFUSE REMOVAL</b>					
Steytlerville Upgrading of Solid Waste Site	4 000	4 000	3 999	99.97%	99.97%
<b>ROADS &amp; STORMWATER</b>					
<b>SPORTS, ARTS &amp; CULTURE</b>					
Upgrading Of Kollie Koeberg Sport Complex	8 979	8 979	8 979	100%	100%
<b>LOCAL ECONOMIC DEVELOPMENT</b>					
<b>SAFETY AND SECURITY</b>					
<b>ICT &amp; OTHER</b>					
<b>ENVIRONMENT</b>					
<b>HOUSING</b>					

<b>APPENDIX 0</b>	<b>CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0</b>

<b>CAPITAL PROGRAMME BY PROJECT BY WARD</b>		
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>
<b>WATER</b>		
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
<b>SANITATION / SEWERAGE</b>		
Graaff Reinet, Refurbishment and Upgrading of Sewer Pump Stations	Ward 2-7	No, Multi Year Project
<b>ELECTRICITY</b>		
<b>REFUSE REMOVAL</b>		
Steytlerville Upgrading of Solid Waste Site	Ward 12	No, Multi Year Project
<b>ROADS &amp; STORMWATER</b>		
<b>SPORTS, ARTS &amp; CULTURE</b>		
Upgrading Of Kollie Koeberg Sport Complex	Ward 7	No, Multi Year Project
<b>LOCAL ECONOMIC DEVELOPMENT</b>		
<b>SAFETY AND SECURITY</b>		
<b>ICT &amp; OTHER</b>		
<b>ENVIRONMENT</b>		
<b>HOUSING</b>		
Graaff Reinet Bulk Water Supply Scheme: Phase 2		

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>SCHOOLS (names, locations)</b>				
<b>CLINICS (names, locations)</b>				
<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
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licencing and Testing Centre:</b>		
<b>Reservoirs</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		
		T Q

**APPENDIX R**

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

Dr Beyers Naudé Municipality made the following donations/grants during the 2023/24 financial year :

**DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY : 2023/24**

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 2023/24**

Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.		T S

**ANNEXURE 1 : ANNUAL FINANCIAL STATEMENTS**

The 2023/24 Annual Financial Statements attached hereto .

**ANNEXURE 2 : AUDITOR-GENERAL REPORT**

The 2023/24 Auditor-General's Report to be attached hereto once audit is concluded

**ANNEXURE 3 : AUDIT ACTION PLAN**

The 2023/24 Audit Action Plan to be attached hereto.

**ANNEXURE 4 : ANNUAL PERFORMANCE REPORT**

The 2023/24 Unaudited Annual Performance Report attached hereto.



Dr. Beyers Naudé

MUNICIPALITY | MUNISIPALITEIT | UMASIPALA

*rising together for development*

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2024**

**AUDITED**

# Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## INDEX

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

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<b>ASB</b>	Accounting Standards Board
<b>MPAC</b>	Municipal Public Accounts Committee
<b>PAYE</b>	Pay As You Earn
<b>SALGA</b>	South African Local Government Association
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>SARS</b>	South African Revenue Services
<b>SDL</b>	Skills Development Levy
<b>IAS</b>	International Accounting Standards
<b>UIF</b>	Unemployment Insurance Fund
<b>VAT</b>	Value Added Tax
<b>MFMA</b>	Municipal Finance Management Act
<b>MIG</b>	Municipal Infrastructure Grant (Previously CMIP)
<b>mSCOA</b>	Municipal Standard Chart of Accounts

# Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## GENERAL INFORMATION

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<b>Legal form of entity</b>	The entity functions as a Local Municipality established under par 151 of the Constitution of the Republic of South Africa 1996, as amended.	
<b>Nature of business and activities</b>	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.	
<b>Mayoral committee</b>		
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
<b>Grading of local authority</b>	Grade Three (3)	
<b>Accounting Officer</b>	Dr. E.M Rankwana	
<b>Chief Financial Officer</b>	Mr J. Joubert	
<b>Registered office</b>	P.O. Box 71 Graaff Reinet 6280	
<b>Business address</b>	12 - 14 Caledon Street Graaff Reinet 6280	
<b>Auditors</b>	Auditor General of South Africa (AGSA) - East London 69 Frere Road Vincent East London	
<b>Primary banker</b>	Standard Bank	

# Dr Beyers Naude Local Municipality

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## **ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL**

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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 acknowledge 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 2025 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 2024 and were signed by me:



Dr E.M RANKWANA  
ACCOUNTING OFFICER  
31 AUGUST 2024

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

Figures in Rand	Notes	2024	2023 Restated*
<b>ASSETS</b>			
<b>Current Assets</b>			
VAT Accrual Receivable	3	39 127 307	29 957 057
Inventories	4	8 603 235	3 703 602
Other Receivables	5	5 865 736	1 526 811
Statutory Receivables from Non-Exchange Transactions	6	4 861 464	4 140 443
Receivables from Exchange Transactions	7	29 903 518	20 375 071
Cash and Cash Equivalents	8	9 366 017	12 205 934
		<b>97 727 277</b>	<b>71 908 918</b>
<b>Non-Current Assets</b>			
Investment Property	9	27 292 764	27 334 130
Property, Plant and Equipment	10	1 071 247 674	1 083 571 466
Intangible Assets	11	5	5
Heritage Assets	12	11 097 670	11 097 670
		<b>1 109 638 113</b>	<b>1 122 003 271</b>
<b>Total Assets</b>		<b>1 207 365 390</b>	<b>1 193 912 189</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other financial liabilities	13	1 049 339	10 969 328
Payables from Exchange Transactions	14	345 532 010	641 374 282
Payables from Non-exchange Transactions	15	4 925 470	6 276 123
Municipal Debt Relief financial liabilities	16	126 316 271	-
Consumer Deposits	17	3 939 947	3 904 501
Unspent Conditional Grants and Receipts	18	6 410 000	-
Provisions	19	-	1 872 820
Employee benefit obligation	20	3 444 075	3 958 589
		<b>491 617 111</b>	<b>668 355 643</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	13	-	1 265 563
Municipal Debt Relief financial liabilities	16	214 870 699	-
Provisions	19	34 213 650	28 359 000
Employee benefit obligation	20	52 238 786	43 927 977
		<b>301 323 135</b>	<b>73 552 540</b>
<b>Total Liabilities</b>		<b>792 940 246</b>	<b>741 908 183</b>
<b>Net Assets</b>		<b>414 425 143</b>	<b>452 004 005</b>
<b>Accumulated Surplus</b>		<b>414 425 143</b>	<b>452 004 005</b>

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand	Notes	2024	2023 Restated*
<b>REVENUE</b>			
<b>Revenue from Exchange Transactions</b>			
Service charges	21	280 976 202	217 859 477
Agency services	22	2 027 534	2 141 061
Interest earned	23	17 818 078	14 587 383
Interest earned - Investments	23	1 102 203	646 234
Rental of facilities and equipment	24	969 552	2 217 010
Other revenue	25	4 332 812	5 504 311
Licences and permits	26	743 429	610 760
Gains on disposal of assets and liabilities	40	2 001 219	-
		<b>309 971 029</b>	<b>243 566 236</b>
<b>Revenue from Non-exchange Transactions</b>			
<b>Taxation revenue</b>			
Property Rates	27	45 517 792	42 322 650
<b>Transfer revenue</b>			
Fines, penalties and forfeits	28	1 303 700	491 895
Government grants and subsidies	29	196 285 959	201 422 771
Public contributions and donations	30	148 345 000	5 613 434
		<b>391 452 451</b>	<b>249 850 750</b>
<b>Total Revenue</b>		<b>701 423 480</b>	<b>493 416 986</b>
<b>EXPENDITURE</b>			
Employee related costs	31	(185 178 029)	(176 634 079)
Remuneration of councillors	32	(9 973 517)	(9 415 764)
Debt impairment	33	(111 116 001)	(85 274 789)
Depreciation and amortisation	34	(59 075 815)	(60 523 595)
Impairment loss	35	(241 985)	(487 093)
Finance cost	36	(83 100 828)	(59 461 612)
Bulk purchases	37	(134 568 958)	(112 710 799)
Operational Cost	38	(68 216 994)	(65 349 242)
Contracted Services	39	(71 605 423)	(48 710 375)
Operating Leases	41	(13 813 038)	(8 945 811)
Loss on disposal of assets	40	-	(1 889 632)
<b>Total Expenditure</b>		<b>(736 890 588)</b>	<b>(629 402 791)</b>
<b>Deficit before actuarial gains and release from obligation</b>		<b>(35 467 107)</b>	<b>(135 985 805)</b>
Actuarial (losses)/gains	42	(2 111 755)	7 642 140
<b>DEFICIT FOR THE YEAR</b>		<b>(37 578 862)</b>	<b>(128 343 665)</b>

## DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand	Accumulated Surplus	Total of Net Assets
<b>Opening balance as previously reported</b>	586 572 419	586 572 419
Adjustments for correction of errors		
Payables from Exchange Transactions	(6 389 941)	(6 389 941)
Payables from Non Exchange Transactions	165 193	165 193
<b>Balance at 01 July 2022 as restated*</b>	<b>580 347 670</b>	<b>580 347 670</b>
Changes in net assets		
Deficit for the year	(128 343 665)	(128 343 665)
<b>Balance at 01 July 2023 as restated*</b>	<b>452 004 005</b>	<b>452 004 005</b>
Changes in net assets		
Deficit for the year	(37 578 862)	(37 578 862)
<b>Balance at 30 June 2024</b>	<b>414 425 143</b>	<b>414 425 143</b>

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

	2024	2023 Restated*
<b>Cash flow from operating activities</b>		
<b>Receipts</b>		
Rates and services	220 021 953	199 164 365
Government grants and subsidies	202 695 959	201 422 771
Public contributions and donations	2 501 985	2 003 917
Interest - investment	1 102 203	646 234
	<b>426 322 100</b>	<b>403 237 287</b>
<b>Payments</b>		
Employee cost	(193 069 693)	(170 361 873)
Suppliers	(113 847 876)	(84 529 186)
Finance costs	(75 812 878)	(50 405 763)
	<b>(382 730 447)</b>	<b>(305 296 822)</b>
<b>Net cash flow from operating activities</b>	<b>43 43 591 653</b>	<b>97 940 465</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(50 715 527)	(75 237 545)
Proceeds from sale of property, plant and equipment	17 142 676	20 535
<b>Net cash flow from investing activities</b>	<b>(33 572 851)</b>	<b>(75 217 010)</b>
<b>Cash flow from financing activities</b>		
Payment of other financial liabilities	(12 858 719)	(11 836 359)
<b>Net cash flow from financing activities</b>	<b>(12 858 719)</b>	<b>(11 836 359)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2 839 917)</b>	<b>10 887 096</b>
Cash and cash equivalents at the beginning of the year	12 205 934	1 318 838
<b>Cash and cash equivalents at the end of the year</b>	<b>8 9 366 017</b>	<b>12 205 934</b>

## **DR BEYERS NAUDE MUNICIPALITY**

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

### **REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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Figures in Rand

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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 2024

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024**

<b>Budget on cash basis</b>							
Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	Ref
<b>Statement of financial performance</b>							
<b>Revenue from Exchange Transactions</b>							
Service charges	247 842 084	63 062 462	310 904 546	280 976 202	29 928 344	10%	<b>N1</b>
Agency services	5 675 359	(293 342)	5 382 017	2 027 534	3 354 483	62%	<b>N2</b>
Interest earned	10 521 438	9 528 963	20 050 401	17 818 078	2 232 323	11%	<b>N3</b>
Interest earned - Investments	616 103	580 070	1 196 173	1 102 203	93 970	8%	<b>N4</b>
Rental of facilities & equipment	3 727 309	(1 600 670)	2 126 639	969 552	1 157 087	54%	<b>N5</b>
Other revenue	6 488 079	(845 628)	5 642 451	4 332 812	1 309 639	23%	<b>N6</b>
Licences and permits	1 602 814	(180 000)	1 422 814	743 429	679 385	48%	<b>N7</b>
Gains/(Loss) on disposal of assets and liabilities	5 271 495	-	5 271 495	2 001 219	3 270 276	62%	<b>N8</b>
	<b>281 744 681</b>	<b>70 251 855</b>	<b>351 996 536</b>	<b>309 971 029</b>	<b>42 025 507</b>		
<b>Revenue from Non-exchange Transactions</b>							
<b>Taxation revenue</b>							
Property Rates	45 043 334	6 717 279	51 760 613	45 517 792	6 242 821	12%	<b>N9</b>
<b>Transfer revenue</b>							
Fines, penalties and forfeits	690 015	(600 000)	90 015	1 303 700	(1 213 685)	-1348%	<b>N10</b>
Government grants and subsidies	200 530 120	9 806 213	210 336 333	196 285 959	14 050 374	7%	<b>N11</b>
Public contributions and donations	-	-	-	148 345 000	(148 345 000)	100%	<b>N12</b>
	<b>246 263 469</b>	<b>15 923 492</b>	<b>262 186 961</b>	<b>391 452 451</b>	<b>(129 265 491)</b>		
<b>Total Revenue</b>	<b>528 008 150</b>	<b>86 175 346</b>	<b>614 183 496</b>	<b>701 423 480</b>	<b>(87 239 984)</b>		
<b>EXPENDITURE</b>							
Employee related costs	186 369 861	7 904 001	194 273 862	185 178 029	9 095 833	5%	<b>N13</b>
Remuneration of councillors	9 285 393	979 311	10 264 704	9 973 517	291 187	3%	<b>N14</b>
Debt impairment	13 797 748	-	13 797 748	111 116 001	(97 318 253)	-705%	<b>N15</b>
Depreciation and amortisation	64 573 373	-	64 573 373	59 075 815	5 497 558	9%	<b>N16</b>
Impairment losses	-	-	-	241 985	(241 985)	0%	<b>N17</b>
Finance cost	10 452 306	61 935 040	72 387 346	83 100 828	(10 713 482)	-15%	<b>N18</b>
Bulk purchases	130 814 840	2 591 720	133 406 560	134 568 958	(1 162 398)	-1%	<b>N19</b>
Contracted Services	17 382 151	24 561 746	41 943 897	71 605 423	(29 661 526)	-71%	<b>N20</b>
Operational Cost	109 937 802	(3 194 124)	106 743 678	68 216 994	38 526 684	36%	<b>N21</b>
Operating Leases	11 684 564	5 757 253	17 441 817	13 813 038	3 628 779	21%	<b>N22</b>
<b>Total Expenditure</b>	<b>554 298 038</b>	<b>100 534 947</b>	<b>654 832 985</b>	<b>736 890 588</b>	<b>(82 057 603)</b>		
<b>Operating deficit</b>	<b>(26 289 888)</b>	<b>(14 359 600)</b>	<b>(40 649 488)</b>	<b>(35 467 107)</b>	<b>(5 182 381)</b>		

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

### Budget on cash basis

Figures in rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Variance between final and approved	%	
<b>Statement of financial position</b>							
<b>Current Assets</b>							
Inventories	4 589 146	365 821	4 954 967	8 603 235	(3 648 268)	-74%	<b>N23</b>
Other Receivables	48 622 390	15 352 039	63 974 429	44 993 043	18 981 386	30%	<b>N24</b>
Consumer Debtors	35 347 988	7 251 414	42 599 402	34 764 982	7 834 420	18%	<b>N25</b>
Cash and Cash Equivalents	(39 034 486)	(20 838 238)	(59 872 724)	9 366 017	(69 238 741)	116%	<b>N26</b>
	<b>49 525 038</b>	<b>2 131 036</b>	<b>51 656 074</b>	<b>97 727 277</b>	<b>(46 071 203)</b>		
<b>Non Current Assets</b>							
Investment Property	26 124 132	(41 366)	26 082 766	27 292 764	(1 209 998)	-5%	<b>N27</b>
Property, Plant and Equipment	1 077 744 402	24 913 592	1 102 657 994	1 071 247 674	31 410 320	3%	<b>N28</b>
Intangible Assets	-	-	-	5	(5)	100%	<b>N29</b>
Heritage Assets	11 097 671	-	11 097 671	11 097 670	1	0%	<b>N30</b>
	<b>1 114 966 205</b>	<b>24 872 226</b>	<b>1 139 838 431</b>	<b>1 109 638 113</b>	<b>30 200 318</b>		
<b>TOTAL ASSETS</b>	<b>1 164 491 243</b>	<b>27 003 262</b>	<b>1 191 494 505</b>	<b>1 207 365 390</b>	<b>(15 870 885)</b>		
<b>Current Liabilities</b>							
Borrowings	-	-	-	1 049 339	(1 049 339)	-100%	<b>N31</b>
Trade and other payables	507 365 055	165 832 316	673 197 371	350 457 480	322 739 891	48%	<b>N32</b>
Long term Trade Payables	-	-	-	126 316 271	(126 316 271)	100%	<b>N32</b>
Consumer Deposits	3 819 562	84 940	3 904 502	3 939 947	(35 445)	-1%	<b>N33</b>
Unspent Conditional Grants	-	-	-	6 410 000	(6 410 000)	100%	<b>N35</b>
Provisions	12 278 802	1 157 718	13 436 520	3 444 075	9 992 445	74%	<b>N34</b>
<b>Total Current Liabilities</b>	<b>523 463 419</b>	<b>167 074 974</b>	<b>690 538 393</b>	<b>491 617 111</b>	<b>198 921 282</b>		
<b>Non Current Liabilities</b>							
Borrowings	7 608 092	3 361 236	10 969 328	-	10 969 328	100%	<b>N31</b>
Long term Trade Payables	-	-	-	214 870 699	(214 870 699)	100%	<b>N32</b>
Provisions	66 014 737	3 644 700	69 659 437	86 452 436	(16 792 999)	-24%	<b>N34</b>
<b>Total Non Current Liabilities</b>	<b>73 622 829</b>	<b>7 005 936</b>	<b>80 628 765</b>	<b>301 323 135</b>	<b>(220 694 370)</b>		
<b>TOTAL LIABILITIES</b>	<b>597 086 248</b>	<b>174 080 910</b>	<b>771 167 158</b>	<b>792 940 246</b>	<b>(21 773 088)</b>		
<b>NET ASSETS</b>	<b>567 404 995</b>	<b>(147 077 648)</b>	<b>420 327 347</b>	<b>414 425 143</b>	<b>5 902 204</b>		

## DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

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#### Financial Performance

- N1** The municipality has been carting water to areas which cannot receive water due to low pressure, this has a negative impact on the revenue generation as the municipality cannot bill for water.
- N2** Shortages in staffing and consumables resulted in the traffic office being unable to operate at full capacity through the year.
- N3** Slow payment of accounts by debtors have resulted in more interest 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 2024

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 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 2024

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **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 2024

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **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 2024

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.6 Significant judgements and sources of estimation uncertainty (continued)**

#### **Pension and other post-retirement benefits**

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, future salary increase, mortality rates and future medical increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Effective interest rate**

The municipality used the prime interest rate to discount future cash flows.

