



FETAKGOMO TUBATSE
LOCAL MUNICIPALITY

2021/2022 Annual Report

GENERAL INFORMATION

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- (i) Cllr. E.E. Maila (Mayor)
- (ii) Cllr. M.Q. Moeng (Portfolio Head: Budget and Treasury)
- (iii) Cllr. N.D. Mphethi (Portfolio Head: Infrastructure Development and Technical Services)
- (iv) Cllr. O. T. Mashego (Portfolio Head: Local Economic Development & Tourism)
- (v) Cllr. M.M. Mabelane (Portfolio Head: Development and Planning)
- (v) Cllr. R. M. Mashego (Portfolio Head: Corporate Services)
- (vi) Cllr. .M. R. Radingwana (Portfolio Head: Community Services)
- (vii) Cllr. K.P. Malepe (Deputy portfolio Head: Corporate Services)
- (viii) Cllr. S.I. Makofane (Deputy Portfolio Head: Local Economic Development & Tourism)
- (ix) Cllr. L.D. Mengwai (Deputy Portfolio Head: Infrastructure Development and Technical services)

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This document is prepared in compliance with section 121 of Local Government :Municipal Finance Management Act, Act 56 of 2003

1. Acronyms

AFS	Annual Financial statement
AG	Auditor General
AGSA	Auditor General of South Africa
APR	Annual Performance Report
AR	Annual Report
BTO	Budget and Treasury Office
CDW	Community Development Workers
Cllr	Councillor
COGHSTA	Cooperative Governance, Human Settlement & Traditional Affairs
DTIC	Department of Trade Industry and Competition
ELD	Economic and Land Development
EPWP	Extended Public work Programme
ESKOM	Electricity Supply commission
EXCO	Executive Committee
FBE	Free Basic Electricity
FTSEZ	Fetakgomo Tubatse Special Economic Zone
IDP	Integrated Development Plan
INEP	Integrated National Electricity programme
KPA	Key Performance Area
KPI	Key Performance Indicator
LEDET	Limpopo Economic Development Environment Tourism
LEDT	Local Economic Development and Tourism
OC	Ordinary Council
PMS	Performance Management System
RAL	Rural Agency Limpopo
SC	Special Council
SANRAL	South African National Roads Agency Limited

SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
UIF	Unauthorised Irregular and fruitless expenditure

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MAYOR'S FORWORD AND EXECUTIVE SUMMARY

COMPONENT A – MAYOR'S FORWORD



It is a great pleasure to present the 2021/2022 Annual Report for Fetakgomo Tubatse Local Municipality.

Vision statement:

"A Developed Platinum city for a sustainable Human settlement".

Mission Statement:

Committed to provide efficient integrated services, radical socio-economic transformation, industrialization and enabling environment through partnerships for a sustainable development.

- Accountable through active community participation
- Economic enhancement to fight poverty, inequality, and unemployment
- Render accessible, sustainable, and affordable service
- Municipal transformation and institutional development; and
- Sustainable livelihoods through environmental management

Policy Development

The municipality has six strategic objectives which are aligned to its six Key performance Area (KPA's). The list thereof is depicted in the table below:

Priority area	Key performance areas	Strategic objectives
Access to basic services	Basic service delivery & infrastructural development	To facilitate for basic services delivery and infrastructural development / investment
Job creation	Local economic development	To create an environment that promotes growth and development thereby facilitating job creation and inequality poverty
Spatial rationale	Spatial rationale	To promote integrated human settlements and Agrarian reforms
Organizational development	Municipal transformation & organizational development	To build municipal capacity by way of raising institutional efficiency, effectiveness, and competency
	Community services/development	Promote sustainable environmental management and mitigation of environmental impacts.
Financial viability	Financial viability and management	To improve overall municipal financial management

Good governance	Good governance & public participation	To promote a culture of participatory and good governance
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Key service delivery improvements

Mabopo traffic station in Apel area has acquired drivers testing status, people from Apel area would no longer travel for a long distance to access driver licenses in Makhuduthamaga, Marble Hall, Lebowakgomo, private stations and etc. This move will also boost the economy of the surrounding communities in Apel and enhance municipal revenue collection.

Our municipality is earmarked for the development of Special economic zone (SEZ). The Project is earmarked at Dithamaga Trust in ward 27. The construction thereof has the potential of creating more 1000 job opportunities, while a completed project improves the economic growth of the municipality.

Extension of R37 road by SANRAL from ga- Selala to Burgersfort has commenced, number of local people are employed in the project. When completed the road will ease the traffic congestion experienced on R37 road from Burgersfort to Polokwane.

The municipality has extended waste collection to rural areas. Skip bins are placed in strategy areas in the municipality to harvest waste from surrounding villages. A task team is established to research the possibilities of the municipality running waste and Security services on its own without a service provider.

The interdiction of Mashung and Magakala access bridge and road phase 2 as reported last financial year still stands. However, the construction of Motaganeng access bridge and road is completed while the construction of ga- Debeila to Mohlaletse internal street was at 73% completion when the financial year ended.

Electrification of Maphutle(437 households) and Barcelona (321 households) is completed pending energization by ESKOM.

About 3433 job opportunities were created in the municipality through its LED initiatives

In 2020/2021 financial year, the municipality obtained Unqualified audit opinion. It is the first good audit opinion in the municipality since the inception of new municipality in 2016. We like to thank the administration for the good work they have done.

Public participation

Section 152 (e) of the Constitution of the Republic of South Africa, 1996 requires municipalities to regularly consult their communities on matters of community interest and give them an opportunity to participate in the affairs of the municipalities. In the financial year under review, the municipality conducted public participation on various programmes like IDP steering committee and Rep forum, Mayor's Imbizos,

IDP/PMS/Budget consultation, Annual Report consultation , development by – laws and more others.

Future programmes

The following are municipal future projects:

- (a) Acquisition of additional municipal powers and functions to improve municipal revenue base and service delivery.
- (b) Development of vision 2030 blueprint for long term planning
- (c) Obtainment of clean audit by 2023
- (d) Development of better Infrastructure for service delivery.
- (c) Capacitation of the workforce to optimize service delivery.
- (d)Eradication of poverty within the municipal area through job creation.
- (e) Review and implementation of municipal by-laws.
- (f) Development of Local economic development strategy to improve the local economy.
- (g) Growing the municipal revenue base by attracting new investments

Conclusion

I would like to appreciate the good work done by both administration and governance in the financial year under review. I am grateful for the positive attitude and passion shown by administration and councillors to their tasks. We hope for the best - clean audit in 2022/2023 financial year. Let us keep on doing good work and been committed to our tasks even in the coming financial years.

Cllr. Maila EE

The Mayor

Component B: Executive Summary

Municipal manager's overview



Section 121 of the municipal finance management act (MFMA), act 56 of 2003 requires municipalities to prepare each financial year an annual report reflecting on the following:

- (a) Record of activities performed by the municipality during the financial year which the report relates.
- (b) Report on performance against the budget of the municipality for that financial year.
- (c) Promote accountability to the local community for the decisions made throughout the year by the municipality.

This report is designed in line with national treasury guideline on the structure of annual report, which guides that an annual report should consist of six chapters. Below is a list of the six chapters:

- (i) Chapter one: Mayor's foreword and executive summary.
- (ii) Chapter Two: Governance.
- (iii) Chapter Three: Service delivery performance (performance report part I).
- (iv) Chapter Four: Organizational development performance (performance report Part II).
- (v) Chapter five: Financial performance; and
- (vi) Chapter six: Auditor General Audit Findings

Lastly, the annual report also comprises 21 annexures depending on the powers and functions of the municipality.

Performance Management

The municipality has a functional Performance management system (PMS). The system was in 2021/2022 financial year cascaded to managers directly accountable to section 56 Managers/directors. In the same financial year, the municipality has also converted its manual PMS to electronic.

The municipality has conducted 2021/2022 mid-year performance assessment for both senior and middle managements for the first through the electronic system. The approach is quick and accurate, it has also reduced burden from our PMS officials who are understaffed.

In the same breath the municipality has conducted 2020/2021 performance assessments for senior managers. Only one senior manager, chief finance officer received performance bonus of 5% in recognition of his best performance.

The municipality will in 2022/2023 cascade its Performance management system to other municipal employees reporting directly to managers accountable to section 56 managers.

Capital projects.

The interdiction of Mashung and Magakala access bridge and road phase 2 as reported last financial year still stands. However, construction of Motaganeng access bridge and road was completed while the construction of ga- Debeila to Mohlaletse internal street was at 73% completion when the financial year ended.

Electrification of Maphutle(437 households) and Barcelona (321 households) is completed pending energization by ESKOM.

Other developments

- (1) Rehabilitation and commercialization of Apel and Burgersfort Recreation Park completed.
- (2) Air quality management, Traffic management and cemetery and crematoria by – laws completed.
- (3) The mayor signed and approved 2022/2023 SDBIP within prescribed timeframe.
- (4) 2022/2023 IDP/Budget tabled in council on 26 May 2022.
- (5) 2022/2023 Organisational Structure reviewed and adopted by council on 26 May 2022.
- (6) Mabopo traffic station has been granted driver testing status.
- (7) On average 3433 jobs were created in the municipality through its LED initiatives

(a) Conclusion

In conclusion, on behalf of the administrative leadership (senior management) of the municipality I would like to express my gratitude to the commitments and efforts demonstrated by the Municipal officials in the financial year under review. We are looking forward for the same or more effort in 2022/2023 financial year.

Thanks

Makgata MJ

Municipal Manager

1.3. Municipal powers and functions, population, and environmental overview

1.3.1. Municipal functions

Table/figure 01: Municipal powers and functions

<i>Function</i>	<i>Authorized</i>
Municipal planning	Yes
Building regulations	Yes
Local tourism	Yes
Trading regulations	Yes
Street trading	Yes
Control of undertakings that sell liquor to the public	Yes
Street lighting	Yes
Municipal roads	Yes
Traffic and parking	Yes
Municipal public transport	Yes
Billboards and the display of advertisements in public places	Yes
Local sport facilities	Yes
Local amenities	Yes
Refuse management	Yes
Municipal cemeteries, funeral parlours, and crematoria	Yes
Public places	Yes
Municipal airport	Yes

1.3.2. Municipal population

According to the 2011 Stats SA the municipality had a population of 429 471 people and 106 050 the households in 2011. According to 2016 community survey the population and the households increased to 489 902 and 125 454 respectively in 2016. The population increased by 12% (60 431 people) while the households increased by 15% (19 404 new households). These figures elevate the municipality to be the highly populated municipality in the Sekhukhune district Municipality.

1.3.2.1. Total population by age and gender distribution

Table/Figure 02: Population by age and gender

Age cohort	Male	Female	Grand Total
00- 04	26 816	27 240	54 056
05 - 09	24 714	24 739	49 452
10 - 14	22 774	21 192	43 966
15 - 19	32 003	28 667	60 670
20 - 24	30 329	27 152	57 481
25 - 29	30 051	28 938	58 989
30 - 34	22 098	23907	23907
35 - 39	11 514	13 768	25 282
40 - 44	10 130	10 409	20 539
45- 49	7 050	9 176	16 226
50 -54	6 165	8 840	15 004
55- 59	4 890	6 247	11 137
60 - 64	4507	5539	10 046
65 - 69	2 015	4 682	6 697
70 - 74	1 460	4 823	6 282
75 - 79	845	2 650	3 495
80 - 84	401	1 732	2 134
85 +	417	2 023	2 440
Grand Total	238 179	251 723	489 902

Source: Statistics South Africa, Community Survey 2016

1.3.3. Environmental Overview

Fetakgomo Tubatse local municipality is category B municipality under Sekhukhune District Municipality in Limpopo province. It is located north of N4 highway, Middleburg, Belfast and Mbombela; and east of the N1 highway; Groblersdal and Polokwane. Its area of jurisdiction covers approximately 4550.001105 square kilometres or 45500.1105 ha in size.

The municipality comprises approximately 387 villages and 39 wards. Larger part of the municipality is dominated by rural landscape with only 6 (six) proclaimed townships, which are Burgersfort, Steelpoort, Ohrigstad, Mapodile, Apel and Praktiseer.

Like most rural municipalities in the Republic of South Africa, Fetakgomo Tubatse local municipality is characterised by weak economic base, inadequate infrastructure, major service backlogs, dispersed human settlements and high poverty status. Below is a map of Fetakgomo Tubatse local municipality.

The map displays the Tloane-Tloane Local Municipality with its municipal boundary outlined in black. Neighboring municipalities are shown with dashed grey boundaries. Built-up areas are highlighted in yellow. The map includes a legend with the following symbols:

- Main Roads: Solid red line
- Railway Line: Dashed black line
- Secondary Roads: Thin solid red line
- Built-Up Areas: Yellow shading
- Municipal Boundary: Thick solid black line
- Neighboring Municipalities: Dashed grey line

A scale bar at the bottom left indicates distances from 0 to 20 Kilometers. A north arrow points upwards. Numerous place names are labeled across the map, including Zakekeng, Rortak, Ramatlane, Witwat, Legwageng, Modaberg, Maretwane, Segoroug, Penge, Maphoko, Ga-Moraba B, Banareng, Lebong, Makopung, Phuzung, Malsenen, Pang, Mokunung, Maitwi, Egodopong, Maashlabe, Ga-Motodi, Mafarsara, Tiung, Ga-Makofane, Mototo, Ga-Selala, Seure, Ntmaneng, Makua, Rate, Lepellane, Mashabela C, Manoge, Ga-Padagwana, Mphahama, Mablagang, Semhle, Mohlak, Moahlake, Roashe, Moshoesh, Diekop, Riba Gress, Praksimere, Altema, Botshabane, Apesetse, Burgertse, Ga-Riba, Ga-Moraba A, Ga-Moraba B, Ga-Moraba C, Ga-Moraba D, Ga-Moraba E, Ga-Moraba F, Ga-Moraba G, Ga-Moraba H, Ga-Moraba I, Ga-Moraba J, Ga-Moraba K, Ga-Moraba L, Ga-Moraba M, Ga-Moraba N, Ga-Moraba O, Ga-Moraba P, Ga-Moraba Q, Ga-Moraba R, Ga-Moraba S, Ga-Moraba T, Ga-Moraba U, Ga-Moraba V, Ga-Moraba W, Ga-Moraba X, Ga-Moraba Y, Ga-Moraba Z.

Fetakgomo Tubatse local municipality has limited powers and functions regarding the provision of basic services like water, housing, and electricity. The municipality plays a facilitation role in the provision of these services. Water is provided by Sekhukhune district municipality, housing is the competency of provincial department of Cooperative Governance, Human Settlement & Traditional Affairs (COGHSTA), and Electricity is provided by Electricity Supply Commission (ESKOM).

1.4.1. Capital Projects

One design for construction of access roads namely Appiesdooring to Manoke access roads was completed while designs for access road to Ga- Selala Moshate, Mareseleng and Mashamothane Moshate were at 75% completion when the financial year ends.

1.4.2. Electricity

Electrification of Barcelona(321HH) and Maphutle (437HH) is completed pending energization. However, towards the end of the financial the mayor handed over the following electricity projects to the contracts: Riverside phase 2, Phakaneng phase 2 and Tswelepele park to be part of 2022/2023 financial year electrification projects.

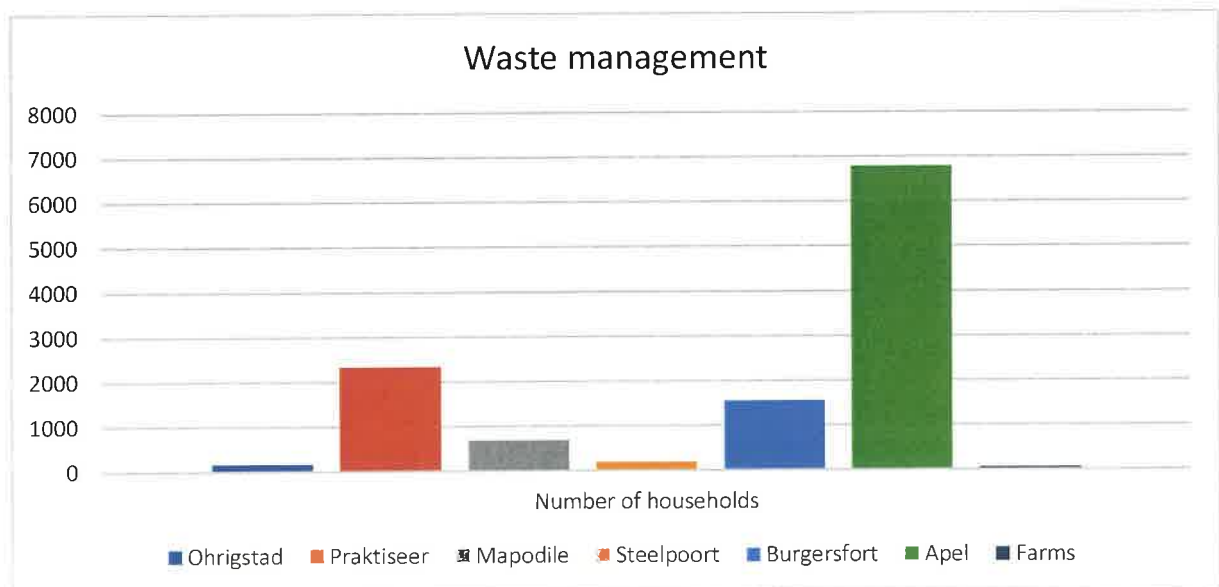
1.4.3. Waste Management

The municipality renders waste collection in both urban and rural areas. 58 Skips bins are placed in strategic areas around the municipality to harvest waste from the surrounding villages to municipal landfill site. House to house and street bins collections are done in urban areas. Below is list and numbers of households from which waste is collected in the municipality. A total of 11 741 households inclusive of farms benefit from this waste collection service.

Table/figure 03: Waste management

N0	Area	Number of households
01.	Ohrigstad	164
02	Praktiseer	2326
03	Mapodile	688
04	Steelpoort	191
05	Burgersfort	1549
06	Apel	6782
07	Farms	41
	Total	11741

Chart 02: Waste Management



Apart from Urban and rural refuse collections, refuse collection is also extended to business. Six (6) business centres in Apel, Burgersfort and Steelpoort are benefiting from weekly municipal refuse collection programme.

1.4.4. Special Economic Zone (SEZ)

The President enacted the Special Economic Zones Act no. 16 of 2014 with the intention to support establishment and development of Special Economic Zones (SEZ's). SEZ according to section 4(1) of the Special economic zones act, act 16 of 2014 is an economic development tool to promote national economic growth and export by using support measures to attract targeted foreign and domestic investments and technology."

The Limpopo Economic Development Environment Tourism is the custodian of the Act. In Implementing the Act, the DTIC have embarked on projects to establish special economic zones in the country. In Limpopo province, there are two special economic zones that have been identified namely Musina Makhado and Fetakgomo Tubatse SEZs.

Milestones achievements of Fetakgomo Tubatse SEZ for 2021/2022 financial year

- 1.4.4.1. Tripartite agreement signed between LEDET, Sekhukhune district municipality and Fetakgomo Tubatse local municipality.
- 1.4.4.2. Service providers appointed for engineering designs and rezoning of the land for industrial use.
- 1.4.4.3. Township establishment committee is established.
- 1.4.4.4. A Professional Service Provider (Mahube Training and Development) is appointed to undertake Skills Audit and development of Skills development plan in the entire Sekhukhune district.
- 1.4.4.5. Final Environmental Impact Assessment report is completed and submitted to LEDET.
- 1.4.4.6. Acquisition of Glencore's Mining Input Supplier Park to integrate into and expand the FTSEZ is done.
- 1.4.4.7. Community Stakeholder engagement Plan is developed; however, stakeholder consultation is not concluded.

1.5. Financial Health Overview

1.5.1. Financial overview

1.5.1.1. Municipal revenue and expenditure

Table /Figure 04: 2021/2022 Municipal revenue and expenditure

N0	Details	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Variances
1.	Total Revenue excluding capital receipts	734,044,000.00	750,044,000.00	648 441 167	23 164 167
2.	Total Operating Expenditure	775 519 000	835 325 000	706 775 468	128 549 532
3.	Operating surplus / (deficit)	41 475 000	85 281 000	58 334 301	26 946 699

1.5.1.2. Financial ratios

Table/Figure 05: Financial ratios

N0	Details	2021/2022	2021/2020
1.	Employee costs	28%	27%
2.	Repair and maintenance	2%	2%
3.	Finance charges and depreciation	13%	15%

1.5.1.3. Capital Expenditure

Table/figure 06: Capital expenditure

N0	Detail	2021/2022	2020/2021
1.	Original Budget	200 578 000	150 893 000
2.	Adjusted Budget	240 711 000	254 164 000
3.	Actual	152 711 000	163 652 000

1.6. Organizational Development Overview

The municipal organizational structure consists of the office of municipal manager, corporate services, Infrastructure development and technical service, Local economic development and tourism, Budget and Treasury, Development planning, and Community services. Two senior managers positions, directors' infrastructure development and technical services and Corporate services were vacant by the end of the financial year respectively.