#### **Allowance for doubtful debts**

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles, so that the effect of any impairment on a group of receivables would not differ materially from the impairment, that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about probability of recovery of the debtors based on their past payment history and risk profile.

#### **Provision for rehabilitation of refuse landfill sites**

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size/ extent of the land to be rehabilitated, the rehabilitation cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and the discounted to their present value using an appropriate discount rate, representing the time value of money.

#### **Depreciation and amortisation**

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

#### **Inventory**

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir.

The value of water inventory is calculated by considering the quantity of water in the pipes and is estimated based on the dimensions/ measurements of the pipes and the average cost per kilolitre.

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 1.7 Investment property

#### Initial recognition

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Subsequent Measurement - Cost Model

Subsequent to the initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

#### Depreciation

Depreciation recognised on investment property is determined with reference to the useful lives and residual values of the underlying items. Depreciation is provided to write down cost, less estimated residual value by equal instalments over the useful life of the property.

The useful lives of items of investment property have been assessed as follows:

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Item	Depreciation method	Average useful life
Items useful life:		
Land	None	Indefinite
Buildings	Straight line	30 - 100 years

Land is not depreciated as it is considered to have an indefinite useful life.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.7 Investment property (continued)**

#### **Impairments**

The entity tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an investment property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

#### **Derecognition**

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal gains or losses arising from the retirement or disposal of investment property is the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial performance in the period of retirement or disposal.

### **1.8 Property, plant and equipment**

#### **Initial recognition**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

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

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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#### **1.8 Property, plant and equipment (continued)**

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

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

Major spare parts and stand-by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand-by equipment which can only be used in connection with an items of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

#### **Subsequent measurement - Cost model**

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life. Where the municipality replaces part of an asset, it derecognises that part of the asset being replaced and capitalises the new component.

#### **Depreciation**

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.8 Property, plant and equipment (continued)

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

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

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

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

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

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

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

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.8 Property, plant and equipment (continued)**

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

#### **Derecognition**

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

#### **Library books**

Library books are held to provide a service to the community. The books are fully depreciated in the year of acquisition due its individual and aggregate immaterial value. Library books are expected to be used over more than one reporting period and are therefore classified as property, plant and equipment. A register of the library books is maintained by the municipality. Using the principles in GRAP 1 and GRAP 3, the number of books on hand at year-end are disclosed as narrative in the note on property, plant and equipment.

### **1.9 Intangible assets**

#### **Initial recognition**

An Intangible asset is an identifiable non-monetary asset without physical existence. An intangible asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations onto the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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#### **1.9 Intangible assets**

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

#### **Subsequent measurement - Cost model**

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

#### **Amortization**

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible asset with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset. The residual value of an intangible asset with a finite useful life is considered to be zero.

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

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

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

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

#### **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:

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Computer software, other	Straight line	5 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (Note 11).

#### **Derecognition**

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **1.10 Financial instruments**

##### **Initial recognition**

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

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

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

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

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

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

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 1.10 Financial instruments (continued)

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.10 Financial instruments (continued)**

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

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

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

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

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

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

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 1.11 Inventories

##### Initial recognition

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

##### Subsequent measurement

Subsequently inventories are measured at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### 1.12 Employee benefits

##### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 1.12 Employee benefits (continued)

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

##### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

##### Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

#### 1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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

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

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

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

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.13 Provisions and contingencies (continued)**

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 54.

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

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.13 Provisions and contingencies (continued)**

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

Indications that an outflow of resources may be probable are:

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

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

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

### **1.14 Revenue from exchange transactions**

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

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

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

#### **Measurement**

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

#### **Sale of goods**

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

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

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.14 Revenue from exchange transactions (continued)**

#### **Rendering of services**

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by.

### **1.15 Revenue from non-exchange transactions**

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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

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

#### **Measurement**

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

#### **Rates, including collection charges and penalties interest**

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.15 Revenue from non-exchange transactions (continued)**

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### **Fines**

Revenue from the issuing of fines is recognised when:

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

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

#### **Government grants**

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imburement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.15 Revenue from non-exchange transactions (continued)**

#### **Other grants and donations**

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

### **1.16 Borrowing costs**

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

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

### **1.17 Unauthorised expenditure**

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

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

### **1.18 Fruitless and wasteful expenditure**

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

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

### **1.19 Irregular expenditure**

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.20 Related parties**

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

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

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

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

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

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

### **1.21 Heritage assets**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements. The following classes of heritage assets exists:

- Antique/Art/Jewelry
- Historical buildings
- Monuments

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.21 Heritage assets (continued)**

#### **Initial recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### **Subsequent measurement**

The municipality applies the cost model to all classes of heritage assets.

After recognition as an asset, a class of heritage assets is carried at cost less any accumulated impairment losses.

#### **Impairment**

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

#### **Transfers**

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### **Derecognition**

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The carrying amount of a heritage asset shall be derecognised: (a) on disposal (including disposal through a non-exchange transaction); or (b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### **1.22 Statutory receivables**

#### **Identification**

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

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

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 1.22 Statutory receivables (continued)

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

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

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

#### Recognition

The municipality recognises statutory receivables as follows:

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

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

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

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised

#### Accrued interest

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

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

#### Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.22 Statutory receivables (continued)**

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments.
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### **Derecognition**

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks/rewards of ownership of the receivable;
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.23 Commitments**

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### **1.24 Leases**

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

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

#### **Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

#### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.25 Events after reporting date**

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### **1.26 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.26 Impairment of cash-generating assets (continued)**

#### **Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

#### **Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### **Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### **Cash-generating units**

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 1.26 Impairment of cash-generating assets (continued)

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

#### 1.27 Value added Tax (VAT)

The municipality accounts for VAT on the accrual basis of accounting. The municipality is liable to for VAT at the standard rate (15%) in terms of section 7(1)(a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act.

Where Input VAT exceeds output VAT the municipality recognises a receivables for VAT. Where output VAT exceeds input VAT the municipality recognises a payable for VAT.

The municipality is registered for VAT on the payment basis. VAT is claimed from/paid to SARS only once payment is made to supplier or cash is collected on vat-able suppliers.

#### 1.28 Investment income

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

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

#### **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.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **1.32 Segment reporting**

For management purposes, the municipality is organized 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 2023/2024 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

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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### **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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

VAT Accrual Receivable 39 127 307 29 957 057

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.

The VAT accrual receivable balance is the total net accrual of invoices raised not yet paid less income raised not yet received.

### Summary of VAT accrual receivable

Input VAT Accrual	49 892 329	63 543 074
Output VAT Accrual	(10 765 022)	(33 568 932)
	<u>39 127 307</u>	<u>29 974 142</u>

## 4. INVENTORIES

Consumable stores	8 387 756	3 488 123
Water	215 479	215 479
	<u>8 603 235</u>	<u>3 703 602</u>

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 R6,510 (2023: R16,645) was written up (2023: written off) during the year. No Inventories have been pledged as collateral for liabilities of the municipality.

### Reconciliation of consumable stores

	2024	2023
Opening balance	3 488 123	3 023 423
Acquisitions/Purchases	10 201 407	4 630 446
Inventory consumed	(5 315 206)	(4 247 735)
Write-downs	6 510	(16 645)
Adjustments	6 922	98 634
Closing balance	<u>8 387 756</u>	<u>3 488 123</u>

### Reconciliation of Water inventory

Opening Balance	35 836	215 418	25 080		215 479
Water production	4 839 029	24,25	117 360 372	21,80	100 347 994
Water Sold	(2 654 068)	24,25	(64 368 783)	21,80	(56 935 561)
Non-revenue water	(2 199 117)	24,25	(53 334 903)	21,80	(43 178 048)
Average unit rate adjust			343 314		(234 446)
	<u>21 680</u>		<u>215 418</u>	<u>35 836</u>	<u>215 418</u>

## 5. OTHER RECEIVABLES

Sundry deposits	510 900	510 900
Sundry debtors	4 051 136	547 411
Fines accrual	1 303 700	468 500
	<u>5 865 736</u>	<u>1 526 811</u>

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Consumer debtors - Rates	4 861 464	4 140 443
Rates	42 657 079	37 534 152
Less: Allowance for impairment	(37 795 615)	(33 393 709)
<b>Net Balance</b>	<b>4 861 464</b>	<b>4 140 443</b>
<b>Ageing</b>		
Current (0-30 days)	1 860 209	1 712 637
31 - 60 days	892 445	816 882
61 - 90 days	762 027	687 441
91 - 120 days	990 968	673 197
121 days +	38 151 430	33 643 995
	<b>42 657 079</b>	<b>37 534 152</b>
<b>Summary of debtors by customer classification</b>		
<b>Residential</b>		
Current (0-30 days)	1 263 701	1 418 107
31 - 60 days	478 443	472 406
61 - 90 days	412 294	372 079
91 - 120 days	418 596	367 634
121 days +	17 032 163	13 659 312
	<b>19 605 197</b>	<b>16 289 538</b>
<b>Summary of debtors by customer classification (Continued)</b>		
<b>Industrial/commercial</b>		
Current (0-30 days)	660 388	493 954
31 - 60 days	396 986	322 239
61 - 90 days	336 088	299 700
91 - 120 days	561 765	293 366
121 days +	18 507 151	17 256 540
	<b>20 462 378</b>	<b>18 665 799</b>
<b>National and provincial government</b>		
Current (0-30 days)	(63 880)	(199 424)
31 - 60 days	17 016	22 236
61 - 90 days	13 645	15 663
91 - 120 days	10 606	12 196
121 days +	2 612 116	2 728 144
	<b>2 589 503</b>	<b>2 578 815</b>
<b>Total</b>		
Current (0-30 days)	1 860 209	1 712 637
31 - 60 days	892 445	816 882
61 - 90 days	762 027	687 441
91 - 120 days	990 967	673 197
121 days +	38 151 430	33 643 995
Less: Impairment	(37 795 615)	(33 393 709)
	<b>4 861 463</b>	<b>4 140 443</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (Continued)</b>		
<b>Total debtors past due but not impaired</b>		
61 - 90 days	138 152	197 633
91 - 120 days	102 160	144 940
121 days +	3 155 351	2 266 851
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(33 393 709)	(27 419 644)
Bad debts written off against allowance	754 988	1 762 895
Current year's impairment	(5 156 894)	(7 736 960)
	<b>(37 795 615)</b>	<b>(33 393 709)</b>
<p>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.</p>		
<p>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.</p>		
<b>7. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>Gross balances</b>		
Electricity	22 690 421	16 461 406
Water	110 791 998	77 579 300
Sewerage	85 624 506	52 236 624
Refuse	82 880 255	62 965 441
Housing	159 719	161 430
Sundry	6 349 404	5 717 177
	<b>308 496 303</b>	<b>215 121 378</b>
<b>Less: Allowance for impairment</b>		
Electricity	(8 481 178)	(7 822 865)
Water	(102 673 697)	(71 336 112)
Sewerage	(81 321 484)	(49 437 337)
Refuse	(80 517 777)	(61 113 227)
Housing	(159 155)	(160 698)
Sundry	(5 439 494)	(4 876 068)
	<b>(278 592 785)</b>	<b>(194 746 307)</b>
<b>Net balance</b>		
Electricity	14 209 243	8 638 541
Water	8 118 301	6 243 188
Sewerage	4 303 022	2 799 287
Refuse	2 362 478	1 852 214
Housing	564	732
Sundry	909 910	841 109
	<b>29 903 518</b>	<b>20 375 071</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)</b>		
<b>Electricity</b>		
Current (0-30 days)	10 798 960	8 128 757
31 - 60 days	1 587 748	751 200
61 - 90 days	894 249	489 060
91 - 120 days	741 829	481 641
121 days +	8 667 635	6 610 748
	<b>22 690 421</b>	<b>16 461 406</b>
<b>Water</b>		
Current (0-30 days)	11 447 619	6 119 007
31 - 60 days	4 632 616	3 042 565
61 - 90 days	4 464 821	2 923 698
91 - 120 days	3 973 389	2 619 613
121 days +	86 273 553	62 874 417
	<b>110 791 998</b>	<b>77 579 300</b>
<b>Sewerage</b>		
Current (0-30 days)	5 310 117	3 301 020
31 - 60 days	4 028 032	2 701 362
61 - 90 days	3 731 000	2 363 834
91 - 120 days	3 018 932	2 088 701
121 days +	69 536 425	41 781 707
	<b>85 624 506</b>	<b>52 236 624</b>
<b>Refuse</b>		
Current (0-30 days)	3 130 120	2 711 822
31 - 60 days	2 537 252	2 347 957
61 - 90 days	2 369 275	2 098 621
91 - 120 days	1 954 925	1 985 397
121 days +	72 888 683	53 821 644
	<b>82 880 255</b>	<b>62 965 441</b>
<b>Housing rental</b>		
Current (0-30 days)	-	384
31 - 60 days	1	384
61 - 90 days	1	384
91 - 120 days	1	384
121 days +	159 716	159 894
	<b>159 719</b>	<b>161 430</b>
<b>Sundry</b>		
Current (0-30 days)	133 254	129 406
31 - 60 days	84 506	84 475
61 - 90 days	92 337	77 374
91 - 120 days	126 268	86 928
121 days +	5 913 039	5 338 994
	<b>6 349 404</b>	<b>5 717 177</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Residential</b>		
Current (0-30 days)	25 426 082	16 016 578
31 - 60 days	11 060 829	7 789 974
61 - 90 days	10 403 596	7 131 834
91 - 120 days	8 661 810	6 499 726
121 days +	223 197 251	151 147 063
	<b>278 749 568</b>	<b>188 585 175</b>
<b>Industrial/commercial</b>		
Current (0-30 days)	7 130 197	2 982 375
31 - 60 days	1 121 201	507 190
61 - 90 days	642 447	387 507
91 - 120 days	729 501	372 470
121 days +	15 493 944	13 051 789
	<b>25 117 290</b>	<b>17 301 331</b>
<b>National and provincial government</b>		
Current (0-30 days)	(1 736 208)	1 391 444
31 - 60 days	688 125	630 778
61 - 90 days	505 639	433 630
91 - 120 days	424 034	390 469
121 days +	4 747 856	6 388 551
	<b>4 629 446</b>	<b>9 234 872</b>
<b>Total</b>		
Current (0-30 days)	30 820 071	20 390 397
31 - 60 days	12 870 155	8 927 942
61 - 90 days	11 551 682	7 952 971
91 - 120 days	9 815 345	7 262 665
121 days +	243 439 051	170 587 403
Less: Impairment	(278 592 784)	(194 746 307)
	<b>29 903 520</b>	<b>20 375 071</b>
Impairment:	(278 592 784)	(194 746 307)
<b>Total debtors past due but not impaired</b>		
61 - 90 days	1 500 331	997 942
91 - 120 days	990 480	679 500
121 days +	7 336 139	4 911 056
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(194 746 307)	(145 405 838)
Bad debts written off against allowance	21 695 422	24 796 446
Current year's impairment	(105 541 899)	(74 136 915)
	<b>(278 592 784)</b>	<b>(194 746 307)</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>8. CASH AND CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents consist of:</b>		
Cash on hand	4 305	4 305
Bank Accounts	800 137	1 369 307
Current Investments	8 561 575	10 832 322
<b>Total Bank, Cash and Cash Equivalents</b>	<b>9 366 017</b>	<b>12 205 934</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
ABSA - Cheque Account - 4053623514	64 681	61 709	-	-
Standard Bank - Cheque - Primary	607 992	1 174 495	690 948	1 312 652
Standard Bank - Cheque - 0332104206	109 189	34 677	109 189	56 655
ABSA Investments - 9257114251	32 402	30 171	32 402	30 171
Investec - 1100458805501	-	-	-	-
Standard bank - FMG Call account - /002	7 446 916	9 803 132	7 446 916	9 803 132
Standard bank - FMG Call account - /003	3 269	3 115	3 269	3 115
Standard bank - FMG Call account - /004	8 917	11 837	8 917	11 837
Standard bank - FMG Call account - /006	1 070 071	984 067	1 070 071	984 067
	<b>9 343 437</b>	<b>12 103 203</b>	<b>9 361 712</b>	<b>12 201 629</b>

## 9. INVESTMENT PROPERTY

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	28 951 841	(1 659 077)	27 292 764	28 951 841	(1 617 711)	27 334 130

### Reconciliation of investment property - 2024

	Opening balance	Depreciation	Total
Land	26 905 202	-	26 905 202
Buildings	428 928	(41 366)	387 562
	<b>27 334 130</b>	<b>(41 366)</b>	<b>27 292 764</b>

### Reconciliation of investment property - 2023

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

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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024			2023		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	121 139 682	-	121 139 682	121 266 061	-	121 266 061
Buildings	52 789 271	(23 160 149)	29 629 122	54 489 230	(21 347 011)	33 142 219
Infrastructure	1 232 331 709	(413 192 521)	819 139 188	1 146 663 476	(368 771 610)	777 891 866
Community	42 717 400	(7 002 648)	35 714 752	29 854 350	(5 790 218)	24 064 132
Work-in-progress	19 971 374	-	19 971 374	87 735 665	-	87 735 665
Landfill sites	27 737 659	(4 724 308)	23 013 351	20 530 582	(3 899 991)	16 630 591
Transport assets	31 443 203	(13 294 031)	18 149 172	22 648 679	(11 318 079)	11 330 600
Other assets	14 490 844	(9 999 811)	4 491 033	22 596 925	(11 086 593)	11 510 332
<b>Total</b>	<b>1 542 621 142</b>	<b>(471 373 468)</b>	<b>1 071 247 674</b>	<b>1 505 784 968</b>	<b>(422 213 502)</b>	<b>1 083 571 466</b>

### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation and Impairment	Total
Land	121 266 061	-	(126 379)	-	-	121 139 682
Buildings	33 142 219	-	(170 940)	-	(3 342 157)	29 629 122
Infrastructure	777 891 866	33 026 054	(7 438 662)	66 081 078	(50 421 148)	819 139 188
Community	24 064 132	2 086 938	(14 547)	10 848 864	(1 270 635)	35 714 752
Work-in-progress	87 735 665	13 251 067	-	(81 015 358)	-	19 971 374
Landfill sites	16 630 591	3 728 816	-	3 478 261	(824 317)	23 013 351
Transport assets	11 330 600	9 208 485	(171 778)	-	(2 218 135)	18 149 172
Other assets	11 510 332	791 780	(7 218 192)	607 155	(1 200 042)	4 491 033
	<b>1 083 571 466</b>	<b>62 093 140</b>	<b>(15 140 498)</b>	<b>-</b>	<b>(59 276 434)</b>	<b>1 071 247 674</b>

### 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	817 556 233	5 065 467	(1 655 374)	9 500 747	(52 575 207)	777 891 866
Community	25 163 668	-	-	-	(1 099 536)	24 064 132
Work-in-progress	26 497 102	70 622 317	-	(9 383 754)	-	87 735 665
Landfill sites	17 502 710	-	(36 288)	(116 993)	(718 838)	16 630 591
Transport assets	9 676 911	3 609 518	-	-	(1 955 829)	11 330 600
Other assets	12 477 451	454 629	(23 674)	-	(1 398 074)	11 510 332
	<b>1 066 699 024</b>	<b>79 751 931</b>	<b>(1 910 167)</b>	<b>-</b>	<b>(60 969 322)</b>	<b>1 083 571 466</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>2024</b>	<b>2023</b>
R	Restated* R

### 10. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 R241 985 (2023: R487 093) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 35

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.

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 work in progress balances are included in PPE. No depreciation charge is recognized against these amounts.

Infrastructure Assets	19 398 408	72 228 420
Community Assets	426 195	11 275 059
Landfill Sites	146 771	3 625 031
Other Assets	-	607 155
	<b>19 971 374</b>	<b>87 735 665</b>

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. The Project to continue in 2024/2025.
Electricity standby transformers	336 120	The delay was due to the municipality awaiting grant funding approval. Project approved for additional funding and to continue in the 2024/25 financial year.
GRT: Rehabilitation of stormwater	375 319	
GRT: Improve performance of filters at water treatment works	274 800	

### 11. INTANGIBLE ASSETS

	2024			2023		
	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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 Restated* R
<b>11. INTANGIBLE ASSETS (Continued)</b>		
<b>Reconciliation of intangible assets - 2024</b>	<b>Opening balance</b>	<b>Amortization</b>
Computer software	5	-
	<u>5</u>	<u>-</u>
	<u>5</u>	<u>5</u>

	Opening balance	Amortization	Total
<b>Reconciliation of intangible assets - 2023</b>			
Computer software	5	-	5
	<u>5</u>	<u>-</u>	<u>5</u>

## 12. HERITAGE ASSETS

	2024			2023		
	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
<b>Total Heritage Assets</b>	<b>11 097 670</b>	<b>-</b>	<b>11 097 670</b>	<b>11 097 670</b>	<b>-</b>	<b>11 097 670</b>

<b>Reconciliation of heritage assets - 2024</b>	<b>Opening balance</b>	<b>Total</b>
Historical buildings	2 768 000	2 768 000
Antique/Art/Jewelry	1 215 950	1 215 950
Monuments	7 113 720	7 113 720
	<u>11 097 670</u>	<u>11 097 670</u>

<b>Reconciliation of heritage assets - 2023</b>	<b>Opening balance</b>	<b>Total</b>
Historical buildings	2 768 000	2 768 000
Antique/Art/Jewelry	1 215 950	1 215 950
Monuments	7 113 720	7 113 720
	<u>11 097 670</u>	<u>11 097 670</u>

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	1 049 339	12 234 891
<b>Total other financial liabilities</b>	<b>1 049 339</b>	<b>12 234 891</b>

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.

### Non-current liabilities

At amortised cost	-	1 265 563
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>13. OTHER FINANCIAL LIABILITIES (Continued)</b>		
<b>Current liabilities</b>		
At amortised cost	1 049 339	10 969 328
<b>14. PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade payables and other accruals	252 220 601	551 374 467
Retentions	4 008 889	5 232 094
Leave pay accrual	12 512 588	12 562 032
Bonus accrual	6 855 775	6 027 730
Debtors with credit balances	8 691 875	6 169 172
Statutory and non-statutory deductions	61 242 282	60 008 787
<b>Total Payables</b>	<b>345 532 010</b>	<b>641 374 282</b>
The Payables from exchange transactions balance has been restated. Refer to prior period errors note for information		
<b>15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Unallocated receipts	4 107 436	5 536 968
Debtors with credit balances	818 034	739 155
<b>Total Payables</b>	<b>4 925 470</b>	<b>6 276 123</b>
<b>16. MUNICIPAL DEBT RELIEF FINANCIAL LIABILITIES</b>		
<b>At fair value</b>	341 186 970	-
<b>Description</b>		
<b>Non-current liabilities</b>		
At amortised cost	214 870 699	-
<b>Current liabilities</b>		
At amortised cost	126 316 271	-
Refer to note 30 for detailed description on the Municipal Debt Relief financial liability		
<b>17. CONSUMER DEPOSITS</b>		
Electricity	2 587 888	2 606 062
Water	1 326 528	1 272 909
Other sundry deposits	25 531	25 530
	<b>3 939 947</b>	<b>3 904 501</b>

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

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	2024 R	2023 Restated* R
<b>18. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>Total Unspent Conditional Grants</b>	<b>6 410 000</b>	-
<b>Movement during the year</b>		
Balance at the beginning of the year	-	-
Additions during the year	81 775 135	86 639 536
Income recognition during the year	(75 365 135)	(86 639 536)
Balance at the end of the year	<b>6 410 000</b>	-

See note 29 for reconciliation of grants from National/Provincial Government.

## 19. PROVISIONS

### Reconciliation of provisions - 2024

	Opening balance	Additions	Total
Legal proceedings	1 872 820	(1 872 820)	-
Rehabilitation of landfill sites	28 359 000	5 854 650	34 213 650
<b>Total Provisions</b>	<b>30 231 820</b>	<b>3 981 830</b>	<b>34 213 650</b>

### 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
<b>Total Provisions</b>	<b>24 528 970</b>	<b>5 702 850</b>	<b>30 231 820</b>

Non-current liabilities	34 213 650	28 359 000
Current liabilities	-----	1 872 820
	<b>34 213 650</b>	<b>30 231 820</b>

### Rehabilitation of landfill sites

The obligation for the environmental rehabilitation results from the onus imposed by the Environmental Conservation Act no.73 of 1989 to rehabilitate landfill sites after use. Some of the sites are expected to be closed in 2041, after which rehabilitation will take place over the course of the next 20 years after which the site is expected to be fully rehabilitated. The following assumption were used when calculating the provision for landfill Site rehabilitation: - The CPIX was used to adjust the cost as it is the only determining factor year on year.

The landfill sites are nearing the end of their useful lives, the ground and ground water on the entire site are thus considered to be contaminated and not just the portion in use, i.e. the provision provides for the cost of rehabilitating the entire site and not just the portion used up to financial year end. The entire site would need to be rehabilitated due to waste distributed across the entire site over the years since opening thereof. Thus, as provided in GRAP 19 where it states that the provision should only be raised to the extent that the costs would need to be incurred, it is considered that the full cost of rehabilitation would need to be incurred to rehabilitate the sites.

The following are the landfill sites of the municipality:

Sites	Remaining useful life
Jansenville	2 years remaining
Klipplaat	5 years remaining

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	2024	2023
	R	Restated* R
<b>19. PROVISIONS (Continued)</b>		
<b>Sites</b>		
Steytlerville		
Willowmore		
Rietbron		
Aberdeen		
Graaff-Reinet		
Nieu-Bethesda		
<b>Remaining useful life</b>		
7 years remaining		
5 years remaining		
4 years remaining		
17 years remaining		
12 years remaining		
1 year remaining		
<b>20. EMPLOYEE BENEFIT OBLIGATIONS</b>		
<b>Defined benefit plan</b>		
The plan is a post employment medical benefit plan		
<b>Post retirement medical aid plan and long service award</b>		
The amounts recognised in the statement of financial position are as follows:		
<b>20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation-wholly unfunded	(42 993 953)	(35 024 954)
Present value of long service award	(12 688 908)	(12 861 612)
	<u>(55 682 861)</u>	<u>(47 886 566)</u>
Non-current liabilities	(52 238 786)	(43 927 977)
Current liabilities	(3 444 075)	(3 958 589)
	<u>(55 682 861)</u>	<u>(47 886 566)</u>
<b>Changes in the present value of the employee benefit obligation are as follows:</b>		
Opening balance	(47 886 566)	(48 865 238)
Benefits paid	2 478 937	1 746 931
Net expense recognised in the statement of financial performance	(10 275 232)	(768 259)
Balance at end of Year	<u>(55 682 861)</u>	<u>(47 886 566)</u>
<b>Net expense recognised in the statement of financial performance</b>		
Current service cost	(2 548 694)	(2 664 467)
Interest cost	(5 614 783)	(5 745 932)
Actuarial (losses)/gains	(2 111 755)	7 642 140
	<u>(10 275 232)</u>	<u>(768 259)</u>
<b>Key assumptions used</b>		
<b>Assumptions used at the reporting date:</b>		
Discount Rate used	12,42%	12,78%
Health Care Cost Inflation Rate	8,40%	8,82%
Net Discount Rate used	3,71%	3,64%

The PA 90-1 post-retirement mortality table used for pensioners and SA85-90 (Normal) for active employees.

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	2024	2023
	R	Restated* R
<b>20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)</b>		
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 2024 was 72.33, with an average employer monthly contribution of R3,842		
Number of active employees: 211		
Average age of active employees as at 30 June 2024 was 45.50, with an average employer monthly contribution of R2,809.		
<b>Defined contribution plan</b>		
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 2024 by One Pangaea expertise & solutions using the Projected Unit Credit Method.		
<b>Long Service Award Provision</b>		
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:		
<b>Key Assumptions:</b>		
1. Salary increase rate at 5,48% (2023 - 6,32%)		
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 4,48% (2023 - 5,32%)		
6. Discount rate used 9,90% (2023 - 10,60%).		
7. Net Discount rate used 4,19% (2023 - 4,03%)		
<b>21. SERVICE CHARGES</b>		
Sale of Electricity	147 440 283	117 419 584
Sale of Water	51 714 816	40 569 574
Sewerage and Sanitation Charges	52 123 931	33 246 237
Refuse Removal	29 697 172	26 624 082
	<u>280 976 202</u>	<u>217 859 477</u>
<b>22. AGENCY SERVICES</b>		
eNatis commission	<u>2 027 534</u>	<u>2 141 061</u>
The municipality is part of a principle-agent arrangements with the department of roads and transport to act as agent on their behalf where the municipalities collect the fees due from motor vehicle owners and simultaneously issue the new licences on behalf of the provincial government.		
<b>23. INTEREST EARNED</b>		
<b>Outstanding Debtors:</b>		
Outstanding Billing Debtors	<u>17 818 078</u>	<u>14 587 383</u>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>23. INTEREST EARNED (Continued)</b>		
<b>External Investments:</b>		
Bank Account	68 281	41 577
Investments	1 033 922	604 657
	<b>1 102 203</b>	<b>646 234</b>
<b>24. RENTAL OF FACILITIES AND EQUIPMENT</b>		
<b>Premises</b>		
Rental of Facilities and Equipment	<b>969 552</b>	<b>2 217 010</b>
<b>25. OTHER REVENUE</b>		
Administrative charge	179 746	162 624
Building plan fees	324 074	254 307
Commission received	263 824	253 130
Tender deposits	32 499	85 437
Connections - Electricity	318 071	297 740
Cost recoveries	20 855	34 305
Burial and cemetery fees	95 890	98 955
Insurance proceeds	88 731	196 149
Library fees	9 050	7 163
Unallocated deposits revenue	158 578	1 291 266
Valuation certificates	301 288	357 797
Eskom Wheeling revenue	2 449 632	2 290 403
Sundry income	90 574	175 035
	<b>4 332 812</b>	<b>5 504 311</b>
<b>26. LICENCES AND PERMITS</b>		
Licences and permits	<b>743 429</b>	<b>610 760</b>
Included above are Drivers licence fees and learners licence fees.		
<b>27. PROPERTY RATES</b>		
<b>Rates received</b>		
Residential	16 364 758	15 081 878
Commercial	9 570 319	10 670 367
State	12 543 547	10 155 112
Small holdings and farms	7 039 168	6 415 293
	<b>45 517 792</b>	<b>42 322 650</b>
<b>Valuations</b>		
Residential	2 460 477 421	2 448 830 621
Commercial	672 876 600	737 936 400
State	790 664 260	690 401 260
Municipal	326 690 860	325 584 860
Agricultural	8 642 282 800	8 556 389 300
Exempt	279 053 810	279 053 810
Industrial	89 395 800	71 585 800
Multiple	18 955 100	18 805 100
	<b>13 280 396 651</b>	<b>13 128 587 151</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>27. PROPERTY RATES (Continued)</b>		
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).		
<b>28. FINES, PENALTIES AND FORFEITS</b>		
Traffic fines	<u>1 303 700</u>	<u>491 895</u>
<b>29. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Operating grants</b>		
Equitable Share	114 382 000	107 059 000
Sarah Baartman - fire grant	1 497 570	3 056 620
DSRAC Library Grant	2 308 000	2 308 000
EPWP integrated grant	1 118 000	1 624 000
Finance management grant	3 100 000	3 100 000
SETA Training Grant	419 585	518 224
Sarah Baartman - Clean up grant	1 100 000	-
Human settlements Grant	95 670	-
Sarah Baartman - Tourism grant	-	217 391
	<u>124 020 825</u>	<u>117 883 235</u>
<b>Capital grants</b>		
Municipal infrastructure grant	22 273 999	33 010 000
Municipal Disaster Relief Grant	3 675 000	-
Water conservation and demand grant	26 250 000	8 939 000
Regional bulk infrastructure grant	20 066 135	41 590 536
	<u>72 265 134</u>	<u>83 539 536</u>
<b>Total Government Grants and Subsidies</b>	<u><u>196 285 959</u></u>	<u><u>201 422 771</u></u>
<b>National: Equitable Share</b>		
Current year receipts	114 382 000	107 059 000
Transferred to Revenue	<u>(114 382 000)</u>	<u>(107 059 000)</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	22 273 999	33 010 000
Conditions met - transferred to Revenue	<u>(22 273 999)</u>	<u>(33 010 000)</u>
	<u>-</u>	<u>-</u>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>29. GOVERNMENT GRANTS AND SUBSIDIES (Continued)</b>		
<b>Municipal infrastructure grant</b>		
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.		
<b>DSRAC libraries grant</b>		
Current year receipts	2 308 000	2 308 000
Transferred to Revenue	(2 308 000)	(2 308 000)
	<u>-</u>	<u>-</u>
This grant was received from the Department of Sport, Recreation, Arts and Culture. This grant is used to support the maintenance of the library.		
<b>Regional Bulk Infrastructure Grant</b>		
Current year receipts	20 066 135	41 590 536
Conditions met - transferred to Revenue	(20 066 135)	(41 590 536)
	<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. Due to timing differences in reporting periods, an amount was spent in the prior year and claimed but the receipt of the grant was only in the new year.		
<b>SETA Training Grant</b>		
Current year receipts	419 585	518 224
Conditions met - transferred to Revenue	(419 585)	(518 224)
	<u>-</u>	<u>-</u>
SETA grant is a mandatory funding received from MICT SETA derived from the skills levy paid by the municipality		
<b>Finance Management Grant</b>		
Current year receipts	3 100 000	3 100 000
Conditions met - transferred to Revenue	(3 100 000)	(3 100 000)
	<u>-</u>	<u>-</u>
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.		
<b>Sarah Baartman district - Fire services Grant</b>		
Current year receipts	1 497 570	3 056 620
Transferred to Revenue	(1 497 570)	(3 056 620)
	<u>-</u>	<u>-</u>

Received from Sarah Baartman DM to part fund the municipality carrying out the district mandate for fire services.