1.7. 2020/2021 Auditor General Report

The municipality obtained unqualified audit opinion in 2020/2021 financial year.

Table/figure 07: Municipality 's Audit Opinions

Financial Year	Audit Opinion
2017/2018	Qualified
2018/2019	Qualified
2019/2020	Qualified
2020/2021	Unqualified

1.8. Statutory Annual Report Processes

The table below depicts the municipal statutory processes towards the adoption of the Annual Report.

Table/Figure 08: Statutory Annual Report Processes

No.	Activity	Time frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July - June
3	Finalise 4 th quarter report for previous financial year	July
4	Submit draft annual performance report to Audit committee and Auditor-General	August
5	Audit/Performance committee considers draft annual performance report of municipality	August
6	Auditor general releases audit opinions to municipalities	November - December
7	Mayor tables annual report and audited financial statements to council completed with the Auditor-general's report and A.G. action plan	31 January
8	Council subject the annual report to public scrutiny through MPAC	February – 31 March
9	Accounting officers make the annual report public	February

No.	Activity	Time frame
10	Council adopts Oversight report	31 March
11	Oversight report is made public	April
12	Oversight report is submitted to relevant provincial councils	April
13	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	April
14	Adoption of final Budget and IDP	May
15	Approval of SDBIP by Mayor	June

CHAPTER TWO: GOVERNANCE

2.1. Introduction

Good governance is about participatory, consensus-orientation, accountability, transparency, responsiveness, effectiveness, efficiency, equality, and inclusive government that complies with the rule of law and ethical considerations. It assures that corruption is minimised, the views of minorities are considered and voices of the vulnerable in society are heard in decision-making. Good governance is also responsive to the present and future needs of a municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution of Republic of South Africa, 1996 gives municipal council rights to govern on its own initiatives the local government affairs of the local community.

Fetakgomo Tubatse municipality has both political and administrative governance. The Political governance is led by the mayor, while municipal manager is the head of administrative governance. Council performs both legislative and executive functions. It also focuses on decision-making, policy formulation and plays an oversight role on the work of administration and councillors.

The Municipal Manager apart from being the head of the administrative governance, is also primarily chief custodian of service delivery and implementor of political decisions.

2.2. Political Governance

2.2.1. Introduction

Fetakgomo Tubatse local municipality (LIM476) is a category B municipality with the mayoral executive system combined with ward participatory system. It is the largest local municipality in Sekhukhune district municipality and the third (3rd) largest municipality in Limpopo Province after Thulamela and Polokwane local municipalities. It is ANC led municipality with 39 wards and 77 councillors. 39 councillors are ward councillors and 38 are proportionally elected councillors. The council is male dominated with 50 male councillors and 27 female councillors. There were also 12 traditional leader's representatives in the Council the financial year under review.

The municipality comprises of six (6) section 80 committees, namely: Infrastructure development and technical services, Community service, corporate services, Development planning, Local economic development and tourism and Budget and treasury. These committees are headed by members of executive committee but chaired by non- executive committee members. The committees submit quarterly reports to council. Below is list and photos of political management team and Executive committee members.

2.2.2. POLITICAL MANAGEMENT TEAM

THE MAYOR



Cllr Maila EE (ANC)

SPEAKER



Cllr Pholwane BB (ANC)

CHIEFWHIP



Cllr Shoba M.V (ANC)

2.2.3. EXECUTIVE COMMITTEE

Head: Budget and Treasury



Cllr. Moeng QM (ANC)

Head: Corporate Services



Cllr Mashego RM (AC)

Head: Development planning



Cllr. Mabelane MM (ANC)

Head: Infrastructure Development & Technical Services



Cllr Mphethi ND (ANC)

Head: Local Economic Development & Tourism



Cllr. Mashego OT(ANC)

Head: Service Community Services



Cllr Radingwana MR (ANC)

D/Head: Corporate Services



Cllr. Malepe KPT(EFF)

D/ Head: Infrastructure Development & Technical Services



Cllr. Mengwai LD (EFF)

D/Head: Local Economic Development & Tourism



Cllr. Makofane IT (DA)

2.2.4. COUNCILLORS

Fetakgomo Tubatse municipal council consists of 77 councillors, 39 ward councillors and 38 proportional representative councillors. In terms of gender representative, the municipality has 27 Female councillors and 50 male councillors. On racial representative the municipal council has 76 black Africans and 1 white female councillor. The council constituted by nine (9) political parties, namely: African National Congress (ANC) 54 seats, Economic Freedom Fighters (EFF) 14 seats, Democratic Alliance (DA) 2 seats, Socialist Agenda of Dispossessed Africans (SADA) 2 seat, Pan Africanist Congress of Azania (PAC) 1 seat, Azanian People's Organization (AZAPO) 1 seat, Power of Africans Unity (PAU) 1 seat, Vryheid front plus (VF plus) 1 seat and Bolsheviks party of South Africa(BPSA) 1 seat. See full names and photos below

2.2.4.1. Ward Councillors

The municipality comprises 39 African ward councillors as alluded above, 29 ward councillors are males, and 10 are females. Below is their names and photos starting from ward 01 to ward 39.



Cllr Moopane MK (ANC) Ward 01



Cllr Nkosi MD (ANC) Ward 02



Cllr Radingwna MR(ANC)Ward 03



Cllr Magagula TB (ANC) Ward 04

2.2.4.1. Ward Councillors



Cllr Malapane OT(ANC) Ward 05



Cllr Magane IP (ANC) Ward 06



Cllr Magaba AM (ANC) Ward 07



Cllr Modipa FM (ANC) Ward 08



Cllr Thobejane L (ANC) Ward 09



Cllr Mashabela M (ANC) Ward 10



Cllr Tjie MR (ANC) Ward 11



Cllr Sebopela MM (ANC) Ward 12

2.2.4.1. Ward Councillors



Cllr Nchabeleng N (ANC) Ward 13



Cllr Makofane T (ANC) Ward 14



Cllr Mampa DM (ANC) Ward 15



Cllr Mokgotho K (ANC) Ward 16



Cllr Mokoena MS (ANC) Ward 17



Cllr Ngwatle TJ (ANC) Ward 18



Cllr Tjhe TM (ANC) Ward 19



Cllr Lekgau AK(ANC) Ward 20

2.2.4.1. Ward Councillors



Cllr Mokgotho LL (ANC) Ward 21



Cllr Makutu TS (ANC) Ward 25



Cllr Ratshoshi LM(ANC) Ward 22



Cllr Hlase TS (ANC) Ward 26



Cllr Mokoena DF(ANC) Ward 23



Cllr Mabowa SI (ANC) Ward 27



Cllr Kgewete MP (ANC) Ward 24



Cllr Tshehla MS (ANC) Ward 28

2.2.4.1. Ward Councillors



Cllr Mmushi MJ(ANC) Ward 29



Cllr Mathipa MP(ANC) Ward 33



Cllr Magabe MS (ANC) Ward 30



Cllr Thobejane KML (ANC) Ward 34



Cllr Mohlala TH (ANC) Ward 31



Cllr Phasha MM (ANC) Ward 35



Cllr Phasha MA(ANC) Ward 32



Cllr Matheba AM (ANC) Ward 36

2.2.4.1. Ward Councillors



Cllr Matlakaneng MM Ward 37



Cllr Mampheko TL (ANC) Ward 38



Cllr Tlape MM (ANC) Ward 39

2.2.4.2. Proportional Representative (PR) Councillors



Cllr Motene PP (ANC)



Cllr Rantho LJ (ANC)



Cllr Mokome KE (ANC)



Cllr Mgiba P (ANC)



Cllr Makofane NN (ANC)



Cllr Mojalefa LH(ANC)



Cllr Maepa L(ANC)



Cllr Kupa RP (EFF)

2.2.4.2. Proportional Representative (PR) Councillors



Cllr Shai ML (EFF)



Cllr Thobejane ML (EFF)



Cllr Komane WT (EFF)



Cllr Mabelane JM (EFF)



Cllr Mash M (EFF)



Cllr Mogashoa LM (EFF)



Cllr Mogoane MK (EFF)



Cllr Mohuba MS (EFF)

2.2.4.2. Proportional Representative (PR) Councillors



Cllr Molapo WS (EFF)



Cllr Ngwatle MP (EFF)



Cllr Sekgala SM (EFF)



Cllr Molapo TI (DA)



Cllr Ngwatle AD (SADA)



Cllr Nkele JT (SADA)



Cllr Mola N (PAC)



Cllr Thamaga ST (AZAPO)

2.2.4.2. Proportional Representative (PR) Councillors



Cllr Madalane ETD (PAU)



Cllr Bothma C (VFplus)



Cllr Kupa SM (BPSA)

Chart 03: Party Representative

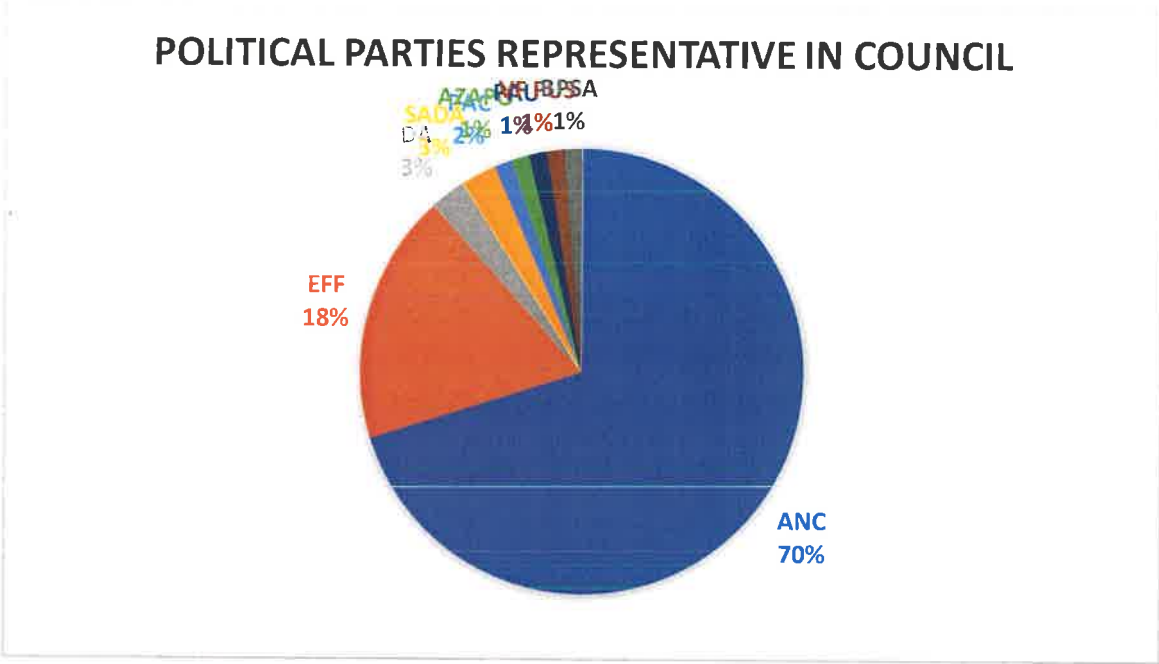
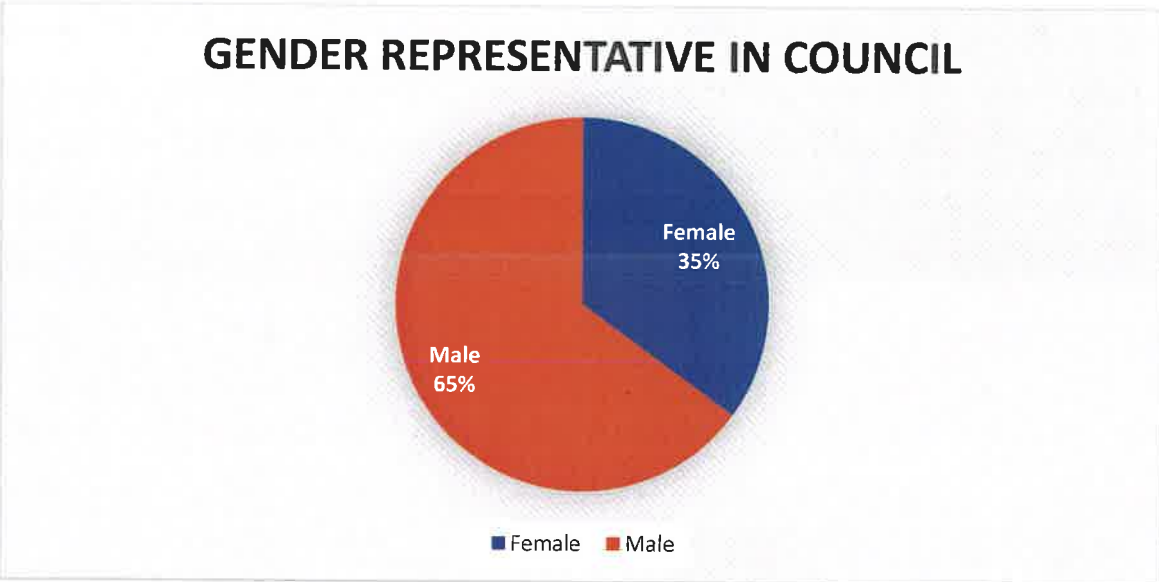


Chart 04: Gender representative in council



2.2.5. TRADITIONAL LEADERS IN COUNCIL

There are 38 traditional leaders in the municipal jurisdiction, however, there were 12 traditional leaders in council in the financial year under review.

2.2.6. POLITICAL DECISION-TAKING

Council is the highest decision-making body in a municipality. Councillors in a well constitute council meeting/sittings discuss and resolve on matters submitted to council. Matters to council may come through portfolio committees, Speaker's and Mayor's office depending on the nature of the matter.

Portfolio committees discuss matters submitted to them by Executive committee which the executive committee should have received from the administration under leadership of the municipal manager. Reports from Portfolio committees are then submitted to council for consideration and approval.

After discussion, council may refer the report to Municipal Public Account Committee (MPAC) for further investigation and report back to council after investigations or just approve/adopted/note for implementation or knowledge sharing.

MPAC comprises on non – executive councillors and in normal situation it sits quarterly to process reports/matters to council.

2.3. ADMINISTRATIVE GOVERNANCE

2.3.1. INTRODUCTION

Administrative governance in municipal environment is headed by municipal manager - Accounting Officer. The municipal manager provides guidance and advice to the political structures, political office bearers and municipal officials. The accounting office is supported by senior managers. FTLM has seven (7) senior managers /directors. See their names and photos below.

2.3.2. TOP ADMINISTRATIVE TEAM OF THE MUNICIPALITY

MUNICIPAL MANAGER



Mr. Makgata MJ

CHIEF FINANCIAL OFFICER



Mr. Makgopa ML

2.3.2.1. Municipal senior management Team

Acting Director Corporate Services



Mr. Mosoma O.N

Acting Director Infrastructure

Development & Technical Services



Mrs. Ntuku D.R

Director Community Services



Mrs. Magooa R.M

Director Local Economic

Development and Tourism



Ms. Shongwe F.K

Director Development Planning



Mr. Mathebula M.A

Director Regional Office



Adv. Mashoeu M.D

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4.1. INTRODUCTION

Section 41 of the Constitution of Republic of South Africa, 1996 mandates municipalities to exercise its executive and legislative authority within the constitutional system of co-operative governance and facilitate an Intergovernmental Relations (IGR) in the form of, *inter alia*, an IDP/Budget Representative Forum.

2.4.2. ADMINISTRATIVE GOVERNANCE

The municipality participated in various intergovernmental fora in both district and province levels.

2.4.3. DISTRICT INTERGOVERNMENTAL STRUCTURE

Fetakgomo Tubatse local municipality participates in Sekhukhune district Monitoring and Evaluation (M&E forum), district Back to Basic forum (B2B), Municipal manager and CFO Fora and district Planning Forum. Participation in these fora has assisted the municipal to address its service delivery related challenges

2.4.4. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

In the provincial level, the municipality forms part of Provincial Planning Forum, Provincial monitoring & Evaluation forum (M&E forum), B2B forum, CFO Forum, and Premier's Mayors Forum. Through knowledge obtained from these fora the municipality has improved its planning and reporting its performance.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA S15(b) mandates municipalities to establish and organize their administrations to facilitate and inculcate a culture of accountability amongst their staff. S16(i) of the same act mandates municipalities to develop a system of governance that compliments formal representative governance with a system of participatory governance. S18(i)(d) mandates municipalities to provide their community with information concerning municipal governance, management, and development.

2.6. PUBLIC MEETINGS

Section 152(1) (b) of the constitution of the republic of South Africa (RSA), 1996 mandates municipalities to involve their communities and community organizations in municipal matters. Fetakgomo Tubatse local municipality has established various fora for public consultations such as IDP/Budget/PMS forum, Ward committees, Mayor's Imbizos, and Annual report presentation. The table below depicts number of public participation fora held, types and number of people participated.

Table/Figure 09: Public participation meeting

Structure/s	Date	Outcome	Stakeholder/s
IDP steering committee and Rep Forum	13-14 December 2021	Input on the draft IDP prior council approval	EXCO Members, Directors, Managers, Magoshi, Ward committees and Councillors
Mayor's Imbizos	17 August 2021, 07 October 2021, 31 March 2022 and 12 April 2022	Consult communities on the quality of services receiving from the municipality	CDW, Business and communities
IDP/PMS/Budget forum	08-29 April 2022	Inputs on draft IDP	Magoshi, Disabled, Ward committees, Councillors, CDW, Business and Communities
Annual Report	23 and 24 March 2022	Consult communities on 2020/2021 Annual Report via Radio shows (Tubatse and Sekhukhune FM)	Business Communities

2.7. IDP PARTICIPATION AND ALIGNMENT

Chapter 5 and 6 of municipal system act, act 32 of 2000 regulate the compilation of Integrated Development Plan (IDP) and service delivery and budget implementation plan (SDBIP) documents respectively. The table below depicts the alignment of the IDP and SDBIP documents to required criteria.

Figure/Table 10: 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 54/56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.8. OVERVIEW OF CORPORATE GOVERNANCE

Sections 165 and 166 of Municipal Finance Management Act, act 56 of 2003 require municipalities to establish internal audit unit and Audit committee respectively.

The municipality has a functional but understaffed Internal audit unit comprising of two employees which are the Chief Audit Executive and one audit officer and two audit interns. The unit advises the accounting officer; submit reports to audit committee; and prepare a risk-based audit plan and program for each financial year.

The municipality has both Audit and Performance committees. The two committees comprise of five members who serve in both committees. One person is appointed chairperson of both committees. The committees meet quarterly to process reports and make submission to Council.

2.9. RISK MANAGEMENT

MFMA S62(i)(c) requires municipalities to have and maintain an effective, efficient, and transparent system of risk management.

Fetakgomo Tubatse local municipality has established its Risk management unit and Risk management committee. The unit advises the municipal manager on risk related matters and report to Risk management committee. The committee constituted by municipal directors and one independent member who is also appointed the chairperson of the committee, however in 2021/2022 financial year the municipality took more than six months without an independent Risk committee chairperson. The committee meets quarterly to analysis reports from risk management units and make recommendations to audit committee.

The risk management unit developed strategic and operational risk registers in consultation with municipal employees. The registers were adopted by Risk management committee and submitted to Audit committee for approval. Top ten risks of the municipality were identified, and a register thereof developed. The committee submits quarterly risk management reports to Audit committee. Below is a list of top ten municipal risks, mitigation made to address them, outputs and impacts of the mitigations.

Table/Figure 11: 2020/2021 Municipal top ten risks

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
Technical Services	1. Inadequate municipal infrastructure	1. Inadequate monitoring of projects.	1. MISA 2. COGHSTA 3. Qualified Engineers 4. Weekly routine inspection.	18	1.1. Continuous monitoring of projects and reporting.	Director: Infrastructure Development and Technical - Services /Director Corporate Services	Monthly	In progress ❖ Weekly ongoing monitoring by project managers ❖ Monthly meetings conducted ❖ PMU support by Anglo MCDP
Technical Services	2. Underspending of Municipal Infrastructure Grant (MIG).	2. non-adherence to conditions of MIG.	2. Budget / IDP process plan. 2. MIG implementation plan.	18	2.1. Adherence to MIG conditions and reporting.	Director Infrastructure Development and Technical - Services	Monthly	Done ❖ Monthly report has been submitted to COGHSTA ❖ Percentage for progress is low due to late advertisement of tenders.
Corporate Services	3. IT controls were not adequately designed and/or	3. The firewall was not adequately managed.	1. Approved disaster recovery plan and service continuity.	18	1.1. Implement the processes of review	Manager Information Communication Technology	31 Dec 2020	In progress ❖ Service provider appointed for ICT infrastructure and maintenance.