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	2024	2023
	R	Restated* R
<b>29. GOVERNMENT GRANTS AND SUBSIDIES (Continued)</b>		
<b>Expanded Public Works Programme Integrated Grant</b>		
Current year receipts	1 118 000	1 624 000
Transferred to Revenue	(1 118 000)	(1 624 000)
	<u>-</u>	<u>-</u>
This grant is used pay stipends for unemployed youths through the EPWP programme.		
<b>Sarah Baartman district - Clean up project</b>		
Current year receipts	1 100 000	-
Transferred to Revenue	(1 100 000)	-
	<u>-</u>	<u>-</u>
Received from Sarah Baartman DM to fund the municipality carrying out specific clean up campaign in community services		
<b>Sarah Baartman district - Tourism Grant</b>		
Current year receipts	-	217 391
Transferred to Revenue	-	(217 391)
	<u>-</u>	<u>-</u>
<b>Water service infrastructure grant</b>		
Current year receipts	26 250 000	8 939 000
Transferred to Revenue	(26 250 000)	(8 939 000)
	<u>-</u>	<u>-</u>
The water services infrastructure grant is allocated to the municipality to assist in drought relief.		
<b>Municipal Disaster Relief Grant - Operational</b>		
Current year receipts	10 085 000	-
Transferred to Revenue	(3 675 000)	-
	<u><b>6 410 000</b></u>	<u>-</u>
Grant received from the Department of Cooperative Governance & Traditional Affairs to counter the effects floods in the form of a municipal disaster relief grant		
<b>30. PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
Eskom Municipal debt relief revenue	133 241 239	-
Donations-in-Kind	12 601 776	3 611 647
Auditor-General debt waive	2 501 985	2 001 787
<b>Public Contributions and Donations</b>	<u><b>148 345 000</b></u>	<u><b>5 613 434</b></u>

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	2024	2023
	R	Restated* R
<b>30. PUBLIC CONTRIBUTIONS AND DONATIONS (Continued)</b>		
<p>The municipality was approved to participate in the Municipal Debt Relief programme effective 1 December 2023 where debt on 1 April 2023 will be written off over 3 years provided certain conditions are met. The Municipal Debt Relief arrangement changes the substance of the liability to a repayment arrangement. In line with the accounting guidelines of the Office of the Accountant General, this arrangement has a "concessionary element" in that no interest will be charged over the period of the arrangement. This liability, like all others, is recognised at fair value on initial recognition. A similar debt instrument in the market bears interest at 12% per annum. The off-market portion of the liability amounts to R79,412,683</p> <p>Additionally, in line with the circular, an amount of interest charged since 1 April 2023 to the effective date will be waived by Eskom. This amount is R53,828,555</p> <p>The Coke Ville groundwater project donated water harvesting infrastructure to the value of R11,256,389 to assist with the improvement of water shortages in our municipality</p> <p>The Sarah Baartman District Municipality donated 1 rescue vehicle to the value of R1,004,670 and related rescue equipment to the value of R340,715.</p>		
<b>31. EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	126 726 912	120 501 211
Bonus	10 034 538	9 391 577
Medical aid - company contributions	8 332 332	7 954 175
Unemployment insurance fund	917 924	876 458
Skills Development Levy	1 573 862	1 500 087
Pension fund contributions	20 956 252	20 380 497
Travel, Motor Car, Accommodation, Subsistence allowance	3 884 765	3 681 377
Overtime Payments	10 353 056	10 227 606
Housing Benefits and Allowances	388 930	367 044
Other allowances	2 009 458	1 754 047
<b>Total Employee Related Costs</b>	<b>185 178 029</b>	<b>176 634 079</b>
<b>Remuneration of Municipal Manager</b>		
Annual Remuneration	1 070 921	1 366 793
Contributions to UIF, Medical and Pension Funds	158 400	168 632
Allowances	262 420	282 714
	<b>1 491 741</b>	<b>1 818 139</b>
<b>Remuneration of Chief Financial Officer</b>		
Annual Remuneration	1 009 838	1 103 460
Contributions to UIF, Medical and Pension Funds	14 439	14 976
Allowances	204 936	198 337
	<b>1 229 214</b>	<b>1 316 773</b>
<b>Remuneration of Director - Corporate Services</b>		
Annual Remuneration	826 009	924 217
Contributions to UIF, Medical and Pension Funds	161 011	169 493
Allowances	245 436	241 592
	<b>1 232 456</b>	<b>1 335 302</b>
<b>Remuneration of the Director - Planning and Engineering</b>		
Annual Remuneration	942 766	1 051 868
Contributions to UIF, Medical and Pension Funds	14 301	14 927
Allowances	278 436	258 836
	<b>1 235 503</b>	<b>1 325 631</b>

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	2024 R	2023 Restated* R
<b>31. EMPLOYEE RELATED COSTS (Continued)</b>		
<b>Remuneration of Director - Community Services *</b>		
Annual Remuneration	677 950	1 007 384
Contributions to UIF, Medical and Pension Funds	10 062	14 835
Allowances	177 187	300 837
	<b>865 199</b>	<b>1 323 056</b>

\* The employment contract of the Director - Community services was terminated in December 2023

## 32. REMUNERATION OF COUNCILLORS

Councillor remuneration and allowances	9 973 517	9 415 764
	<b>9 973 517</b>	<b>9 415 764</b>

Councillor	Remuneration	Allowances	Total 2024
Mayor - Cllr W.J Safers	961 828	46 353	1 008 181
Speaker - Cllr C.W Felix	771 014	46 353	817 367
Executive committee - Cllr K.E Kekana	402 450	46 353	448 803
Executive committee - Cllr E.L Loock	402 450	46 353	448 803
Executive committee - Cllr E.A Ruiters	402 450	46 353	448 803
MPAC chairperson - Cllr T.L.A Plaatjies *	372 983	46 353	419 336
Cllr A Arries	305 184	46 353	351 537
Cllr D.J Bezuidenhout	305 184	46 353	351 537
Cllr I.J Bolligelo	305 184	46 353	351 537
Cllr H Booysen	305 184	46 353	351 537
Cllr M Deyzel	305 184	42 600	347 784
Cllr Y Frazenburg	305 184	46 353	351 537
Cllr X.N Galada	295 863	46 353	342 216
Cllr K Hendricks	305 184	46 353	351 537
Cllr N.A.V Jacobs	305 184	46 353	351 537
Cllr J.D Lomborg	305 184	46 353	351 537
Cllr A Mfundisi	305 184	46 353	351 537
Cllr A.S Nofemele	305 184	46 353	351 537
Cllr R.L Smith	305 184	46 353	351 537
Cllr T.R Spogter	402 450	46 353	448 803
Cllr A.R Van Heerden	305 184	46 353	351 537
Cllr I.J Van Zyl	303 738	46 353	350 091
Cllr G.J Wiehahn *	280 912	42 436	323 348
Cllr J.J Williams	305 184	46 353	351 537
	<b>8 868 715</b>	<b>1 104 802</b>	<b>9 973 517</b>

\* Served for portion of the year only

Councillor	Remuneration	Allowances	Total 2023
Mayor - Cllr W.J Safers	814 902	42 600	857 502
Speaker - Cllr C.W Felix	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

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	2024	2023	
	R	Restated* R	
<b>32. REMUNERATION OF COUNCILLORS (Continued)</b>			
	<b>Remuneration</b>	<b>Allowances</b>	<b>Total 2023</b>
<b>Councillor</b>			
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
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
	<b>8 395 403</b>	<b>1 020 362</b>	<b>9 415 764</b>

The Remuneration of Councillors is based on the upper limit as per the Government Gazette.

No in-kind benefits have been received by council

### 33. DEBT IMPAIRMENT

Debt impairment	88 665 591	55 952 900
Bad debts written off	22 450 410	29 321 889
	<b>111 116 001</b>	<b>85 274 789</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>33. DEBT IMPAIRMENT (Continued)</b>		
Debt impairment is an assessment of the amounts that will not be recovered from the debtors, based on the municipality's policy.		
<b>34. DEPRECIATION AND AMORTISATION</b>		
Depreciation: Property, Plant and Equipment	59 034 449	60 482 229
Depreciation: Investment Property	41 366	41 366
<b>Total Depreciation and Amortisation</b>	<b>59 075 815</b>	<b>60 523 595</b>
<b>35. IMPAIRMENT LOSS</b>		
Property, plant and equipment	241 985	487 093
<b>36. FINANCE COST</b>		
Long service award	1 226 129	1 260 351
Post retirement medical benefit	4 388 654	4 485 581
Trade and other payables	77 486 045	53 715 680
	<b>83 100 828</b>	<b>59 461 612</b>
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		
<b>37. BULK PURCHASES</b>		
Electricity	134 568 958	112 710 799
	<b>134 568 958</b>	<b>112 710 799</b>
<b>38. OPERATIONAL COST</b>		
Adjustment for provision of landfill sites obligation	5 854 650	5 702 850
Advertising, Publicity and Marketing	185 083	457 235
Audit Fees - External	7 398 129	4 737 709
Bank Charges	764 598	744 009
Cash Shortage	7 110	1 852
Chemicals	5 893 766	4 212 964
Commissions	2 215 493	1 662 924
Communication	107 926	2 181 163
Consumables	11 882 951	9 017 908
Cost recoveries	79 006	81 590
Courier and Delivery Services	916 095	791 179
External Computer Services	3 820 650	3 335 233
Grants and Donations Made	120 000	18 000
Hire charges	642 734	1 407 679
Insurance underwriting	2 121 072	1 987 344
Inventories losses/write-downs	(6 510)	16 645
Settlement fees cost	-	876 390
Levies	476 835	518 585
Motor vehicle expenses	10 691 363	11 302 758
Municipal service charges	6 372 690	8 449 031
Pauper Burials	-	4 000
Professional Bodies, Membership and Subscription	2 066 434	2 023 318
Remuneration to Ward Committees	995 250	975 078

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>38. OPERATIONAL COST (Continued)</b>		
Training and Seminars	691 730	850 553
Travel and subsistence	2 870 284	2 649 543
Uniform and Protective Clothing	950 244	358 568
Workmen's Compensation Fund	1 099 411	985 134
	<b>68 216 994</b>	<b>65 349 242</b>

### 39. CONTRACTED SERVICES

Consultants and professional services	4 457 875	6 713 636
Outsourced services	67 147 548	41 996 739
	<b>71 605 423</b>	<b>48 710 375</b>

### 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	<b>6 590 032</b>	<b>4 081 981</b>
Outsourced service - Technical	6 590 032	4 081 981
Operational cost	<b>9 422 668</b>	<b>5 525 846</b>
Consumables	9 129 381	5 092 648
IT maintenance	293 286	433 198
<b>Total</b>	<b>16 012 699</b>	<b>9 607 827</b>

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

Buildings	1 766 643	256 191
Transport assets	2 348 314	1 801 762
Other assets	11 330 694	491 143
Landfill sites	262 410	129 000
Community assets	-	67 109
Infrastructure assets	304 639	6 862 622
	<b>16 012 699</b>	<b>9 607 827</b>

### 40. (GAINS)/LOSS ON DISPOSAL OF ASSETS

(Gains)/Loss on disposal of property, plant and equipment	<u>(2 001 219)</u>	<u>1 889 632</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.

### 41. OPERATING LEASES

Furniture and Office Equipment	4 875 223	3 295 540
Transport Assets	8 937 815	5 650 271
	<b>13 813 038</b>	<b>8 945 811</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>41. OPERATING LEASES (Continued)</b>		
<u>Lease of voltage optimization System</u>		
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: R68 700 (2023: R274 800) 2 – 5 years inclusive: R0 (2023: R68 700) over 5 years: R0 (2023: R0)		
<u>Lease of photocopiers</u>		
The Municipality is a lessee as it has entered into operating leases for the use of photocopiers and office equipment with Sky Metro Equipment (Pty) Ltd. These leases were negotiated for a 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 577 360 (2023: R2 395 200) 2 – 5 years inclusive: R859 120 (2023: R3 193 600) over 5 years: R0 (2023: R0)		
<u>Lease of telephones system</u>		
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 (2023: R661 534) and 2 – 5 years inclusive: R220 511 (2023: R882 045) over 5 years: R0 (2023: R0)		
<u>Lease of vehicles</u>		
The Municipality is a lessee as it has entered into operating leases for the use of vehicles with Sky Metro. These leases were negotiated for a three year term from 4 November 2023 to 30 October 2026, 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: R8 276 184 (2023: R0) and 2 – 5 years inclusive: R11 034 912 (2023: R0) over 5 years: R0 (2023: 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	11 583 778	3 331 534
Payable within 2 to 5 years	12 114 543	4 144 345
	<u>23 698 321</u>	<u>7 475 879</u>
<i>Prior year non-cancellable lease disclosure</i> has been restated. Refer to prior period errors note for information.		
<b>42. ACTUARIAL (LOSSES) / GAINS</b>		
Actuarial (losses) / gains	(2 111 755)	7 642 140
	<u>(2 111 755)</u>	<u>7 642 140</u>

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	2024	2023
	R	Restated*
		R
<b>43. CASH GENERATED BY OPERATIONS</b>		
Deficit for the Year	(37 578 862)	(128 343 665)
<b>Adjustment for:</b>		
Depreciation and Amortisation	59 075 815	60 523 595
Losses / (Gains) on Disposal of Property, Plant and Equipment	(2 001 219)	1 889 632
Debt impairment	111 116 001	85 274 789
Finance cost Other financial liabilities	1 673 167	3 309 918
Employee benefit obligation - Current service cost	2 548 694	2 664 467
Employee benefit obligation - Current interest cost	5 614 783	5 745 932
Employee benefit obligation - Subsidies paid	(2 478 937)	(1 746 931)
Employee benefit obligation - Actuarial gains	2 111 755	(7 642 140)
Non-cash movement to property, plant and equipment	1 223 205	(904 871)
Non-cash movement in employee related costs	778 601	2 061 212
Provision non cash movement	3 981 830	5 702 850
Public contributions and donations	(12 601 776)	(3 609 517)
Municipal Debt Relief Revenue	(133 241 239)	-
Impairment loss	241 985	487 093
<b>Operating surplus before working capital changes</b>	<b>463 803</b>	<b>25 412 364</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in Inventories	(4 899 633)	(365 820)
Decrease/(Increase) in Receivables Exchange	(115 070 346)	(72 416 046)
Decrease/(Increase) in Statutory Receivables Non Exchange	(5 877 915)	(7 812 661)
Decrease/(Increase) in Other receivables	(4 756 133)	(513 164)
Increase/(Decrease) in Payables Exchange	177 807 333	156 993 568
Increase/(Decrease) in Payables Non Exchange	(1 350 653)	3 942 085
Decrease/(Increase) in VAT Accrual Receivable	(9 170 249)	(7 384 799)
Increase/(Decrease) in Unspent conditional grants Liability	6 410 000	-
Increase/(Decrease) in Consumer Deposits	35 446	84 939
<b>Cash generated by Operations</b>	<b>43 591 652</b>	<b>97 940 466</b>

## 44. 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 2023
<b>Current Assets</b>			
VAT Accrual Receivable	29 876 388	80 669	29 957 057
Other receivables	6 706 804	(5 179 993)	1 526 811
Receivables from Exchange transactions	15 195 079	5 179 993	20 375 072
<b>Current Liabilities</b>			
Payables from Exchange Transactions	632 154 937	9 219 346	641 374 283
Payables from Non-exchange Transactions	6 441 316	(165 193)	6 276 123
<b>TOTAL ASSETS</b>	<b>1 193 831 521</b>	<b>80 669</b>	<b>1 193 912 190</b>
<b>TOTAL LIABILITIES</b>	<b>732 854 032</b>	<b>9 054 153</b>	<b>741 908 185</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023	
	R	Restated* R	
<b>44. PRIOR PERIOD ERRORS (Continued)</b>			
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
	<b>Previously reported</b>	<b>Correction of error</b>	<b>Restated 2023</b>
<b>Expenditure</b>			
Finance cost	(57 371 140)	(2 090 473)	(59 461 613)
Operational Cost	(64 745 679)	(603 563)	(65 349 242)
Contracted Services	(48 655 675)	(54 700)	(48 710 375)
<b>ACCUMULATED SURPLUS adjustments</b>			
Opening balance as previously reported	(586 572 419)	-	(586 572 419)
Prior period errors impacting opening balance:			
Payables from Exchange Transactions	-	6 389 942	6 389 942
Payables from Non Exchange Transactions	-	(165 193)	(165 193)
<b>Balance at 01 July 2022 as restated</b>	<b>(586 572 419)</b>	<b>6 224 749</b>	<b>(580 347 670)</b>
Deficit for the year	125 594 930	-	125 594 930
Prior period errors impacting deficit for the year:			
Finance cost	-	2 090 473	2 090 473
Contracted services	-	54 700	54 700
Operational cost	-	603 563	603 563
<b>Balance at 01 July 2023 as restated</b>	<b>(460 977 489)</b>	<b>8 973 484</b>	<b>(452 004 005)</b>

### DISCLOSURE PRIOR PERIOD ERROR ADJUSTMENTS

Non-cancellable lease disclosure	4 639 656	2 836 223	7 475 879
Fruitless and Wasteful expenditure	111 927 968	2 090 472	114 018 440
Financial liabilities (note 50)	625 800 067	(50 789 443)	575 010 624

### DESCRIPTION OF ERRORS

#### Other Receivables

The classification of water and electricity accrual at year end was incorrectly disclosed as other receivables where it should be disclosed as receivables from exchange transactions. This correction reclassifies the balance to the correct financial statement line item. The corresponding balance impacted is therefore the Receivables from Exchange Transactions.

#### Payables from Non Exchange Transactions

A balance within the payables from non exchange transactions was reviewed from non movement over a number of years and written off due to prescription of debt and lack of claims

#### Payables from Exchange Transactions

Various invoices related to the 2023 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:

- VAT receivable	- Finance cost	- Contracted services
- Operational cost	- Cash flow statement	- Fruitless and wasteful expenditure

#### Restatement of disclosure in the notes

Non cancellable leases: The restatement in the 2023 disclosure is due to errors noted in the duration of the printers/photocopiers lease which was incorrectly stated as 24 months instead of 36 per tender and SLA.