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
	implemented.		2. Appointed service providers for implementation of DRP.		ing the firewall logs and user identity.			
Corporate Services	4. Appointment of employees with questionable qualifications.	4. Inadequate screening of employees' qualifications.	1. Recruitment and Selection Policy.	18	4.1. Screening of existing employee's qualifications (starting with level 1 managers).	Director: Corporate Services	30 June 2021	Not done ❖ Budget for screening of employees was not secured for this financial year.
Development Planning	5. Uncoordinated land use.	5. Lack of collaboration between tribal authorities/land authorities and Municipality.	1. Mayor Magoshi Forums. 2. SPLUMA 3. Land Use Management by-law. 4. Notice of evictions.	18	5.1. Partake in Mayor Magoshi Forum.	Director Development planning/Accounting Officer	Quarterly	Not done ❖ Lack of coordination between Development planning and Corporate services departments.

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
Community Services	6. Ineffectiveness of traffic flow.	6. Inadequate Road networks. 7. Inconsistent maintenance of traffic lights, road markings and signages.	1. Utilisation of R37 road in and out of town. 2. Transport forums. 3. Placement of traffic wardens on major intersections.	14	6.1. Implementation of Integrated Transport Plan. 7.1. Strengthen the placement of traffic wardens.	Director: community services/Director Development planning/Director Infrastructure Development and Technical - Services Director: Community Services	On-going On-going	Done ❖ Transport forum meetings held on monthly. ❖ Traffic wardens/points men placed at strategic points in and out of town, In progress ❖ 10x Municipal Traffic wardens on recruitment process ❖ 10x Road Safety Ambassadors recruited by Department of Transport and placed at major

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
								intersections within the municipal jurisdiction
Budget and Treasury	7. Inadequate maintenance of infrastructure assets.	8. Lack of infrastructure assets maintenance plan.	No control	14	8.1. Develop infrastructure assets maintenance plan	Manager Infrastructure Assets/Manager Fleet and Facilities	30 June 2021	In progress ❖ Service provider for assets has been appointed and the scope includes assets management plan
Community Services	8. Illegal dumping	9. Lack of authorised waste disposal facilities. 10. Lack of waste management by-law. 11. Inadequate waste management campaigns.	1. Quarterly waste management campaigns. 2. Waste collection services in urban and semi-urban areas. 3. Environmental coordinator and campaigners	14	9.1 Establishment of 3 transfer stations.	Director Community Services/Manager Waste Management	30 June 2021	In progress ❖ Terms of Reference for Mphanama and Penge Transfer stations developed, and their designs are approved & submitted to LEDET ❖ Memo to source quotations drafted and approved

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
			deployed by national department of environmental affairs. 4. Availability of recyclers. 5. Appointment of beneficiaries of EPWPs for control of waste.					❖ quotations sourced by SCM, and appointment is yet to be done.
					10.1. Development of waste management by-law.		30 June 2021	In progress ❖ Draft by-law developed ❖ The process of appointing consultant for consolidation and finalization in progress.
					11.1. Conduct quarterly waste management campaigns.		Quarterly	Done ❖ Awareness campaigns held as follows: ✓ 26/02/2021 : Apel Regional area ✓ 11/03/ 2021 : Seroka primary school ✓ 17/03/ 2021 : Burgersfort business area

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE
Local Economic Development	9. Unconducive environment to support viable local economic growth and development.	11. Rationalised LED Strategy Plan/Strategy not in place.	1. Quarterly LED Forums. 2. Quarterly Mining Forums.	14	11.1 Develop FTLM LED Strategy.	Director LEDT	30 June 2021	In progress ❖ The bid closed on the 18 March 2021. ❖ Appointment of service provider is in progress
Municipal Manager's Office	10. Failure to root out deeply entrenched fraud and corruption.	12. Inadequate implementation of anti-fraud and corruption strategy	1. Anti-fraud and Corruption strategy	14	12.1 Implement the anti-fraud and corruption strategy (conduct anti-fraud and corruption workshops, investigate fraud and corruption cases).	Accounting Officer	30 June 2021	In progress ❖ Five cases are reported, three investigation reports in place and two in progress. ❖ Anti-fraud and corruption workshop not conducted due to covid -19 regulations.

DEPARTMENT	RISK NAME	ROOT CAUSE	CURRENT CONTROL	RRR	ACTION PLAN	RESPONSIBLE PERSON	DUE DATE	PROGRESS TO DATE

2.9.1. FRAUD AND ANTI-CORRUPTION STRATEGY

It is the policy of the Municipality that fraud, corruption, maladministration, or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated, where required, and actions instituted against culprit. Such actions may include the laying of criminal charges, civil and administrative actions, and the institution of recoveries where applicable. Prevention, detection, response, and investigation strategies will be designed and implemented where necessary. These will include any existing controls (system controls and internal controls) and those currently prescribed in existing policies, procedures, and other relevant prescripts to the activities of the Municipality.

2.10. SUPPLY CHAIN MANAGEMENT

2.10.1. OVERVIEW SUPPLY CHAIN MANAGEMENT

The municipality has a functional Supply Chain Management (SCM) unit with all its relevant committees. The committees are reviewed on quarterly bases by the municipal manager. The SCM policy is reviewed annually to keep it relevant with legislative developments.

2.11. BY – LAW

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. The following by-laws were developed in the financial year under review:

Community services by-laws:

- a. Noise control by - law – SC99/2021
- b. Waste management by-law – OC112/2018
- c. Air Quality By-Law – OC21/2021
- d. Cemetery and crematoria by-law – OC51/2021
- e. Draft Traffic management by-law – OC13/2022

Local Economic Development and Tourism by-laws

- a. SMME by-law – OC153/2022
- b. Street trading by-law- SC106/2021

2.12. WEBSITE

Section 75 of MFMA, Act 56 of 2003 is precise on names of documents that municipalities should upload on their websites. Municipality has uploaded the following documents on its website.

Table/Figure 12: Municipal website

Municipal website		
Documents published on Municipal website	Yes/No	Publishing date
2021/2022 annual and adjustments budgets and all budget-related documents	Yes	15 April 2020
The previous annual report (2020/2021)	Yes	15 April 2019
The annual report (2020/2021) published/to be published	Yes	15 April 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/2022) and resulting scorecards	Yes	23 August 2020
All service delivery agreements (2021/2022)	No	
All long-term borrowing contracts (2021/2022)	No	
All supply chain management contracts above a prescribed value (give value) for 2021/2022	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 2021/2022	No	
Contracts agreed in 2020/2021 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	

Municipal website		
Documents published on Municipal website	Yes/No	Publishing date
Public-private partnership agreements referred to in section 120 made in 2021/2022	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/2022	No	

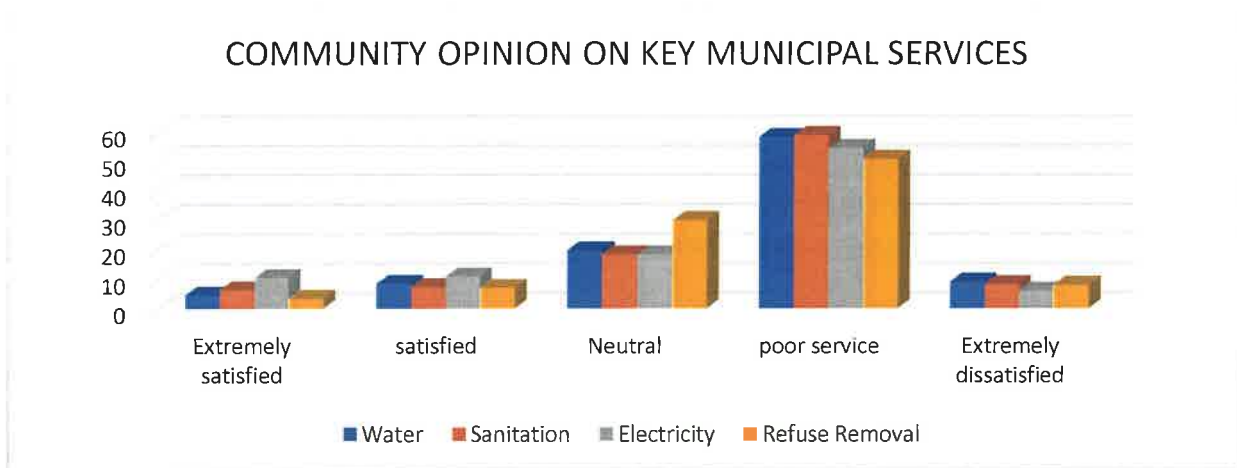
2.13. CLIENT SATISFACTION SURVEY ON MUNICIPAL SERVICES

The municipality conducted community satisfaction survey in 2021/2022 financial year. The survey was conducted in all 39 municipal wards. 780 participants were sampled for the study. However, according to the RAOSOFT sample size calculator with a confidence level of 95% and a margin of error of 5% the sample of 384 was suggested to be the correct sample size. The study managed to collect 616 respondents which made a response rate of 79%. However, after data cleaning and processing only 503 responses were eligible for processing and that brought down the response rate to 65% which is still acceptable to generalize these results of the survey. The results of the survey on key services are presented in the table below and for detailed report see attached community satisfaction survey report.

Table/Figure 13: 2021/2022 Community satisfaction survey Results

Key Services	Community opinion				
	Extremely satisfied	Satisfied	Neutral	Poor Service	Extremely dissatisfied
Water	4.6%	8.5%	19.7%	58.1%	9.1%
Sanitation	6.4%	7.4%	18.3%	58.8%	8.2%
Electricity	10.5%	10.9%	18.3%	54.3%	6%
Refuse removal	3.4%	7%	30%	50.7%	8%

Chart 05: Community opinion of key municipal services



2.14. OVERSIGHT REPORT ON ANNUAL REPORT

2.14.1. Introductions

According to section 127 (2) MFMA , act 56 of 2003, the mayor of a municipality must within seven months after the end the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

In compliance to the above statement the municipality tabled its 2020/2021 annual report in council on 31 January 2022 (OC85/2022). Council adopted the report and referred it to Municipal Public Account Committee (MPAC) for scrutiny and production of oversight report. The oversight report thereof was approved by council on 31March 2022(SC 30/2022) with reservation pending finalisation of the following matters:

- (a) MPAC investigation of UIF expenditure
- (b) Executive committee and administrative report on issues raised in the annual report.
- (c) MPAC conduct full scale project visit on projects identified on the annual report ;and
- (d) MPAC conducting public hearing to hold the executive and administration accountable

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1. Introduction

The report provides an overview performance of Fetakgomo Tubatse local municipality (*ftlm*) for the period 1 July 2021 to 30 June 2022. The performance is measured against the strategic goals set out in the 2021/2022 Integrated development plan (IDP) and the key performance indicators (KPI's) contained in the approved 2021/2022 Service delivery and budget implementation plan (SDBIP).

COMPONENT A: BASIC SERVICES

3.2. Introduction

Among all key basic services, Fetakgomo Tubatse local municipality provides one basic service which is waste management. Other basic services like water, sanitation, housing, and electricity are provided by other relevant stakeholders. Water and Sanitation are provided by Sekhukhune District municipality; Housing is the competence of Co –operative Governance, Human Settlement & Traditional Affairs (COGHSTA) and electricity is provided by Electricity Supply Commission (ESKOM).

3.3. WASTE MANAGEMENT (REFUSE COLLECTIONS)

In the financial year under review, the municipality provided weekly waste collection services to 11 650 households in its six proclaimed townships and farms. The table below depicts a detailed report of the townships, households and farms benefited from waste collection service.

Figure/Table 14: Waste management

N0	Area	Number of households
01.	Ohrigstad	165
02	Praktiseer	2128
03	Mapodile	636
04	Steelpoort	223
05	Burgersfort	1678
06	Apel	6782
07	Farms	38
	Total	11650

Chart 07: Waste management



Apart from these Urban refuse collections, the municipality has also extended the waste collection service to rural areas and business entities. Six (6) businesses centres in Apel, Burgersfort and Steelpoort have benefited from the service.

In rural areas, the municipality has placed 58 skip bins in strategic areas for refuse collection. The strategy has improved the cleanness of the municipality and collapsed number of illegal dumping areas in the municipality.

3.3.1. Solid waste removal employees

Table/Figure 15: Solid waste removal employees

Solid removal employees					
Job level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacances	%
T1 – T4	9	20	7	13	65%
T5 – T8	3	8	3	5	63%
T9 – T13	2	4	2	2	50%
T14 – T18	1	3	1	2	66%
S57	1	1	1	0	0%
Total	16	36	14	22	61%

Table/Figure16 : Solid waste removal financial position

Solid waste management services					
Detail	2020/2021	2021/20022			
		Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)	-28,932,468.94	-32,356,608.00	32 356 608	29 194 223	3 162 385
Expenditure:					
Employees costs	1,337,137.67	2,928,032.55	4,403,608.00	4,129,943.71	273 665
Repairs and Maintenance		-	-	-	-
Contracted Services	11,672,953.93	25,212 817	31,518,413.00	30,436,626.88	316 974
Other Expenditure	176,688.02	932,816.75	483,183.00	241,844.51	241 338
Total Expenditure	13,186,779.62	29 073 666	36 449 879	35 685 066	831 977

COMPONENT B: ROADS TRANSPORT

3.4. ROADS

3.4.1. Introduction

The municipality constructs and maintains internal streets, access roads and bridges. Construction and maintenance of Regional and National roads is the competence Road agency Limpopo (RAL) and South African National Roads Agency Limited (SANRAL) respectively.

The municipality has limited and aged road infrastructure. The roads capacity is insufficient to cater for month end and holidays traffic velocity. Various by – passes Western and Eastern ring roads are proposed in Burgersfort town to alleviate month end traffic congestion. Lack of municipal own land poses a challenge in the construction of the said by – passes.

3.4.2. Access roads and Bridges

Municipality constructed three access roads in 2021/2022 financial year, see the table below:

Table/Figure 17: Access roads and Bridges

Project Name	Village/Location	Km of road tarred/paved	status
Motaganeng Access road	Motaganeng	2km	Completed
Leboeng Access road	Leboeng	2km	Completed

Ga- Debeila to Mohlaletse access road	Ga- Debeila and Mohlaletse	6km	Completed
---------------------------------------	----------------------------	-----	-----------

3.4.3. Gravel roads infrastructure

Table/Figure 18: Gravel roads infrastructure

Gravel road infrastructure				
	kilometres			
	Total gravelled road	New gravelled road constructed	Gravel road upgraded to Asphalt	Gravel road graded/maintained
2018/2019	870km	0km	5,2km	660.7km
2019/2020	870km	0km	14.3km	566.3km
2020/2021	870km	0km	13km	1037.05km
2021/2022	157.28km	0km	10km	1665.92km

Table/figure 19: Road services employees

Employees : Road services					
Job level	2020/2021	2021/2022			
	No. Employees	No. posts	No. Employees	Vacancies	%
T1 - T4	6	10	6	4	40%
T5 -T8	13	21	12	9	43%
T9 -T13	3	8	4	4	50%
T14 - T18	1	4	2	2	50%
S57	0	1	0	1	100%
Total	23	44	24	20	45

Table/figure 20: Road services financial status

2021/2022 financial year performance					
Details	2020/2021	2021/2022			
	Actual	Original	Adjustment	Actual	Variance
Total operational revenue	-80,291,848	-141,323,355	-131 730 447	-127 002 888	-4 727 559
Expenditure :					
Expenditure - Employees	21,473,306	30 300 920	27 660 820	23, 756 ,327	3,895,493
Repair and Maintenance	00	25 259 472	47 345 565	32 655 303	14 690 262

Contracted Services	8,468,694	12 000 000	11 109 778	9 918 525	1,191 253
Depreciation	91,071,051	88 296 305	83 309 738	64 493 771	-17 780 920
Other Expenditure	8,361,501	9 254 444	8,025,019.00	10 736 207	2 711 188
Total Expenditure	129,374,552	165 111 141	45 720 564	14 557 245	-20 283

Table/figure 21: Capital Expenditure

Capital Expenditure 2021/2022					
					R00
Capital Project	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project value
Motaganeng access bridge	26,596,087	22,142,612	20,989,116	79%	95%
Ga-Debeila to Mhlaletse	57,681,913	38,517,306	31,207,919	51%	81%
Leboeng Access Roads	34 061 071	11,500,000	11,500,000	34%	100%
Ring fenced sports facility	10,000,000	10,000,000	8,135,080	81%	81%
Magakala Access Bridge	23 830 106	9,800,000	0,00	0%	0%

COMPONENT C: PLANNING AND DEVELOPMENT

3.5.1. Integrated Development Plan (IDP)

According to section 25 (1) of municipal system act, act 32 of 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which—

(a) Links, integrates and co-ordinates plans and considers proposals for the development of the municipality.

(b) Aligns the resources and capacity of the municipality with the implementation of the plan.

(c) Forms the policy framework and general basis on which annual budgets be based. According to section 34 of the same act, a municipal council—

(a) Must review its integrated development plan—

(i) Annually in accordance with an assessment of its performance measurements in terms of section 4. i and

(ii) to the extent that changing circumstances so demand; and

(b) May amend its integrated development plan in accordance with a prescribed process.

Fetakgomo Tubatse local municipality reviewed and adopted its draft 2022/2023 IDP on 26 March 2020 and the final IDP was approved on 26 May 2022.

3.5.2. Spatial Development Planning

3.5.2. 1. Formalization of informal settlements

Three informal settlements namely, Dresden, Praktiseer extensions and Strydskraal A & B were identified for formalization 2021/2022 financial year.

Table/figure 22: Formalization of informal settlements

Dresden Village	Praktiseer extensions	Strydskraal A &B
Formalization of Dresden village was delayed due to lack community resolution of the project. The project will continue in 2022/2023 starting with the acquisition of community resolution.	Draft general plan completed and submitted Survey general for approval.	Environmental impact assessment(EIA) report drawn up and submitted to LEDET

3.5.2.2. Township establishment

The municipality has applied for township establishment on Portion 6 of farm Hoeraroep KS to the joint district municipal planning tribunal. The final erven will be finalised once the application is approved by the Joint District Municipal Planning Tribunal (JDMPT).

3.5.2.3. Upgrading of Land Tenure Security -Tubatse A

Upgrading of Tubatse A land tenure security upgrade is completed.

Table/figure 23: Land use development applications

Detail	Applications for Land Use Development					
	Formalisation of Townships		Rezoning		Built Environment	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Planning application received	4	2	2	2	99	103
Determination made in year of receipt	1	0	0	0	83	0
Determination made in following year	0	0	0	0	0	89
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	16	14
						T3.10.2

Table/figure 24: Planning service Employees

Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T4	0	0	0	0	0%
T5 – T8	1	8	1	6	75%
T9 - T13	9	22	9	15	68%
T14 - T18	2	11	2	8	73%
S57	1	1	1	0	0%
Total	13	42	13	29	69%

Table/figure 25: Planning Services Financial status

Financial Performance 2021/2022: Planning Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	6 958 094	9,253,423.00	42,270,460.00	38,930,199.33	3,340,260.67
Repairs and Maintenance	-	-	-	-	-
Contracted Services	10, 059 606	14,013,680.00	4,787,354.00	3,989,344.03	798,009.97
Other Expenditure	246 664	168,917.00	60,000.00	42,574.36	17,425.64
Total Operational Expenditure	17 264 364	23,436,020.00	47,117,814.00	42,962,117.72	4,155,696.28

3.6. Local Economic Development (Including Tourism and Market Place)

3.6.1. Introduction

Wikipedia defines economic development as the process by which a nation improves the economic, political, and social well -being of its people. In line with the above definition the municipality is the process of developing its Local Economic plan/strategy.

3.6.2. Local Economic Strategy/ Plan

When the 2021/2022 financial year ends, the local economic strategic plan was at 85% completion. A draft strategic has been presented to stakeholder consultations for inputs before its finalization.

3.6.3. Special Economic zone

A tripartite agreement is signed between LEDET, Sekhukhune District Municipality and Fetakgomo Tubatse Local Municipality in May 2022 and sent to the Director General of the DTIC for signature. Service providers are appointed to undertake engineering designs and rezoning the land for industrial use. A Township establishment committee is established.

Final Environmental Impact Assessment Report is completed and submitted to LEDET in June 2022 and the process is awaiting the outcome from LEDET. Acquisition of Glencore's Mining Input Supplier Park to integrate into and expand the FTSEZ is done. 6 investors are secured and ready to locate in the FTSEZ with a total investment of R5 545 000 000.00 and a potential creation of 1000 jobs.