Financial liabilities: The 2023 balance for financial liabilities included inappropriate balances "third party payables" that are not as a result of a contracted obligation. This restatement eliminates the effect of these accruals from financial liabilities.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated*
		R
<b>45. COMMITMENTS</b>		
<b>Authorised capital expenditure</b>		
Already contracted for but not provided for		
<b>Property, plant and equipment</b>	<b>79 181 772</b>	<b>70 547 001</b>
<b>Total Capital Commitments</b>	<b>79 181 772</b>	<b>70 547 001</b>

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

## 46. UNAUTHORISED EXPENDITURE

### Reconciliation of Unauthorised Expenditure:

Opening balance	622 642 629	516 866 033
Add: Unauthorised Expenditure current year	98 023 159	105 776 596
Less: Approved by Council or condoned	(516 866 033)	-
<b>Unauthorised Expenditure awaiting authorisation</b>	<b>203 799 755</b>	<b>622 642 629</b>

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

<b>Budgeted votes exceeded:-</b>	<b>Amount</b>	<b>Status</b>
<i>Vote 2 - MUNICIPAL MANAGER (11: IE)</i>	<i>711 976</i>	<i>To be investigated and considered by council</i>
<i>Vote 4 - CORPORATE SERVICES: COMM SERV</i>	<i>19 658 921</i>	<i>To be investigated and considered by council</i>
<i>Vote 6 - FINANCIAL SERVICES</i>	<i>7 660 962</i>	<i>To be investigated and considered by council</i>
<i>Vote 7 - TECHNICAL SERVICES: ENGINEERING</i>	<i>69 991 301</i>	<i>To be investigated and considered by council</i>
	<b>98 023 159</b>	

## 47. FRUITLESS AND WASTEFUL EXPENDITURE

### Reconciliation of Fruitless and Wasteful expenditure:

Opening balance	114 018 441	63 612 675
Add: Fruitless and Wasteful Expenditure current year	53 492 236	50 405 766
Less: Approved by Council or condoned	(38 876 214)	-
<b>Fruitless and wasteful expenditure awaiting authorisation</b>	<b>128 634 462</b>	<b>114 018 441</b>

### Details of Fruitless and Wasteful Expenditure

Interest charged by Telkom	-	15 538
Interest charged by Amatola water board	56 426	-
Interest charged by Auditor General	286 686	403 083
Interest Charged by Eskom	42 645 175	40 754 690
SARS penalties and interest	4 717 571	5 475 217
Interest charged by the department of water and sanitation	311 483	159 242
Interest charged by Workmans compensation fund	768 456	514 542
Interest and Penalties charged by Pension Funds	4 632 369	3 073 483
Interest charged to LA Health	62 908	-
Interest charged by other	11 161	9 971
	<b>53 492 236</b>	<b>50 405 766</b>

## 48. IRREGULAR EXPENDITURE

### Reconciliation of Irregular Expenditure:

Opening balance	465 058 814	339 240 923
Add: Irregular Expenditure current year	61 772 835	125 817 891
Less: Written off by Council	(358 011 747)	-
<b>Irregular Expenditure awaiting authorisation</b>	<b>168 819 902</b>	<b>465 058 814</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>49. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS</b>		
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 R14 090 816 (2023 - R32 976 114) 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.		
<b>Incidents</b>		
Deviations due to Emergency procurement	4 461 467	4 966 027
Deviations due to Sole supplier procurement	491 066	2 837 792
Deviations due to impracticality of following SCM processes	<u>9 138 283</u>	<u>25 172 295</u>
	<u>14 090 816</u>	<u>32 976 114</u>

## 50. 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		
Councillor	Cllr A Arries	Cllr T Spogter
Councillor	Cllr D.J Bezuidenhout	Cllr J.D Lomborg
Councillor	Cllr I.J Bolligelo	Cllr A Mfundisi-Koeberg
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 J.J Arries
Councillor	Cllr N.A.V Jacobs	Cllr J.J Williams
Councillor	Cllr X.N Galada	
Municipal manager		Dr. E.M Rankwana
Director of engineering and planning		B Arends
Chief financial officer		J. Joubert
Director of Corporate Services		Z. Kali
Acting Director of Community Services		M.J Pietersen

The mayor and councillors only received remuneration as set out in Note 32. 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 31. 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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>50. RELATED PARTIES (Continued)</b>		
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.		
<b>51. FINANCIAL INSTRUMENTS</b>		
<b>51.1 Classification</b>		
The Municipality recognised the following financial instruments:		
<u>Financial Assets</u>		
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:		
Cash and Cash Equivalents	9 366 017	12 205 934
Receivables from Exchange transactions	29 903 518	20 375 071
Other receivables	5 865 736	1 526 811
<b>Total</b>	<b>45 135 270</b>	<b>34 107 816</b>

<u>Financial Liabilities</u>			
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:			
Other financial liabilities	Amortized cost	1 049 339	12 234 891
Payables from exchange transactions	Amortized cost	264 921 365	562 775 733
Municipal Debt Relief financial liabilities	Fair value	341 186 970	-
<b>Total</b>		<b>607 157 674</b>	<b>575 010 624</b>

### 51.2 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 2024	Maturity less than a year	Maturity more than a year	Total
Payables from exchange transactions	264 921 365	-	264 921 365
Other financial liabilities	1 049 339	-	1 049 339
Municipal Debt Relief financial liabilities	126 316 271	214 870 699	341 186 970

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	2024	2023	
	R	Restated* R	
<b>51. FINANCIAL INSTRUMENTS (Continued)</b>			
<b>51.2 Risk management (Continued)</b>			
<b>At 30 June 2023</b>	<b>Maturity less than a year</b>	<b>Maturity more than a year</b>	<b>Total</b>
Payables from exchange transactions	562 775 733	-	562 775 733
Other financial liabilities	10 969 328	1 265 563	12 234 891
Municipal Debt Relief financial liabilities	-	-	-

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.

### 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	9 366 017	12 205 934
Receivables from exchange transactions	29 903 518	20 375 071

### 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.

## 52. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

### 52.1 Contributions to organised local government - SALGA

Opening Balance	6 791 076	6 526 619
Current year subscription/fee	1 957 811	1 990 457
Amount Paid - current year	<u>(2 965 000)</u>	<u>(1 726 000)</u>
<b>Balance Unpaid (included in Creditors)</b>	<u><u>5 783 887</u></u>	<u><u>6 791 076</u></u>

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023	
	R	Restated* R	
<b>52. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)</b>			
<b>52.2 Audit Fees</b>			
Opening Balance	2 203 073	4 585 136	
Current year Audit Fee	8 470 548	7 547 749	
Credit note and adjustments	(2 590 597)	(3 998 356)	
Amount Paid - current year	(6 621 576)	(5 931 456)	
<b>Balance Unpaid (included in Creditors)</b>	<b>1 461 447</b>	<b>2 203 073</b>	
<b>52.3 VAT</b>			
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.			
<b>52.4 PAYE, Skills Development Levy and UIF</b>			
Opening Balance	39 379 499	20 897 508	
Current year Payroll Deductions	27 978 875	25 804 586	
Amount Paid - current year	(30 355 062)	(11 857 240)	
Adjustment	6 727 374	4 534 645	
<b>Balance Unpaid (included in Creditors)</b>	<b>43 730 687</b>	<b>39 379 499</b>	
<b>52.5 Pension and Medical Aid Deductions</b>			
Opening Balance	37 788 500	35 919 775	
Current year Payroll Deductions and Council Contributions	41 936 339	38 896 842	
Amount Paid - current year	(54 894 690)	(39 801 990)	
Adjustment	1 336 777	2 773 873	
<b>Balance Unpaid (included in Creditors)</b>	<b>26 166 926</b>	<b>37 788 500</b>	
<b>52.6 Councillor's arrear Consumer Accounts</b>			
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2024			
	<b>Outstanding up to 90 days</b>	<b>Outstanding more than 90 days</b>	<b>Total</b>
<b>30 June 2024</b>			
Cllr D Bezuidenhout	6 589	8 589	15 178
Cllr I Bolligelo	1 905	20 390	22 296
Cllr Y Frazenburg	1 750	26 704	28 454
Cllr X Galada	1 830	49 063	50 893
Cllr K Hendricks	1 846	1 456	3 302
Cllr N Jacobs	3 076	3 382	6 458
Cllr J Lomborg	1 921	797	2 718
Cllr J.J Williams	681	5 135	5 816
Cllr A Arries	1 846	35 542	37 388
Cllr K Kekana	2 229	14 165	16 395
Cllr E Ruiters	1 550	28 765	30 315
Cllr R Smith	2 096	16 602	18 698
Cllr A Nofemele	4 336	6 145	10 481
	<b>31 655</b>	<b>216 735</b>	<b>248 390</b>

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023	
	R	Restated* R	
<b>52. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)</b>			
<b>52.6 Councillor's arrear Consumer Accounts (Continued)</b>			
	<b>Outstanding up to 90 days</b>	<b>Outstanding more than 90 days</b>	<b>Total</b>
<b>30 June 2023</b>			
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
	<b>16 219</b>	<b>133 975</b>	<b>150 194</b>

### 53. DISTRIBUTION LOSSES - ELECTRICITY

Electricity units (kWh) purchased from Eskom	71 063 745	69 200 230
Electricity units (kWh) sold to customers	(65 589 107)	(63 087 801)
	<b>5 474 638</b>	<b>6 112 429</b>

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 7,7% (2023 - 8,8%) of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2024 is R7 754 985 (2023 - R7 738 984)

### 54. DISTRIBUTION LOSSES - WATER

Balance at the beginning of the year in reservoirs and pipes	35 836	25 080
Water Units produced	4 839 029	4 603 119
Water Units sold	(2 654 068)	(2 611 723)
Balance at the end of the year in reservoirs and pipes	(21 680)	(35 836)
<b>Non revenue water</b>	<b>2 199 117</b>	<b>1 980 640</b>

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 45,15% (2023 - 43,27%) of water produced. The Rand value of the water losses for the period ending 30 June 2024 is R53,334,903 (2023 - R43,178,048).

# DR BEYERS NAUDE MUNICIPALITY

(Registration number: EC101)

Annual Financial Statements for the year ended 30 June 2024

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	R	Restated* R
<b>55. CONTINGENCIES</b>		
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:		
<u>Harold Stephanus Kruger</u> - Mr Kruger instituted a claim for damages suffered resulting from injuries caused after he allegedly fell into a ditch along a sidewalk.		
<u>Eskom</u> - 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 its 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.		
<u>Ilinge Labantu Training Institute CC</u> - The plaintiff claims outstanding money for various training services rendered.		
<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>R Adams</u> - The applicant is claiming for injuries and damages suffered resulting from her son who fell from an approximately 3 metre high pedestrian wall at Hope Street Graaff-Reinet.		
<u>SE Zaayman</u> - Plaintiff is suing for damages resulting from a motor vehicle collision with a Mun vehicle driven by a Mun employee.		
<u>L Meshilinie</u> - A bargaining council decision to reinstate an employee that was dismissed by the municipality may have financial implication for remuneration and benefits lost. An application to review the sanction is in progress.		
<u>SB Payne</u> - The vehicle of the applicant collided with a municipal vehicle and claim was instituted against the municipality.		
<b>The table below summarises the potential financial impact of the law suits:</b>		
<u>Contingent Assets</u>		
Bay Projects Coastal (Pty) Ltd	1 269 768	1 269 768
	<b>1 269 768</b>	<b>1 269 768</b>
<u>Contingent Liabilities</u>		
Eco Car Hire CC *	-	541 400
Ilinge Labantu Training Institute CC	28 000	-
Harold Stephanus Kruger	400 000	400 000
EJ Green *	-	45 319
Lereece-Charmane Freeks *	-	39 919
Andries Oelofse	314 747	314 747
SL Mvunelwa *	-	825 256
R Adams	5 000 000	-
SE Zaayman	31 036	-
SB Payne	202 825	-
	<b>5 976 608</b>	<b>2 166 641</b>

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

## 56. 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 2024

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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	R
2024	2023 Restated*
R	R

**57. 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 R97 727 277 (2023 - R71 908 918) are exceeded by the current liabilities of R491 617 111 (2023 - R668 355 643). The net current liabilities amounts to R393 889 835 (2023 - R596 446 725) and results in a current ratio of 0,20:1 (2023 - 0,11:1). The position casts some doubt on the ability to continue as a going concern.

The municipality incurred a deficit of R37 578 862 during the 2024 financial year and is a decrease in the deficit from the 2023 financial year of R128 343 665. This is mainly attributable to the municipal debt relief revenue in 2024.

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 municipality 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 monitored frequently.



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



AUDITOR-GENERAL  
SOUTH AFRICA

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**DR BEYERS NAUDE LOCAL  
MUNICIPALITY**

**Audit Report**

*For the year ended 30 June 2024*



**AUDITOR-GENERAL  
SOUTH AFRICA**



AUDITOR - GENERAL  
SOUTH AFRICA

The accounting officer

DR E Rankwana  
Dr Beyers Naude Local Municipality  
PO Box 71  
Graaff Reinet  
6280

Date: 29 November 2024

Reference: 61659REG23/24

Dear Sir

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Dy Beyers Naude Local Municipality for the year ended 30 June 2024**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



.....  
Senior Manager: Eastern Cape Business Unit

Enquiries: Johnathan Salie  
Telephone: (043) 709 7200  
Fax: (043) 709 7300

# Report of the auditor-general to Eastern Cape Provincial Legislature and the 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 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 2024 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 Financial Management Act 56 of 2003 and the Division of Revenue Act 5 of 2023 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general 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 57 to the annual financial statements, which indicates that the municipality incurred a net deficit of R 37,6 million during the year ended 30 June 2024 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 57, 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 57 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 R5,5 million (2021-22: R7,7 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 R105,5 million (2022-23: R74,1 million) were incurred as a result of non-payment by trade debtors.

### **Restatement of corresponding figures**

11. As disclosed in note 44 to the financial statements, the corresponding figures for the 30 June 2023 financial year were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

### **Distribution losses – electricity**

12. As disclosed in note 53 to the financial statements, material electricity losses of R7,8 million (2022-23: R 7,7 million) were incurred, which represents 7,7% (2022-23: 8,8%) of total electricity purchased.

### **Distribution losses – water losses**

13. As disclosed in note 54 to the financial statements, material water losses of R53,3 million (2022-23: R43,2 million) were incurred, which represents 45,15% (2022-23: 43,27%) 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**

10. 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**

15. 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.

16. 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.

### **Responsibilities of the auditor-general for the audit of the financial statements**

17. 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.

18. 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 annual performance report**

19. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

20. I selected the following material performance indicators related to KPI 2: Basic Service Delivery and Infrastructure Development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Reduce electricity losses to at least 10% by 30 June 2024
- Reduce water losses to at least 35% by 30 June 2024
- Number of boreholes connected to existing infrastructure in Jansenville and Klipplaat by 31 December 2023
- Refurbishment of WTW in Graaff-Reinet by 30 June 2024
- Number of water meters replaced and Installed in Klipplaat by 31 March 2024
- Refurbish sewerage pumps station in Nieu-Bethesda by 31 March 2024
- Number of sports grounds ablution facilities repaired and maintained by 30th June 2024

- Number of illegal dumping sites cleaned to ensure a healthy environment within all wards of DBNLM by 30 June 2024
- Refurbish sewerage pumps station in Aberdeen by 31 March 2024
- Number of households toilets retrofitted with new waterwise system by 30 June 2024
- Construct 500m2 paving and install weighbridge by 30th June 2024.

21. I evaluated the reported performance information for the selected material performance indicators 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.

22. 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
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those committed to in the approved initial or revised planning documents
- the reported performance information 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 measures taken to improve performance.

23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the selected indicators.

### **Other matter**

25. I draw attention to the matter below.

### Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
27. The table that follows provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets measures taken to improve performance are included in the annual performance report on pages .... to ....

### Basic Service Delivery and Infrastructure Development

<i>Targets achieved: 73%</i> <i>Budget spent: 100%</i>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Number of water meters replaced and installed in Klipplaat by 31 March 2024.	200	187
Reduce water losses to at least 35% by 30th June 2024.	35%	45%
Number of Sports Grounds ablution facilities repaired and maintained by 30th June 2024.	4	3

### Report on compliance with legislation

28. 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.
29. 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.
30. 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.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Expenditure management**

32. Reasonable steps were not taken to prevent irregular expenditure amounting to R61,8 million as disclosed in note 48 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 supply chain management (SCM) regulations.
33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R98,0 million, as disclosed in note 46 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.
34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R 53,5 million as disclosed in note 47 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged by creditors due to the municipality not paying invoices on due dates.
35. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

### **Consequence management**

36. Some of the 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.

### **Procurement and contract management**

37. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
38. 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.

### **Annual Financial Statement, Annual Performance Report and Annual Report**

39. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, non-current liabilities, and revenue and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.
40. The oversight report adopted by the council on the 2022/23 annual report was not made public, as required by section 129(3) of the MFMA.

## Other information in the annual report

41. 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 material indicators in the scoped-in development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
42. 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.
43. 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 material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
46. 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.
47. Material non-compliance with key legislations and policies of the municipality was identified. This indicates that the audit action plan was not effective, as matters communicated to management in the prior year were not addressed in the current reporting period.

## Material irregularities

48. 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.

## **Material irregularities in progress**

49. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

## **Status of previously reported material irregularities**

### **Interest paid on late payments of Eskom invoices**

50. The municipality paid interest to Eskom on invoices which were not paid within 30 days. The payments not made within 30 days constitutes non-compliance with section 65 (2)(e) of the MFMA, which requires the accounting officer to take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
51. 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 R62,8 million as at 30 June 2023.
52. The accounting officer was notified of the material irregularity on 18 January 2022.
53. The accounting officer performed a preliminary investigation and identified that some of the issues with Eskom debt is non-payment by customers and there is no individual person or group that can be held accountable for the municipality incurring interest from Eskom or the inability to make payments as the municipality has been in financial distress.
54. The municipality is currently participating in the ESKOM debt relief programme as of 1 December 2023, to get the old ESKOM debt written off. The municipality has been in consultation with ESKOM and the provincial treasury to assist in continuing to comply with the agreement and continue to be on the programme. At the date of this report there is no indication that the municipality will be taken off the programme.
55. Based on my evaluation of the information and evidence provided, the steps taken by the accounting officer are appropriate and the material irregularity is therefore resolved.

### **Interest paid on late payments of Sars invoices**

56. The municipality did not pay employees tax, deducted from employees, over to the South African Revenue Service (Sars) within seven days after the end of the month during which the amount was deducted. This was in contravention of section 2(1) of the fourth schedule of the Income Tax Act and section 210 of the Tax Administration Act. The municipality was required to pay interest and penalties to Sars due to non-compliance with the Income Tax Act and Tax Administration Act.
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 from receipt of invoices. The non-compliance has resulted in a material financial loss of R 17,1 million as of 30 June 2023.

58. The accounting officer was notified of the material irregularity on 31 January 2022.
59. The municipality has entered a payment arrangement with SARS to service the outstanding debts and they are honouring the terms of the agreement. In addition, the municipality has implemented revenue-enhancing strategies and cost-containment measures to improve its financial position.
60. Based on my evaluation of the information and evidence provided, the steps taken by the accounting officer are appropriate and the material irregularity is therefore resolved.

### Other reports

61. I draw attention to the following engagement conducted by an external party. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
62. The Special Investigating Unit (SIU) is currently assessing allegations of maladministration and corruption relating to the procurement processes of certain awards by the municipality. The SIU is evaluating whether there are any substance over the allegation from the whistleblower.