3.6.4. Local economic development policies and By- Laws

3.6.4.1. Policies

Two policies namely, Grant Funding and Extended Public Work Programme(EPWP) Policies are developed in the 2021/2022 financial year.

3.6.4.2. By – Laws

The Municipality has developed two by- laws namely: Street trading by – law and SMME by – laws.

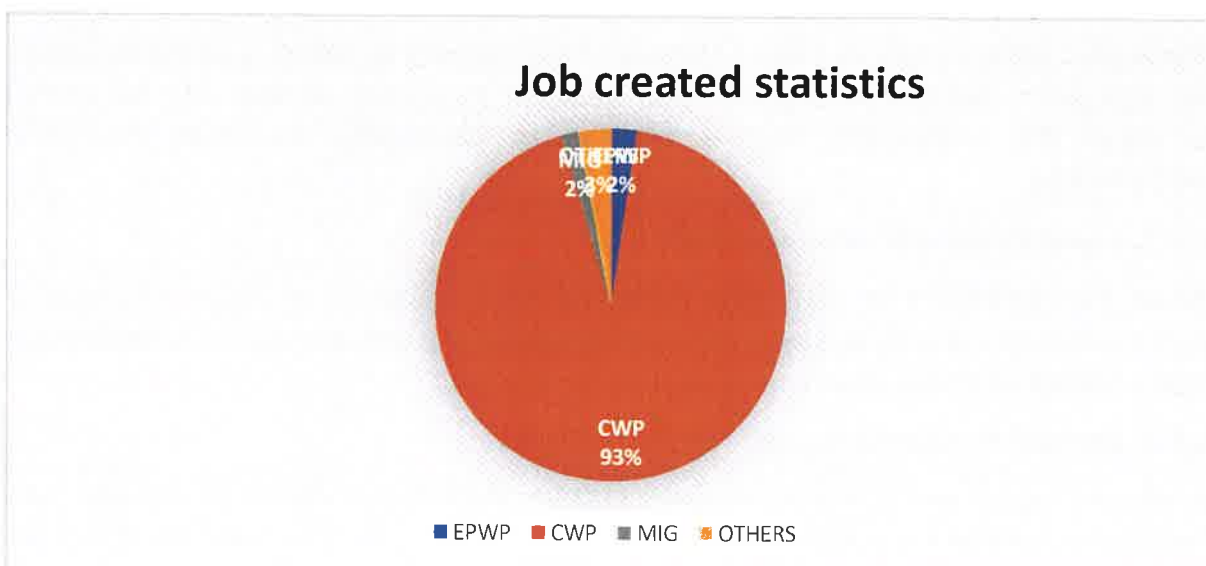
3.6.5. Jobs created through Municipal Initiatives

The municipality has created 3081 jobs in the financial year under review. A detailed report is depicted in the table below

Table/figure 26: Job statistic

Grants/Incentive	Job Created	Job sustained	Youth	Male	Female	People living with disability
EPWP	72	72	27	30	42	0
CWP	2867	2867	598	353	2514	9
MIG	48	48	30	24	24	1
Other	94	94	48	54	40	0
Total	3081	3081	703	461	2620	10

Chart 08: Job Statistic



Table/figure 27: Local economic development services employees

Employees: Local Economic Development Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T4	0	0	0	0	0%
T5 – T8	1	6	1	5	83%
T9 - T13	3	9	3	6	67%
T14 - T18	2	6	2	4	67%
S57	1	1	1	0	0%
Total	7	22	7	15	68%

Table/Figure 28: Local Economic development financial status

Financial Performance 2021/2022: Local Economic development					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-266 883,29	-2 249 594	-2 249 594	-2 247 420	-2 174
Expenditure:					
Employees	7 190 960	8,179,325.00	1,304,503.00	727,632.67	576,870.33
Repairs and Maintenance					
Contracted Services	1 506 366	4,965,808.00	3,465,808.00	2,038,431.30	282 155 482
Other Expenditure	446 598	914,751.00	864,751.00	350,431.30	414 697
Total Operational Expenditure	9 143 924	15,059,884.00	12,301,355.00	8,967,739.44	3 333 616

COMPONENT D: Community and Social Services

3.7. Introduction

Community and social services are provided in both Urban and Rural areas. Municipality has extended waste collection services to rural areas through skip bins in strategic areas of the municipality. Business centres and Government facilities are also benefiting from this service.

COMPONENT E: Environmental Protection

The Municipality was engaged in enormous environmental protection and cleaning campaigns. It has concluded rehabilitation of Apel Recreational Park. Air pollution by-law and Noise pollution by – laws were adopted by council.

3.8. Disaster management

Disaster management plan is reviewed and rationalized. Community safety plan is developed and completed.

3.9. community development by – laws

The municipality developed three community development by- laws in financial year 2021/2022 namely, Air quality management by- law ,Cemetery and crematoria by-law and Traffic management by-law. The process of gazetting of Noise pollution by-law was commenced by the end of the 2021/2022 financial year.

COMPONENT F: SPORT AND RECREATION

3.10. Sport complexes

One sport complex, Ohrigstad sport complex was scheduled for construction in the financial year under review however, due to non-responsive of bid the project was rescheduled for 2022/2023 financial year.

3.10.1. Staff component of Community Service Department

Community services department has 261 positions on its organogram, 1097 positions are filled, and 152 positions are vacant.

Table/figure 29: Community services employees

Employees: Community Services Department					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T4	16	56	13	43	77%
T5 – T8	4	62	30	32	52%
T9 - T13	57	129	56	73	57%
T14 - T18	9	13	9	4	31%
S57	1	1	1	0	0%
Total	87	261	109	152	58%

3.10.2. Financial performance of Community service department

Table/Figure 30: Community services financial status

Financial Performance 2021/2022: Community development					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-9,371,937.99	-25,077,952.00	- 25,067,052.00	-13 863 437	- 11 863 438
Expenditure:					
Employees	55,256 636	58,286,432.00	58,396,863.00	48,126,216.00	10 270 647
Repairs and Maintenance	418 478	693,400	1,167,500.00	1,003,840.00	163 660
Contracted Services	21 095 521	2,600,000.00	1,606,286.00	320,166.00	1 286 120
Other Expenditure	5 295 815	6,599,355.00	4,589,269.00	4,829,583.00	240 314
Total Operational Expenditure	82 066 452	61,741,124.00	66,123,307.00	60,787,364.15	5 335 943

COMPONENT G: CORPORATE POLICY AND OTHER SERVICES

3.11.1. Introduction

The corporate department includes executive support and Council, human resources management, Human resource development, information technology, Speaker 's office, Record and facility management, Labour relations and fleet management.

3.11.2. EXECUTIVE AND COUNCIL

3.11.2.1. Introduction

The municipality has ten executive committee members including the mayor. The executive committee is constituting by three political parties namely, African National Congress (ANC) with seven members, Economic Freedom Fighters (EFF) with two members and Democratic Alliance(DA) with one member. The Mayor, Speaker and Chiefship are from African National Congress.

3.11.2.2. Section 80 committees

As indicated above, Fetakgomo Tubatse council consist of 77 councillors from varies political parties. It has established the following committees to provide an oversight on financial and performance reporting, compliance, and other related internal controls: Municipal Public Account Committee (MPAC), Audit and Performance Audit Committee and Risk Management Committee. The committees are functional and have developed and adhere to their quarterly meeting programme.

3.11.2.3. Council stability

Fetakgomo Tubatse municipal council is stable and meet quarterly in ordinary council and as and when need arise special council are called. There is a healthy and constructive work relationship between the governing and the opposition parties in council. The relationship is beneficial to the administrative wing of council and its communities. Administration submits quarterly performance reports to Council and its sub - structures.

Six out of eight senior management positions including the Municipal Manager were filled. The filled positions were director Local economic development and tourism; Development planning; Community services; Apel Regional Office; Chief Finance Officer and Municipal manager. The vacant positions were director Corporate services and Infrastructural development and Technical Services departments.

Table/figure 31: Executive support department employees

Employees: Executive Support Services Department					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	-	-	-	-	-
T4– T8	5	8	0	8	100%
T9 - T13	11	20	12	8	40%
T14 - T18	2	4	2	2	50%
S57	0	0	0	0	0
Total	18	32	14	18	56%

Table/figure 32: Executive support department financial status

Financial Performance 2020/2021: Executive Support					
Details	2019/2020	2020/2021			
	Actual	Original	Adjustment	Actual	Variance
Total operational revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees Costs	33,265,947.90	35,684,835.00	35,012,283.00	35,441,027.00	133 759
Repairs and Maintenance	-	-	-	-	-
Contracted services	223,814.13	2,936,686.00	4,436,684.00	4 252 096	184 588
Other Expenditure	2,584,174.57	13,543,743.00	14,868,755.00	21,520,412	6 651 657
Total Expenditure	36,073,936.60	55,882,509.00	55,844,487.00	61,213.535	5 369 048

3.12. FINANCIAL SERVICES

3.12.1. Introduction

This component includes financial reporting, contract management, budget , Supply Chain Management, Revenue and Expenditure Management. The Municipality has limited financial resources to fulfil all its mandatory functions.

3.12.2. Billing vs Collection

The municipality has collected 67.88% of its billed revenue in the financial year under review. The following challenges were identified as main cause for such collection:

Table/Figure 33: Billing v/s Collections

Challenges	Mitigation
1.Low collection of Government debts	Quarterly Provincial Debt Forums are held to unlock Government Debts
2.0% collection rate on refuse collection at Apel area	The council approved the write-off and stopping of these debts as the refuse removal service is not rendered.
3.Lack of indigent register	Currently indigent register was submitted to council for approval).
4. A culture of non-payment of services by municipal townships(Mapodile and Tubatse A)	Debts over 90 days are handed to the debt collectors to recover the long outstanding debts

3.12.3. Other financial related matters

3.12.3.1. 2020/2021 Audit Opinion

In 2020/2021 financial year, the municipality obtained Unqualified audit opinion from the office of AGSA

3.12.3.2. Approval of 2021/2022 Municipal budget

Municipality approved its 2021/20222 annual budget on 26 May 2021. The budget was funded and credible.

3.12.3.3. 2021/2022 mid- year budget adjustment and performance assessments.

As required by section 72 of Municipal Finance Management Act, act 56 of 2003, the municipality generated and submitted its 2021/2022 Mid- year report to the Mayor, National and Provincial Treasury on 25 January 2022. On 28 February 2022 council tabled its 2021/2022 Mid-year budget adjustment.