*Auditor General*

East London

29 November 2024



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 material performance indicators 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)  Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)

<b>TOTAL ACTIONS</b>	<b>10</b>
<b>Not Started</b>	<b>9 100%</b>
<b>In Progress</b>	<b>- 0%</b>
<b>Completed</b>	<b>1 0%</b>

Nr	FSLI	COAF#	Audit Finding	Prior Year	Underlying Issue	Audit Action Plan	Responsible Designation and Official	Target Date	Status	COMMENT
1	Non-compliance	17	Oversight report on 2022/23 annual report not made public	No	Inadequate implementation of legal requirements	Ensure that the oversight report is made public in line with the legal requirements	Senior manager strategic services	31-Mar-25	Completed	Made public on the website on 29 November 2024
2	Planning	4	External assessment and internal assessments not done	Yes	External assessment and internal assessments not done	Internal function should ensure that external and internal assessments are conducted	ACAE : Mr Bantom	30-Jun-25	Not Started	
3	PPE	12	Public contributions and donation not recorded at fair value. During execution. It was noted that Coca Cola donated a groundwater project to the municipality and the donation revenue from this donation was not recorded as fair value	No	Standard operating procedures not sufficiently dealing with the donation of complex projects	Update standard operating procedure to account in detail for process necessary on receipt of donations-in-kind	Manager Assets: Mr R Deysel	28-Feb-25	Not Started	
4	Government grants	12	The government grants were tested, and difference were identified on the Sarah Baartman Fire Grant	Yes	Inadequate ownership by receiving departments	1) Ensure all receiving departments submit MOU to accounting dept 2) Monthly reconciliation of grants received to MOU	All managers CA	1) 31-Mar-25 2) Monthly 10-Jul-25	Not Started	
5	Trade payables	13	During the execution phase of the audit, while auditing payables from exchange transactions a difference of R644 060,97 were identified between the trial balance and supporting schedules	No	Old balances from merger not addressed	Review all non-moving votes for investigation and correction	CA	28-Feb-25	Not Started	
6	Leave pay accrual	15	During the execution phase of the audit, differences were identified in the leave days balance as at 30 June 2024 for the employees listed below, and these have resulted in a difference between the auditor's recalculated leave pay provision and the leave pay provision recognised in the financial statements.	Yes	Standard operating procedures not sufficiently dealing with the leave accrual balances	1) Update standard operating procedure to account in detail for leave days recording. Consider specifically the days that cut across 2 financial years 2) Reconciliation of all leave days taken over June/July	Manager: HR	1) 31-Mar-25 2) Monthly 20-Jul-25	Not Started	
7	Other Receivables	16	The municipality incorrectly classified fines accrual as other receivables in note 5 of the annual financial statements	No	Misclassifications in TB mapping and incorrect implementation of GRAP standards	Perform review on TB mapping for correct classification	CA	31-Mar-25	Not Started	
8	Consequence management	PY	For the unauthorised expenditure in note number 44 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all unauthorised expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	ACAE : Mr Bantom	31-May-25	Not Started	
9	Consequence management	PY	For the fruitless and wasteful expenditure note number 45 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all fruitless and wasteful expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	ACAE : Mr Bantom	31-May-25	Not Started	
10	Consequence management	PY	For the irregular expenditure 46 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Yes	Not implementing prior year audit action plan to address the audit finding	Ensure that all irregular expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	ACAE : Mr Bantom	31-May-25	Not Started	



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

**2023/2024**



**Dr. Beyers Naudé**  
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*rising together for development*

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**ANNUAL  
PERFORMANCE  
REPORT  
(YEAR ENDED  
30TH JUNE 2024)**

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## INTRODUCTION

The function of Performance Management within the municipality is performed in the office of the municipal manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pin point areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

The Annual Performance Report is hereby submitted to the Dr. Beyers Naudé Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11 This report covers the performance information from 01 July 2023 to 30 June 2024 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 2023/2024.

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 2023/24
- 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 track the implementation of the Audit Action Plan
- 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 km<sup>2</sup> in extent) includes the towns of Graaff-Reinet, Willowmore, Aberdeen, Jansenville, Steytleville, 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, 4<sup>th</sup> 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 km<sup>2</sup>, which is much lower than the District average of 7.7 persons per km<sup>2</sup>. 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 23 318 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 23 318 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

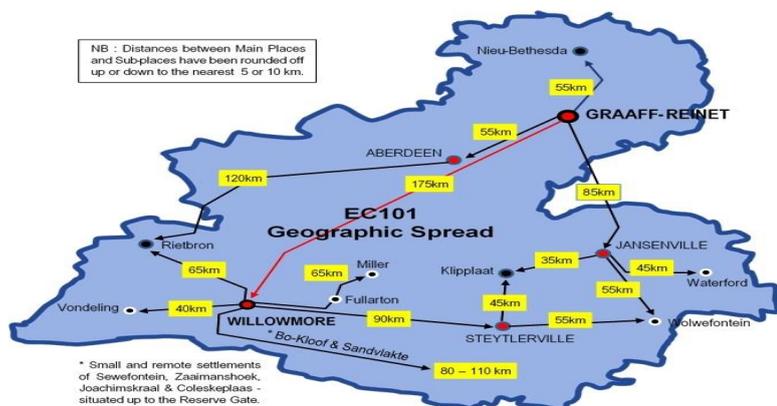
A drought mitigation plan was also submitted to the National Disaster Management Centre through COGTA

to assist with the re-declaration of the drought. The Municipality is actively addressed the problem to the best of its ability, with the assistance from the Department of Water and Sanitation, COGTA and Sarah Baartman District Municipality. Fortunately, due to lovely recent rainfall, the dams within the municipal region has filled, and water supply to residents has drastically improved.

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 45%. For the financial year ending 30 June 2024 water losses are 45%.
- Electricity losses has also been reduced to 7.7% for the financial year ending 30 June 2024.

In accordance with the Municipal Structures Act 117/1998, Dr. Beyer's Naudé has been classified as a Category B Municipality; a collective executive system limits the exercise of executive authority to the Municipal Council itself and a Ward participatory system allows for matters of local concern to be dealt with by Ward committees.



### 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 IMLEMENTATION 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 2023/2024 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 2023/2024
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	4
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%

Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2023/2024
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 2023/2024
The Number of jobs opportunities created through the Municipality EPWP Labour intensive	1103

programme to address high unemployment rate

Sound Financial Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2023/2024
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	70.66%

SDBIP REPORT FOR 2023/2024

- **CAPITAL BUDGET PROJECTS - 2023/2024**

**Infrastructure Development**

Number of projects: 8

Number of projects Completed/ On Target: 7

Number of projects Not on Target: 1

**Percentage on Target: 88%**

**Institutional Development**

Number of projects: 5

Number of projects Completed/ On Target: 5

Number of projects Not on Target: 0

**Percentage on Target: 100%**

**OVERALL CAPITAL BUDGET PROJECT ACHIEVEMENT**

Total Number of Capital Budget Projects per KPA = 13

Number of Key Performance Indicators on Target/Completed = 12

Number of Key Performance Indicators Not on Target = 1

**Percentage on Target = 92%**

**SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2023/24**

**Development Priority: Infrastructure Development**

Number of Indicators: 10

Number of indicators on Target: 4

Number of indicators Not on Target: 6

Percentage on Target: 40%

**Development Priority: Community Development**

Number of Indicators: 2

Number of indicators on Target: 2

Number of indicators Not on Target: 0

Percentage on Target: 100%

**Development Priority: Institutional Development**

Number of Indicators: 13

Number of indicators on Target: 10

Number of indicators Not on Target: 3

Percentage on Target: 77%

**Development Priority: Local Economic Development**

Number of Indicators: 5

Number of indicators on Target: 1

Number of indicators Not on Target: 4

Percentage on Target: 20%

**Development Priority: Back to Basics – Good Governance**

Number of Indicators: 11

Number of indicators on Target: 7

Number of indicators Not on Target: 4

Percentage on Target: 64%

**Development Priority: Back to Basics – Sound Financial Management**

Number of Indicators: 12

Number of indicators on Target: 5

Number of indicators Not on Target: 7

Percentage on Target: 42%

**OVERALL SERVICE DELIVERY KEY PERFORMANCE INDICATOR ACHIEVEMENT**

Total Number of Key Performance Indicators per KPA = 53

Number of Key Performance Indicators on Target/Completed = 29

Number of Key Performance Indicators Not on Target = 24

**Percentage on Target = 55%**

**OVERALL KEY PERFORMANCE INDICATOR TARGET ACHIEVEMENT**

Total Number of Key Performance Indicators = 66

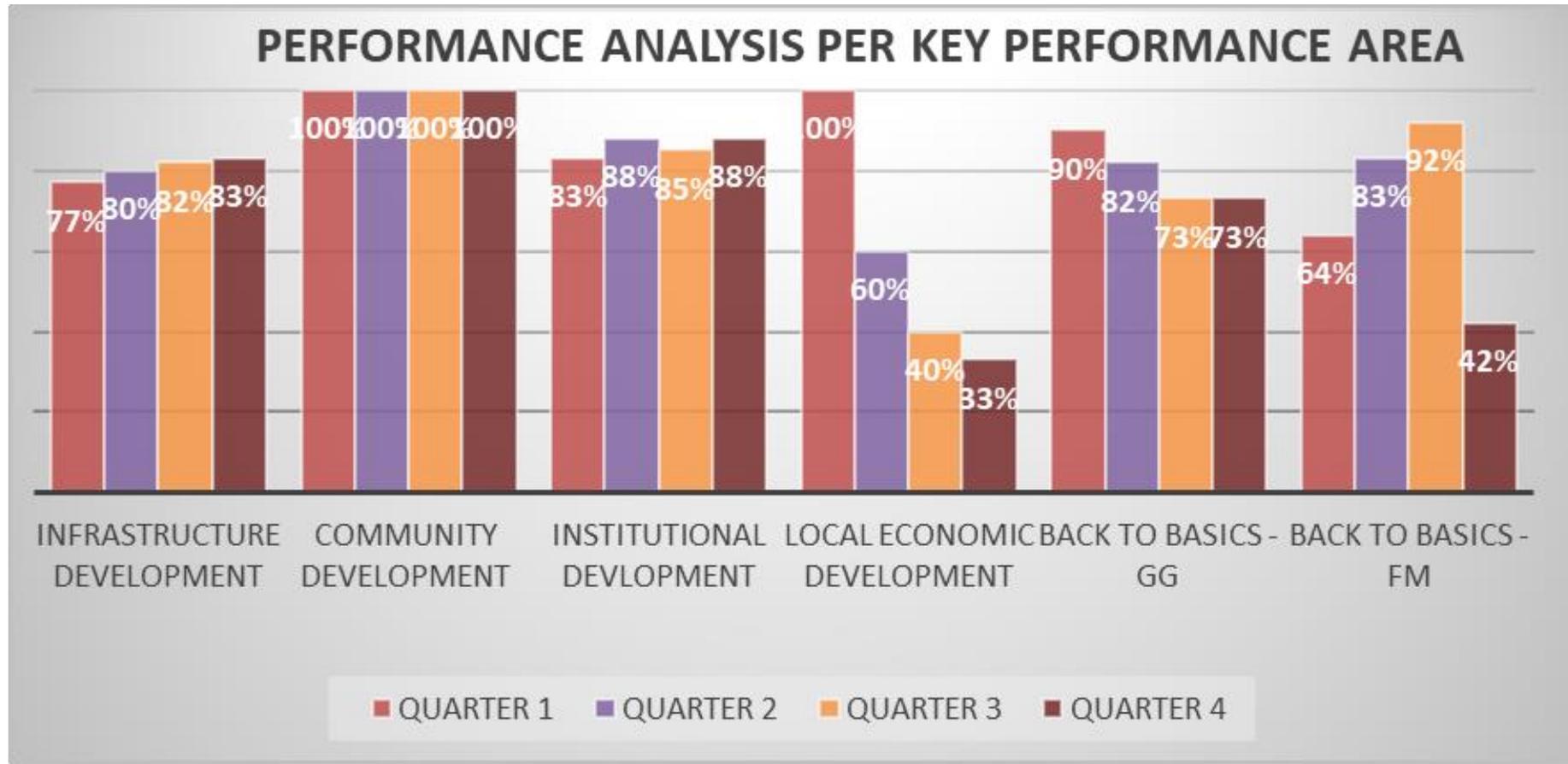
Number of Key Performance Indicators on Target = 41

Number of Key Performance Indicators Not on Target = 25

**Percentage on Target = 62%**

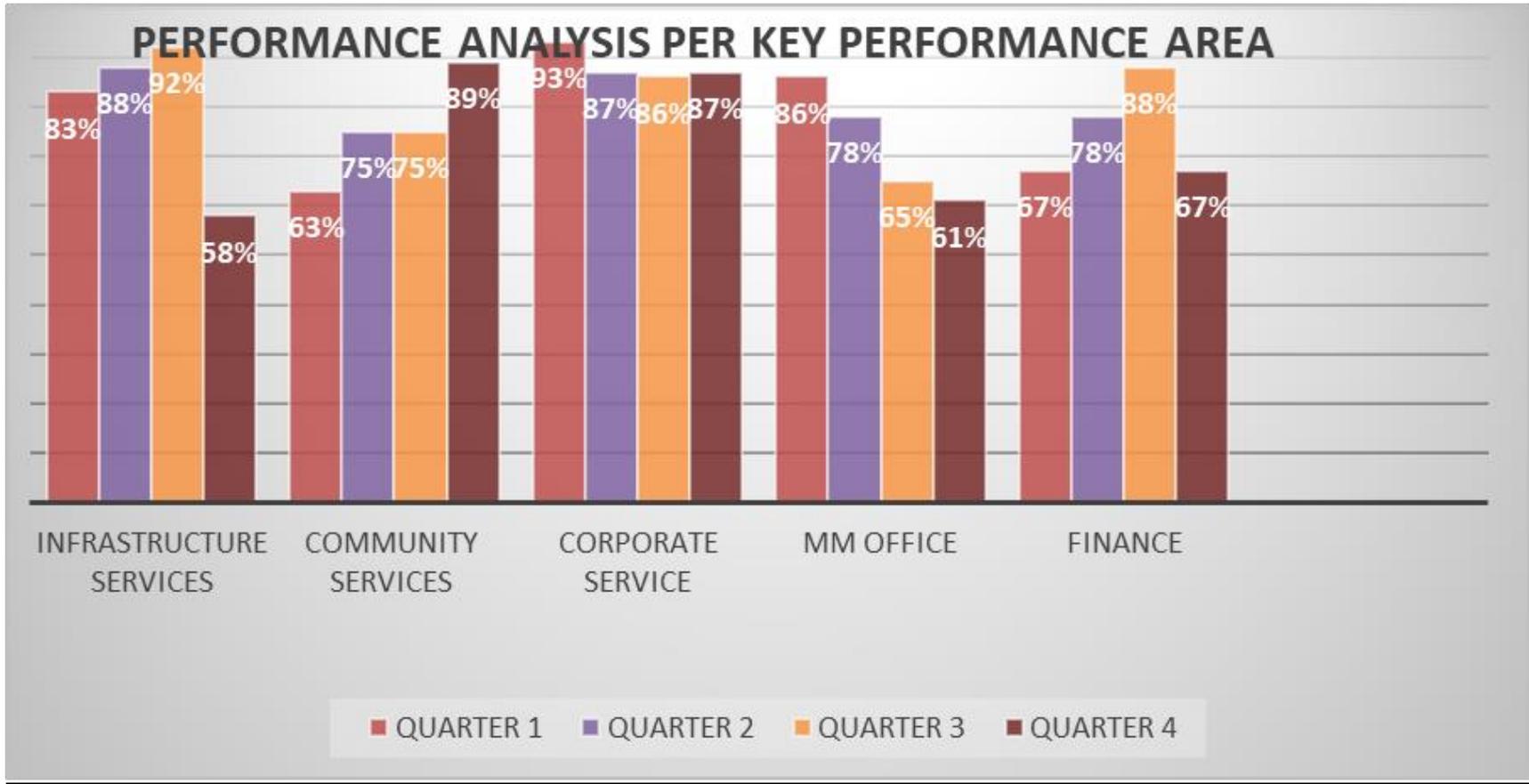
DEPARTMENTAL SDBIP OVERALL PERFORMANCE

The graph illustrates the SDBIP Organizational performance per Key Performance



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 - 2023/2024**

Infrastructure Development

Number of projects: 8  
 Number of projects Completed/ On Target: 7  
 Number of projects Not on Target: 1  
 Percentage On Target: 88%

**Total budget per focus area versus expenditure:**

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	<b>OVERALL PERFORMANCE 2023/2024</b>				
									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 Boreholes connected to existing infrastructure in Jansenville and Klipplaat by 31 December 2023.	10 & 11	Infrastructure Services	External -RBIG	20,066,135.08	20,066,135.08	100%	Connect 2 boreholes and construct new Water Treatment Works (WTW)	On Target	Connected 2 boreholes and constructed a new water treatment works.	none	n/a
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Refurbishment of WTW in Graaff-Reinet by 30 <sup>th</sup> June 2024.	2-7	Infrastructure Services	External WSIG	13,208,588	13,208,588	100%	Refurbish WTW in Graaff Reinet, 1 Clarifier 2 Sand filters 1 blower 1 clear water tank pump Replace tiles on 2 tile chlorine tanks	On Target	Refurbished WTW in Graaff Reinet, 1 Clarifier 2 Sand filters 1 blower 1 clear water tank pump Replaced tiles on 2 tile chlorine tanks	none	n/a

To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Number of water meters replaced and Installed in Klipplaat by 31 March 2024.	10 & 11	Infrastructure Services	External WSIG	2,000,000.00	1,999,999.85	100%	Replacing and Install 200 Water Meters in Klipplaat	Not on Target	187 water meters installed.	-13	13 water meters not installed due to plots not having street addresses. Water meters to be installed in areas where required.
To adequately upgrade and/or construct Wastewater Treatment Works and maintain them on a regular basis.	Systematically upgrade existing infrastructure; replace and rehabilitate where applicable	Refurbish sewerage pumps station in Nieu-Bethesda by 31 March 2024	2	Infrastructure Services	External – MDRG	1,000,000.00	1,000,000.00	100%	1 pump station refurbished	On Target	Refurbish 1 pump station in Nieu-Bethesda.	none	n/a
To adequately upgrade and/or construct Wastewater Treatment Works and	Systematically upgrade existing infrastr	Refurbish sewerage pumps station in Aberdeen by 31 March 2024	7	Infrastructure Services	External - MDRG	1,500,000.00	1,500,000.00	100%	1 pump station refurbished	On Target	Refurbish 1 pump station in Aberdeen	none	n/a

maintain them on a regular basis.	ucture; replace and rehabilitate where applicable												
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 500m2 paving and install weighbridge by 30 <sup>th</sup> June 2024	12	Infrastructure Services	External MIG	4, 288, 138.42	4, 288, 138.42	100%	Construct 500m2 paving and install weighbridge	On Target	Constructed 580m2 paving and installed weighbridge.	80m2	Additional paving
Systematically replace VIP systems with waterborne flush toilets and educate the community on the use thereof through appropriate educational programmes / campaigns.	Identify and implement suitable projects	Number of households retrofitted with new waterwise system by 30 <sup>th</sup> June 2024	1-12	Infrastructure Services	External WSIG	11,041,412	11,041,412	100%	500	On Target	556 installed	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 High Mast lights installed in Graaff Reinet and Aberdeen by 30 <sup>th</sup> June 2024	2-7	Infrastructure Services	External MIG	3,516,557.40	3,516,557.61	100%	3 High Mast lights installed in (Graaff Reinet and Aberdeen )	On Target	5 High Mast Lights installed	+2	Due to a savings, 2 additional High Mast lights could be erected and installed.
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Institutional Development

Number of projects: 5

Number of projects Completed/ On Target: 5

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 2023/2024				
									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	Equip offices and areas of	Number of specialized vehicles procured	Institutional	Community Services	External MIG	6,845,443.57	6,845,443.57	100%	Purchase new Specialized Waste	On Target	Specialized vehicles procured and	none	n/a

ts, 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	service delivery with adequate resources.	by 30 <sup>th</sup> June 2024							vehicles		delivered Purchased 2 TLB 1 Compactor Truck 1 Front End Loader		
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	Equip offices and areas of service delivery with adequate resources.	Revamp current Supply Chain Unit garage into filling room by 31 December	Institutional	Budget & Treasury	External FMG	120,000.00	140,064.45	116.72%	Revamp 1 garage into filling room.	On Target	The filing room has been completed on the 20 <sup>th</sup> of March 2024	none	n/a

service delivery, as well as be legally compliant													
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Equip offices and areas of service delivery with adequate resources.	Number of office furniture procured by 31 December 2023.	Institutional	Internal Audit	External – FMG	10,000.00	10,574.01	105.74%	4 Chairs	On Target	4 Chairs procured and delivered	none	n/a

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Air conditioners for the Budget & Treasury Building in Graaff-Reinet by 31 December 2023	Institutional	Budget & treasury	External – FMG	100,000.00	105,459.04	105.46%	1 Air conditioner	On Target	Air conditioner procured and installed.	none	n/a
To improve overall efficiency of ICT ~ administration, billing, record keeping, information sharing and communication; to ensure optimal,	Conduct a comprehensive ICT audit.	Number of laptops procured by 31 December 2023	Institutional	Budget & treasury	External – FMG	140,000.00	154,366.80	110.26%	5 laptops	On Target	5 Laptops purchased and delivered	none	n/a

cost-effective production and quality service delivery													
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**SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS**

INFRASTRUCTURE DEVELOPMENT					OVERALL PERFORMANCE 2023/2024				
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 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 replacing old non-functional electricity and water meters.	Infrastructure Services	Reduce electricity losses to at least 10% by 30 <sup>th</sup> June 2024.	10%	On Target	7.7%	2.3%	Faulty meters are attended too, and action is taken against defaulters of tempered meters.
Infrastructure and 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 <sup>th</sup> June 2024.	35%	Not on Target	45%	10%	Water losses are due to leakages, faulty water meters and lack of water meters in certain areas. Faulty water meter replacements and installation of water meters where required, are underway. Reported water leakages are

									attended too, to reduce water losses.
Infrastructure and Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Develop a new Integrated waste management plan for Dr. Beyers Naude Municipality and review it regularly	Community Services	Number of Waste management plans developed and approved by Council by 31 March 2022.	1	Not on Target	0 - Draft Status Report available for reviews and comments	1	Draft to be tabled before Council in 2024/2025 financial year
Infrastructure and Service Delivery	To provide facilities and services that will address the recreational and other social needs of the community.	Identify existing facilities that can be converted or better utilised by communities	Community Services	Number of libraries repaired and maintained within DBNLM by 30 <sup>th</sup> June 2024.	4	On Target	5 Libraries repairs completed. Aberdeen Library, Jansenville Library, and Graff-Reinet Libraries namely: Horseshoe, Kroonvale and Umasizakhe Libraries.	+1	Additional library identified for repairs.
Infrastructure and Service Delivery	To provide a dignified last resting place for our community within safe and secure sites that are well managed and maintained by dedicated personnel.	All burial sites must be secured and maintained.	Community Services	Number of Cemeteries cleaned and maintained within DBNLM by 30 <sup>th</sup> June 2024	14	Not on Target	7 Cemeteries have been cleaned, namely; Jansenville (1), Steytlerville (2), Aberdeen (1), Rietbron (1) and Graaff-Reinet (2) Cemeteries cleaned.	-7	Due to available resource 7 cemeteries attended to, cleanup of all cemeteries prioritised for 2024/2025 financial year.
Infrastructure and Service Delivery	To provide a dignified last resting place for	All burial sites must be secured and	Community Services	Number of cemeteries prepared –	2	Not on Target	1 - Sunnyside Cemetery boundary wall repaired, and	-1	There is an access road for the Rietbron

	our community within safe and secure sites that are well managed and maintained by dedicated personnel.	proper record keeping being implemented.		road access and burial establishment in Rietbron and Graaff-Reinet by 31 December 2023			new gates installed. Adendorp cemetery cleaned inside in preparation for the layout of the burials digging		Cemetery.
Infrastructure and Service Delivery	Stadiums and sport fields that have been upgraded and equipped to function properly and by fully utilised.	Upgrade and maintain sport fields and ensure that personnel are on site.	Community Services	Number of Sports Grounds ablution facilities repaired and maintained by 30 <sup>th</sup> June 2024	4	Not on Target	3, Repairs in Fred Hufkie Stadium. Aberdeen Stadium (Thembalesizwe soccer field) completed. Umasizakhe Stadium Ablutions, cloak rooms completed. Umasizakhe Stadium Fencing, Gate and Stands repairs completed.	-1	ITQ Briefing meeting was held in Nieu-Bethesda with the SMMEs for the repair and maintenance of their stadium but the SMMEs discontinued the meeting as they rejected participation of SMMEs from other areas.  Repairs and maintenance of Sport grounds is done on an annual basis and will continue in the 2024/2025 financial year.
Infrastructure and Service Delivery	The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment.	Identify and implement suitable projects.	Community Services	Number of illegal dumping sites cleaned to ensure a healthy environment within all	13	On Target	24 Illegal dumped sites cleaned in Graaff-Reinet, Aberdeen and Rietbron	+11	Additional sites cleaned.

				wards of DBNLM by 30 <sup>th</sup> June 2024					
Infrastructure and Service Delivery	To significantly reduce and mitigate the negative impact of disasters and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Implement proactive measures to curtail or mitigate disasters	Community Services	Number of speedhumps erected within DBNLM by 30 <sup>th</sup> June 2024	20	Not on Target	8 speedhumps have been erected in Dr Beyers Naude. 4 In Steytlerville, 2 Jansenville and 2 in Graaff-Reinet.	-12	Municipal stores had delays with materials for the erection of the speed humps which hindered the process.
Infrastructure and Service Delivery	To significantly reduce and mitigate the negative impact of disasters and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern	Implement proactive measures to curtail or mitigate disasters	Community Services	Number of traffic signage installed within DBNLM by 30 <sup>th</sup> June 2024.	24	On Target	24 Stop and Speed signs and poles have been erected.	none	n/a
<b>COMMUNITY DEVELOPMENT</b>					<b>OVERALL PERFORMANCE 2023/2024</b>				
<b>KPA</b>	<b>Objective</b>	<b>Strategy</b>	<b>Depart</b>	<b>KPI</b>	<b>Annual Target</b>	<b>On Target/ Not on Target</b>	<b>Brief description of actual output</b>	<b>Variance</b>	<b>Reason for Variance and Plan of Action</b>
Good Governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the	Design programmes and arrange events that will	Corporate Services	Monitor Functionality of SPU consultative councils/	4	On Target	4 reports tabled to the Corporate Services Portfolio Committee as follows.	none	n/a

	Disabled, Youth	encourage the participation of the SPU sector, especially the Disabled, Youth and Women.		Forums by providing quarterly reports to the Corporate Services Portfolio Committee.			1.28 September 2023 2.12 December 2023 3.28 September 2023 4.10 June 2024		
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.	Corporate Services	Number of Public Holidays commemorated in 2023/2024	10	On Target	14 -Human Rights Day Commemoration-Stakeholder engagement on LGTBOIA Cancer Programme in October 2023 Potjiekos Competition – Heritage Event & build up programme to Cancer Event of October 2023 16 Days of Activism – 14 <sup>th</sup> November 2023 & 17 <sup>th</sup> November 2023, Recognition & awareness of conditions of people living with disabilities. Recognition & awareness of vulnerable groups. 4 December 2023. Launch of opening of the season - 14 December 2023	+4	Additional events held.

							Mandela Day Commemoration – 18 & 27 <sup>th</sup> July 2023. Women's Day celebration, 17 <sup>th</sup> August 2023. Event also held in Jansenville in partnership with MEC Mvoko Heritage Day commemoration - 23 September 2023 in partnership with various stakeholders. Freedom Day Outreach program with all stakeholders in Waterford Youth Day – Youth Debate for DR/ Beyers Naude Youth.		
<b>INSTITUTIONAL DEVELOPMENT</b>					<b>OVERALL PERFORMANCE 2023/2024</b>				
<b>KPA</b>	<b>Objective</b>	<b>Strategy</b>	<b>Depart</b>	<b>KPI</b>	<b>Annual Target</b>	<b>On Target/ Not On Target</b>	<b>Brief description of actual output</b>	<b>Variance</b>	<b>Reason for Variance and Plan of Action</b>
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	100%	Not on Target	The placement process is 96,3% finalised.	-3.7%	The finalisation of the process depends on the approval of the organisational structure

				2023.					
Organisational Transformation & Institutional Development	To recruit staff with adequate qualifications, skills, training and experience.	Commence with placement process.	Corporate Service	% of job evaluations completed for all filled post on the staff establishment by 31 <sup>st</sup> December 2023.	100% of job evaluations completed for all post filled on the staff establishment.	Not on Target	98% of job descriptions has been graded and audited	-2%	The progress is dependent on the external body.
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 2023.	1	Not on Target	0 - Item tabled to council however withdrawn.	1	Plan to be reviewed by 31 December 2024.
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,	Implement Plan & Policies and upgrade systems; accordingly, provide suitable training to enable staff to utilize these systems	Corporate Services	Develop a workplace skills plan with an annual training report by 30 <sup>th</sup> June 2024.	1	On Target	1 - WSP has been developed and submitted to LGSETA on 30 April 2024	none	n/a

	as well as 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	Number of WSP training meetings held by 30 <sup>th</sup> June 2024.	4	On Target	4 meetings held per quarter.	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.	Finance Department	Number of municipal policies reviewed 30 June 2024	12	On Target	18 Financial policies reviewed and approved by council. 3 Financial By-Laws reviewed and approved by council.	+9	Additional policies revised.
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices	Implement Plan & Policies and upgrade systems accordingly;	Corporate Services	Number of municipal policies reviewed 30 June 2024	12	On Target	25 HR policies reviewed and submitted to LLF on 24 March 2024	+13	Additional polices revised

	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	provide suitable training to enable staff to utilize these systems optimally and correctly.							
Organisational Transformation & Institutional Development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance Department	Prepare Supply Chain Management Implementation Compliance through 4 quarterly reports by 30 June 2024.	4	On Target	4 reports prepared per quarter.	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.	Finance Department	Develop and Monitor Contract register for all service providers and provide quarterly reports by 30 June 2024.	4	On Target	4 reports prepared per quarter.	none	n/a

Organisational Transformation & Institutional Development	To develop a performance management culture within the Municipality	Quarterly institutional performance reports to Council.	Municipal Manager	4 quarterly SDBIP Performance reports submitted to Council by 30 June 2024, to inform Council of Institutional Performance.	4	On Target	4 quarterly reports prepared and submitted 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 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.	Municipal Manager	Monitor Council resolutions by providing 4 quarterly reports on the implementation of council resolutions.	4	On Target	4 quarterly reports submitted 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 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.	4	On Target	4 - Updated lease register was submitted to Council 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	Report on all disciplinary hearings and litigations on a quarterly basis to EXCO.	4	On Target	5 - Disciplinary Report submitted to Council Quarterly as follows: 13 July 2023 28 September 2023 12 December 2023 26 March 2024 26 June 2024	+1	Additional Report submitted
<b>LOCAL ECONOMIC DEVELOPMENT</b>					<b>OVERALL PERFORMANCE 2023/2024</b>				
<b>KPA</b>	<b>Objective</b>	<b>Strategy</b>	<b>Depart</b>	<b>KPI</b>	<b>Annual Target</b>	<b>On Target/ Not On Target</b>	<b>Brief description of actual output</b>	<b>Variance</b>	<b>Reason for Variance and Plan of Action</b>
Local Economic Development	Job Creation, BEE & Partnerships, SMME, Industrial and Sector Development, Skills Development, Mainstreaming of 2 <sup>nd</sup> Economy, Youth and Women	Support, encourage and facilitate value-adding initiatives, programmes and projects.	Municipal Manager	Assistance and development of SMME's by 30 June 2024.	30	On Target	53 SMME's were trained in different capacity building programmes	+23	Additional Training occurred.
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager	Develop Tourism Sector Plan and approve by council by 30 <sup>th</sup> June 2023.	1	Not on Target	0 - Draft report produced and tabled before EXCO.	1	Report to be tabled before Council.

	MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN								
Local Economic Development	SUSTAINABLE JOB CREATION ♦ BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager	Number of Business forums within Dr. Beyers Naude Municipality established by 31 December 2023.	1	Not on Target	0 - Planning meeting for establishment of an LED forum occurred in July 2024.	1	Business forum will be replaced by an LED Forum.
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	Number of Commonage Management Policies developed by 31 March 2024	1	Not on Target	0 - Draft Commonage Management Policy developed.	1	Public consultation to commence in 2024/2025 financial year.
Local Economic Development	SUSTAINABLE JOB CREATION ♦	Develop LED Strategic	Municipal Manager	Number of policies	2	Not on Target	0 - LED Strategy and the Tourism	2	Only one plan has been

	BEE & PARTNERSHIPS ♦ SMME, INDUSTRIAL AND SECTOR DEVELOPMENT ♦ SKILLS DEVELOPMENT ♦ MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Plan with an economic Vision for the Municipality.		developed, aimed at increasing participation in local economy by 30 <sup>th</sup> June 2024			Sector Plan is to give effect to the development of the Business Retention and Investment Incentive policy.		developed. The Informal trading policy  LED strategy plan has been completed and the Draft Tourism sector Plan is in place for development of Business Retention and Investment policy.
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BACK TO BASICS - KPA – Good Governance & Public Participation					OVERALL PERFORMANCE 2023/2024				
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	Review of a 5-year IDP for 2022 – 2027, by 30 June 2024.	1	On Target	1 - IDP 3 <sup>rd</sup> edition 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	Corporate Services	Number of Meetings held in terms of year planner by 30 June 2023. (4 Ordinary	12	On Target	4 Portfolio Committee Meetings held Per Quarter – August, November, February and March 2024. 14 EXCO Meetings were held for the	+23	Additional meetings held.

		structures.		Council Meetings,4 Standing Committee meetings and 4 EXCO Meetings)		financial year, 11 July 2023 21 August 2023 11 September 2023 19 September 2023 17 October 2023 20 October 2023 23 November 2023 22 January 2024 23 February 2024 11 March 2024 18 March 2024 15 May 2024 10 June 2024 14 June 2024  5 Ordinary Council Meeting 13 July 2023 28 September 2023 12 December 2023 26 March 2024 27 June 2024  and 10 Special Council Meetings were held 29 August 2023 10 October 2023 30 October 2023 29 November 2023 31 January 2024 19 February 2024 29 February 2024 23 April 2024 23 May 2024 18 June 2024  Progress report on the execution of		
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							Council resolutions was tabled to EXCO and Council		
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 2024	4	Not on Target	3 MPAC meetings held	-1	No meeting held in 2 <sup>nd</sup> quarter. MPAC committee re-established.
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 2024	4	On Target	5 Audit Committee Meeting were held on the 30 August 2023, 4 December 2023, 19 March 2024, 04 <sup>th</sup> April 2024 & 05 <sup>th</sup> June 2024	+1	Additional meeting held to review Annual Financial Statements and Annual Performance Report.
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 June 2024	4	On Target n	4 ICT Steering Committee Meeting held on the 24 <sup>th</sup> July 2023, 10 <sup>th</sup> October 2023, 25 <sup>th</sup> January 2024 and 09 <sup>th</sup> April 2024.	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	Corporate Services (HR)	Ensure that the LLF is functioning properly and fulfilling its mandate by facilitating 4 Meetings	4	On Target	7 LLF meetings held in 2023/2024 13 September 2023 15 November 2023 27 March 2024 8 April 2024 16 May 2024 21 May 2024	+3	Additional LLF meetings held.

		information-sharing, enhance public participation and promote socio-economic development.		annually			21 June 2024		
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services	Number of Occupational Health and Safety Committee Meetings held by 30 June 2024.	4	On Target	5 OHS Meeting held on the 24 <sup>th</sup> August 2023, 31 October 2023, 14 <sup>th</sup> February 2024, 26 <sup>th</sup> March 2024 and 25 <sup>th</sup> April 2024.	+1	Additional Meeting held.
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation	Municipal Manager	Number of quarterly newsletters distributed by 30 June 2024	4	Not on Target	Notices/Municipal news shared via website, municipal facebook page and social media platforms on adhoc basis.	4	Communication Strategy to be revised, and action plan to be implemented.

		and promote socio-economic development.							
Good Governance & Public Participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager	Revise Communication Strategy and Action plan by 31 March 2024	1	Not on Target	0 - Communication strategy has been revised, yet the action plan needs to be amended and workshopped with council.	1	To be implemented in the 2024/2025 financial year
Good Governance & Public Participation	To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic	Infrastructure Services	Maintain updated housing beneficiary list and submit to Infrastructure Service standing committee on a quarterly basis by 30 June 2024	4	Not on Target	2 - Updated beneficiary list, however, not tabled at each quarter's portfolio committee.	-2	To be tabled before portfolio committee meeting.

Good Governance & Public Participation	To become the best performing Municipality, in all respects.	development. Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development	Corporate Services	Quarterly reports from the customer care call centre submitted to EXCO.	4	On Target	5 Customer Care report submitted to Council; 13 July 2023 28 September 2023 12 December 2023 26 March 2024 26 June 2024	+1	Additional report submitted
<b>BACK TO BASICS – KPA – Sound Financial Management</b>					<b>OVERALL PERFORMANCE 2023/2024</b>				
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/ All Directors	100% expenditure of Municipal Grants by 30 June 2024	100%	Not on Target	R201500290 was received of which 94.55% was spent.	5.45%	RBIG and MDRG were not fully spent at year end
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	100%	Not on Target	Deadline missed in the 4 <sup>th</sup> quarter due to financial system errors. An 83.33% submission rate was achieved for the year.	16.67%	Year-end procedures took longer than anticipated Strict adherence to deadlines is being

				by 30 June 2024					prioritised and audited by the internal auditors.
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager/All Directors	Improve Outcome of the AG report: Execute action plan to address previous findings by 30 June 2024.	1	On Target	1 - All audit findings for 22/23 addressed in terms of audit action plan.	none	n/a
Sound Financial Management	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance	Verification of the completeness of the Asset Register (Asset 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 receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance Department	Percentage CAPEX budget spent by 30 <sup>th</sup> June 2024.	100%	Not On Target	70.66% Budget: R 84,394,872 Expenditure: R59,636,905	29.34%	All grants fully spent besides RBIG and MDRG
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 spent by 30 <sup>th</sup> June 2024.	80%	On Target	111% spent Budget: R 654,833,061 Expenditure: R724,168,173	31%	n/a
Sound Financial Management	To adopt a realistic, credible and	Alignment of the Budget to the IDP's	Municipal Manager/ All Directors	2024//2025 Budget approved by	1	On Target	1 - Budget approved by Council on the 22 <sup>nd</sup> May 2024	none	n/a

	funded Annual Budget	Development Priorities.		Council by 30 June 2024					
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.	Municipal Manager/ All Directors	Number of reports on the implementation of the Budget Funding Plan by 30 June 2024.	12	On Target	12 Budget and Funding Plan progress is reported and discussed in all management meetings held in 2023/2024. Reports submitted to portfolio committees, EXCO and Council	none	n/a
Sound Financial Management	To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control & Debt Collection Policy.	Finance Department	Improve collection rate on service debtors to address cash flow constraints by 30 June 2024. (Service debtors/service debt collected)	95%	Not on Target	89.61%	5.39%	The Revenue section is under pressure to pursue collection in the ESKOM licensed areas. The credit control and debt collection policy had to be amended to improve credit control in areas where collection is in DBNLM's control.

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 Department	Financial recovery plan implemented and monitored by submissions quarterly to EXCO by 30 June 2024.	4	Not on Target	0 - The Financial Recovery Plan was a voluntary developed plan and not in terms of MFMA intervention. Activities within the plan are reported in the various standing committee's	4	The activity of a financial turnaround is still ongoing. The initiatives with addressing the electricity debt is central to the strategy
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 Department	Effective control over 95% collection of property rates: by 30 June 2024 Property rates collected/ property rate debtors.	Ensure average 95% recovery rate of property rates billed by 30 June 2023.	Not on Target	82%	13%	Collection in the ESKOM areas are slower than expected, and handovers were mostly prioritised for businesses.
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	Finance Department	Average number of days taken for creditors to be paid: Creditors Payment Period Creditors	30 days	Not on Target	Due to cashflow constraints, creditors not paid within 30 days.	Incl Eskom: 999 days Excl Eskom: 602 days	DBNLM have severe cashflow difficulties with an unfunded budget making it factually impossible to

		maintain a healthy level of cash reserves and assets in order to meet unexpected costs.		Outstanding/ Credit Purchases (Operating & Capital) x 365 (Norm is 30 days)					pay creditors within 30 days as required.
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**2022/2023 PERFORMANCE – TARGET ACHIEVEMENT VS 2023/2024 PERFORMANCE – TARGET ACHIEVEMENT**

<b><u>2022/2023 - CAPITAL BUDGET PROJECTS</u></b>	<b><u>2023/2024 – CAPITAL BUDGET PROJECT</u></b>
<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>	<p><u>Infrastructure Development</u></p> <p>Number of projects: 8  Number of projects completed/ on target: 7  Number of projects Not on Target: 1  Percentage on targets: 88%</p> <p><u>Institutional Development</u></p> <p>Number of projects: 5  Number of projects completed/ on target: 5  Number of projects Not on Target: 0  Percentage on targets: 100%</p> <p>Total Number of Capital Budget Projects per KPA = 13  Number of Key Performance Indicators on Target/Completed = 12  Number of Key Performance Indicators Not on Target = 1  Percentage on Target = 92%</p>

2022/2023- OPERATIONAL KPI'S / PROJECTS	2023/2024 – OPERATIONAL KPI'S / PROJECTS
<p><b>Development Priority: Infrastructure Development</b>  Number of Indicators: 7  Number of indicators on target: 6  Number of indicators not on target: 1  Percentage on target: 86%</p> <p><b>Development Priority: Community Development</b>  Number of Indicators: 4  Number of indicators on target: 4  Number of indicators not on target: 0  Percentage on target: 100%</p> <p><b>Development Priority: Institutional Development</b>  Number of Indicators: 16  Number of indicators on target: 13  Number of indicators not on target: 3  Percentage on target: 81%</p> <p><b>Development Priority: Local Economic Development</b>  Number of Indicators: 5  Number of indicators on target: 3  Number of indicators not on target: 2  Percentage on target: 60%</p> <p><b>Development Priority: Back to Basics – Good Governance</b>  Number of Indicators: 13  Number of indicators on target: 10  Number of indicators not on target: 3  Percentage on target: 77%</p> <p><b>Development Priority: Sound Financial Management</b>  Number of Indicators: 12  Number of indicators on target: 9  Number of indicators not on target: 3  Percentage on target: 75%</p>	<p><b>Development Priority: Infrastructure Development</b>  Number of Indicators: 10  Number of indicators on target: 4  Number of indicators not on target: 6  Percentage on target: 40%</p> <p><b>Development Priority: Community Development</b>  Number of Indicators: 2  Number of indicators on target: 2  Number of indicators not on target: 0  Percentage on target: 100%</p> <p><b>Development Priority: Institutional Development</b>  Number of Indicators: 13  Number of indicators on target: 10  Number of indicators not on target: 3  Percentage on target: 77%</p> <p><b>Development Priority: Local Economic Development</b>  Number of Indicators: 5  Number of indicators on target: 1  Number of indicators not on target: 4  Percentage on target: 20%</p> <p><b>Development Priority: Back to Basics - Good Governance</b>  Number of Indicators: 11  Number of indicators on target: 7  Number of indicators not on target: 4  Percentage on target: 64%</p> <p><b>Development Priority: Back to Basics - Sound Financial Management</b>  Number of Indicators: 12  Number of indicators on target: 5  Number of indicators not on target: 7  Percentage on target: 42%</p>

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%**

Total Number of Key Performance Indicators per KPA = 66  
Number of Key Performance Indicators on Target/Completed = 41  
Number of Key Performance Indicators Not on Target = 25  
Percentage on Target = 63%

**OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 62%**

### **SERVICE PROVIDER PERFORMANCE 2023/2024**

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 is within the Supply Chain Management department and is being performed by the SCM Practitioner: Demand Management. The position has been moved back to Asset Management in the organogram that is to be adopted.

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
<b>TENDER 49/2022</b>	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
<b>TENDER 50/2022</b>	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	-
<b>TENDER 08/2022</b>	SUPPLY OF FUEL AND OIL IN STEYTLERVILLE FOR A PERIOD OF 3 YEARS	WARDS FUEL AND AGRI	2022/08/15	-	Own Resources	2025/08/15	431 906,26	-
<b>TENDER 09/2022</b>	SUPPLY OF FUEL AND OIL IN ABERDEEN FOR A PERIOD OF 3 YEARS	VOLKS DELTA	2022/08/15	-	Own Resources	2025/08/15	452 230,50	-
<b>TENDER 48/2022</b>	INFRASTRUCTURE ASSET PLAN	SMEC SOUTH AFRICA	2022/08/15	1 108 446,36	Government Grants	2023/06/30	876 966,17	231 480,19
<b>TENDER 74/2022</b>	SUPPLY, DELIVERY AND OFFLOADING OF TRANSFORMERS	ARTIVOLT	2022/10/24	897 443,58	Own Resources	2023/01/31	448 721,79	448 721,79
<b>TENDER 101/2022</b>	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	-
<b>TENDER 102/2022</b>	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
<b>TENDER 105/2022</b>	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
<b>TENDER 110/2022</b>	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
<b>TENDER 52/2022</b>	REPAIR AND MAINTENANCE OF	POWER VACUUM	2023/02/01	-	Own Resources	2024/08/15	-	-

	VEHICLES FOR A PERIOD OF 2 YEARS							
<b>TENDER 111/2022</b>	REPLACING INTERNAL WATER RETICULATION SYSTEM IN KLIPPAAT AND INSTALL WATER METERS	IKHONO TECHNI	2023/03/03	19 985 000,00	Government Grants	2025/06/30	4 268 076,25	15 716 923,75
<b>TENDER 115/2022</b>	SUPPLY AND DELIVERY OF NEW LEASE VEHICLES FOR A PERIOD OF 3 YEARS	SKY METRO	2023/03/13	-	Own Resources	2026/03/30	-	-
<b>TENDER 09/2023</b>	CONSULTING ENGINEERS: 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
<b>TENDER 19/2023</b>	PROVISION OF MEDICAL SURVEILLANCE SERVICES FOR MUNICIPAL EMPLOYEES	TLAKULA OCCUPATIONAL HEALTH SERVICES	2023/04/13	-	Own Resources	2023/06/30	-	-
<b>TENDER 99/2022</b>	REGISTRATION ON MUNICIPAL PANEL OF ATTORNEYS FOR A PERIOD OF 3 YEARS	GOLDBERG, MC WILLIAMS, WIKUS, CJ BOUWER, LANGSON, WESLEY PRETORIUS, JOUBERT	2023/04/20	-	Own Resources	2026/04/19	-	-
<b>TENDER 10/2023</b>	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
<b>TENDER 104/2022</b>	SUPPLY AND DELIVERY OF SAFETY BOOTS AND SHOES	CRUDANEX	2023/04/21	563 760,00	Own Resources	2023/06/30	-	563 760,00
<b>TENDER 29/2023</b>	PROVISION OF FINANCE MINIMUM COMPETENCY TRAINING	KGOLO INSTITUTE	2023/06/01	-	Government Grants	2024/06/30	-	-
<b>TENDER 30/2023</b>	APPOINTMENT OF A PANEL OF TRAINING	VARIOUS	2023/06/01	-	Own Resources	2026/05/30	-	-

	SERVICE PROVIDERS							
<b>TENDER 31/2023</b>	COMMUNICATION AND NETWORK STRENGTHENING - SDWAN FOR A PERIOD OF 3 YEARS	BCX	2023/06/01	-	Own Resources	2026/05/30	-	-
<b>TENDER 33/2023</b>	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

## **Tenders Awarded and Expenditure to date.**

### **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 Steytleville 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**

Nr	FSLI	Audit Finding	Underlying Issue	Audit Action Plan	Responsible Designation and Official	Target Date	Status	Comments
1	Planning	MPAC meetings not held. During the audit, it was noted that MPAC met one (1) time in the current year.	This is caused by lack of oversight by management to ensure that all committees meet at least four (4) times as per MPAC workplan.	The Year Planner will be adjusted to fit in with the MPAC Work Plan in order to ensure the MPAC meets at least once a month.	Senior Manager: Strategic Services	22-Dec-23	Completed	
2	Planning	Internal control deficiency - Staff establishment and Policies not reviewed or approved. Policies were not reviewed and updated to account for changes in the municipality's operations and/or legislation.	This was due to lack of oversight responsibility by management to ensure that all the policies are reviewed, signed, and updated with the changes in the municipality's operative environment and applicable legislation.	ensure that all policies and the staff establishment be reviewed timeously	Manager: HR	30-Jun-24	Completed	

3	Procurement and contract management	Competitive bidding: Inappropriate change of scope for an advertised tender. Bids advertised for less than the legislated timeframe. Both items not appropriately disclosed as irregular expenditure	The cause of the above finding is lack of proper needs analysis taking into account the budget needs of the award when developing a specification	Review SCM policy to address the gap and update of SOP's	Manager: SCM	31-May-24	In Progress	-Policy amendments to address the gap has been addressed and will reflect in the SCM policy going to council with the budget. However, the amendment has already been implemented as the nature of the finding does not require implementation only when policy has been amended. - The SOP in the Technical Department is to be addressed to ensure project estimated cost aligns with the budget. This action is still in progress
4	Procurement and contract management	No evidence that contracts were monitored on monthly basis	Lack of monitoring controls by management to ensure that Supply Chain Management regulations are complied with	Monthly contract performance of each company for the different departments, to be done on a monthly basis. Regular site inspections for construction projects with reports Performance evaluation forms to be amended to give overall score on company performance.	Manager: SCM	30-Jun-24	In Progress	

5	Procurement and contract management	Measures to monitor the performance of the following contracts are not defined as there is no documentation as to how the performance of contract is monitored	Lack of control for managing and monitoring of contracts	Monthly contract performance of each company for the different departments, to be done on a monthly basis. Regular site inspections for construction projects with reports Performance evaluation forms to be amended to give overall score on company performance.	Manager: SCM	30-Jun-24	In Progress	
6	Bulk purchases	Eskom Bulk Purchases. The following differences were identified between the payable balance for Eskom Bulk Purchases and the recalculated amount by the auditors:	Errors were made in capturing information affecting Eskom payables balance. On reconciliation done, the difference was identified but was not followed up on and corrected.	Monthly monitoring of eskom bulk purchase accounts. All errors identified to be communicated for correction	Manager: Expenditure	30-Jun-24	Completed	
7	Payables from Exchange	Leave pay accrual: Disagreement misstatement.	Inadequate review of monthly leave	Leave reconciliations to be done on a monthly basis in order for the accruals to be accurate	Manager: HR	31-Mar-24	Completed	

8	Disclosure	Financial instruments inappropriately including items that do not qualify as financial liabilities	Inadequate review	Ensure that all items that do not qualify for classification as financial instruments are eliminated accordingly	Chief Accountant	31-Jul-24	Completed	
9	Disclosure	The amounts on the Financial statements do not agree/appear on the confirmation letter received from the Municipality's attorneys	Management did not ensure that all confirmations for all claims were sent to the attorneys. Management did not ensure that all confirmations have the amount disclosed as per the AFS	Bi-Monthly meetings with all attorneys on List of Panel of Attorneys to address conflicting responses. Will ensure in future that all confirmations reflect amounts.	Senior Manager: Strategic Services	30-Jun-24	Completed	
10	Disclosure	Cash flow disclosure not completely adjusted for the effect of non-cash movement in the notes	Inadequate review	Ensure that non-cash items are appropriately eliminated from the notes of cash generated from operations	Chief Accountant	31-Jul-24	Completed	
11	Disclosure	The municipality incorrectly calculated water distribution losses	Inadequate review and incorrect formula used for outputs	Ensure that the total production and total consumption figures are correctly pulled from the monthly reports	Director: Engineering and Planning	30-Jun-24	Completed	
12	Grants	Differences were noted in grants service letter and the actual amounts received without any follow up on outstanding amount	User department not monitoring the grant against the expectations in the service letter	All grants received must be reconciled with the grant allocation letter	Manager: Community services Manager: HR	30-Apr-24	Completed	

13	Consequence management	For the unauthorised expenditure in note number 44 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Not implementing prior year audit action plan to address the audit finding	Ensure that all unauthorised expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	Senior Manager: Strategic Services	31-May-24	In Progress	
14	Consequence management	For the fruitless and wasteful expenditure note number 45 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Not implementing prior year audit action plan to address the audit finding	Ensure that all fruitless and wasteful expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	Senior Manager: Strategic Services	31-May-24	In Progress	
15	Consequence management	For the irregular expenditure 46 there is no evidence that any investigations were conducted by management as required by s32(2) of the MFMA.	Not implementing prior year audit action plan to address the audit finding	Ensure that all irregular expenditure at 30 June 2023 is investigated by the relevant oversight committees and dealt with by council	Senior Manager: Strategic Services	31-May-24	In Progress	
16	Disclosure	Material water losses of 43,27% were incurred during the year under review as disclosed in note	Management did not follow the correct procedures when managing and monitoring the provision of water	Management to monitor the monthly consumption figures from the financial system and also perform interim	Director: Engineering and Planning	19-Mar-24	Completed	

		53 of the financial statements.	and sanitation	audits on water meter readings.				
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**Conclusion**

Dr. Beyers Naudé Local Municipality is proud to present this Annual Performance Report for 2023/2024. The Municipality remains committed to respond to the expectations of communities within our jurisdiction, by providing quality and affordable services.