3.12.3.4. Submission of 2021/2022 annual financial statement and annual performance report

The municipality was able to submit its 2021/2022 Annual financial statement (AFS) and annual performance report (APR) to Auditor General of South Africa (AGSA) within prescribed timeframe on 31 August 2022.

3.12.3.5. Payment of creditors within 30 days

On average, municipality is paying its creditors within 12 days.

Table/figure 34: Budget and Treasury department employees

Employees: Budget and Treasury Department					
Job Level	2020/2021	2021/2022			
		Posts	Employees	vacancy	Vacancies (fulltime equivalents)
T1 – T4	0	0	0	0	0%
T5 – T8	8	31	16	15	48%
T9 - T13	5	22	13	9	41%
T14 - T18	5	19	9	10	53%
S57	1	1	1	0	0%
Total	19	73	39	34	47%

Table/figure 35: Budget and Treasury department financial status

Financial Performance 2021/2022: Budget and Treasury Department					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-784 552 279	-689 380 590	-689 380 590	-602 156 446	-87 294 144
Expenditure:					
Employees	35 304 644		35,815,500	35,247,278.	568 222
Repairs and Maintenance					
Contracted Services	29 155 141	29,864,742	39,304,644.00	34,950,735	4 353 909

Other	151 514 098	50 080 125	50 080 135	23 813 089	26 267 046
Depreciation and debt impairment	21 249 334	25 683 562	65 610 213	49 850 442	15 559 770
Total Operational Expenditure	236 918 767	137,525,3 98	153,816,249	126,301,26 4	27,514,985

3.13.HUMAN RESOURCE SERVICES

3.13.1.Introduction

The human resources unit in the municipality falls under Corporate service department. The municipality has two human resources units which are human resources management and human resource development. The unit, human resources management plays an active role in the alignment of the IDP and staff, to ensure that the municipality reaches its strategic goals. The two human resources units preside over the following functions and duties:

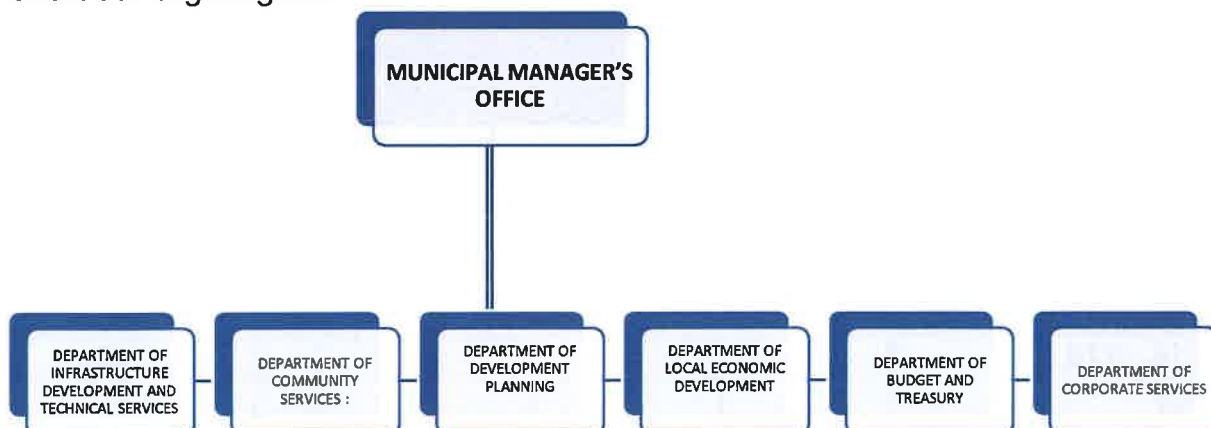
Table/figure 36: Human resource management vs Human resource development

Human resource management	Human resource development
<ul style="list-style-type: none">✓ Labour Relations.✓ Recruitment and Selection.✓ Occupational Health and Safety.✓ Organisational Structure and Job Evaluations.✓ Human Resource. Administration and✓ Employee Assistance Programme.	<ul style="list-style-type: none">✓ Employment Equity.✓ Training and Development✓ Policy development

3.13.2. Organizational Structure

The municipality has seven (7) departments including office of the municipal manager as reflected in the Organogram below. All departments except office of municipal manager have political and administrative heads which are members of Executive committee and section 56 appointers (Directors) respectively. Apart from the departments the municipality has a regional office which manned by section 56 manager at Apel municipal offices. The sketch below depicts municipal departments.

Chart 09: Organogram



3.13.3. Employment Equity plan

The Municipality had 656 positions on its organogram; 288 positions were filled, and 368 positions were vacant. In terms of gender representative, the municipality is male dominated, 166 municipal employees are male while 122 employees are female

At senior management level, three senior management positions, which are directors community services, Local economic development and tourism; and Infrastructure development and technical services were filled by female directors, while the remaining five were filled by male directors.

In terms of race representative, only two employees were white, and they were all females. The bigger portion of the workforce comprises of black people. Five (5) out of 288 employees were living with disabilities and were all males.

3.13.4. Performance Management System

Municipality has cascaded its Performance Management system from senior managers to managers directly accountable to the directors in 2021/2022 financial year. The municipality was able to conduct Mid – year performance assessment for both senior managers and managers directly accountable to senior managers. Plans are developed to further cascade the performance management system to employees below managers directly accountable to senior manager in 2022/2023 financial year.

3.13.5. Occupational Health and Safety

The Municipality established Occupational Health and Safety (OHS) unit in Corporate services department. The unit has been instrumental during the COVID – 19 pandemic lockdowns in conducting different awareness campaigns in the municipality and the community.

3.13.6. Staff Component of Corporate Service Department

Table/figure 37: Corporate Service department employees

Employees: Corporate Service Department					
Job Level	2020/2021	2021/2022			
		Posts	Employees	Vacant	Vacancies (fulltime equivalents)
T1 – T4	11	40	11	29	73%
T5 – T8	5	25	5	20	80%
T9 - T13	15	28	15	13	46%
T14 - T18	7	14	7	7	50%
S57	1	1	1	0	0%
Total	39	108	39	69	64%

Table/figure 38: Corporate services financial status

Financial Performance 2021/2022: Co-operate Services					
R'000					
Details	2020/2021		2021/2022		
	Actual	Original Budget	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	- 130,266.07	- 410,774.00	-410,774.00	-1 538	-409 236
Expenditure:					
Employees	48,656,931.81	50,842,824.00	32,243,808	25,955,487	6, 288,321
Repairs and Maintenance	5,338,972.53	14,800,559.00	15,309,000	13,219,758	2,089,242
Contracted Services	47,757,595.61	17,950,000.00	48,990,411	51,338,715	2,348,304
Operating Leases	25,908,966.70	38,956,000.00	59,745,312	1,710,634	58,034,678
Other Expenditure	19,442,558.58	26,790,652.00	50,554,122	47,018,234	3,535,888
Depreciation and debt impairment				21,590,643	21,590,643
Total Operational Expenditure	147,105,025.23	159,775,027.00	191,533,653.00	160,833,464	67,599,825

3.14.INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.14.1.Introduction

The ICT unit is in the corporate service department. The unit is capacitated with four permanent employees. The effectiveness of technology and information management is monitored by regularly reporting against the ICT implementation plan to the ICT Steering Committee.

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

14.1. Summary of Municipal performance per Key performance Areas

Table/figure 39: Municipal performance

Key Performance Areas (KPA)	2020/2021 Performance	2021/2022 Performance			
		Total Targets	Target Achieved	Target Not Achieved	%
Spatial Rationale	55%	7	4	3	57%
Institutional Transformation and Organization development	67%	15	14	1	93%
Basic service delivery	21%	14	8	6	57%
Local Economic Development and Tourism	60%	11	6	5	55%
Financial Viability and management	94%	21	17	4	81%
Good Governance and public participation	75%	25	23	2	92%
Total	62%	93	72	21	77%

3.15. PERFORMANCE SCORE CARD

LEGEND

R	KPI Not Met	0% <= Actual/Target <= 74.999%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%
G	KPI Met	Actual meets Target (Actual/Target = 100%)
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%
B	KPI Extremely Well Met	150.000% <= Actual/Target

KPA 01: Spatial Rationale

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL1	% progress in formalization of informal settlements (Dresden)	Percentage project progress in line with predetermined milestone	50%	50.00%	15.00%	0.00%	R	Department of Agriculture, Land Reform and Rural development delayed finalising community resolution in Dresden village. The meeting was proposed to take place on the 30 June 2022, and it was postponed. the application will not serve in the JDMPT without the community resolution.	The municipality to facilitate through the service provider a new date for the final meeting to finalise the community resolution.
TL3	% Progress in formalisation of Practiseer Extensions (4574 Erven)	Percentage project progress in line with predetermined milestone	35% work done	65.00%	15.00%	15.00%	G	None	None

TL4	% progress in formalization of informal settlements (Strykraal A & B)	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	60.00%	45.00%	O	There is outstanding information on the township application. The service provider must furnish the municipality with the outstanding information prior submission of the application to the JDMPT.	The municipality to facilitate the submission of the outstanding information before the end of the quarter.
TL5	% Progress in upgrading of Land Tenure Security - Tubatse A	Percentage project progress in line with predetermined milestone	70%	30.00%	30.00%	30.00%	G	None	None
TL6	% Progress in establishment of township on donated land (Ptns 6 of Farm Hoeraroep KS)	Percentage project progress in line with predetermined milestone	35%	65.00%	15.00%	0.00%	R	The application submission was prepared and shared to the JDMPT secretary. we are awaiting invitation for the assessment and approval of application. the final even will be finalised once the application is approved by the JDMPT.	To follow-up with the JDMPT secretary to expedite scheduling of the next MPT meeting.
TL7	% Progress in development of Fetakgomo Tubatse Urban Regeneration Plan	Percentage project progress in line with predetermined milestone	85%	15.00%	15.00%	15.00%	G	None	None
TL8	# of reports to council on land invasion mitigated	Simple count of the number of reports submitted	New Indicator	4	4	4	G	None	None

KPA 02: Municipal Transformation and Institutional Development

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL9	submission date of 2022/2023 SDBIP to the Mayor's office for Approval	Approval of the 2022/23 SDBIP by the Mayor by 28 June 2022 will result in a 1 being achieved	24-Jun-21	1	1	1	G	None	None
TL10	Due date for signing 2021/2022 senior managers Performance Agreements	Signed Performance Agreements for Senior Managers by 15 August 2021 will result in a 1 being achieved	2020/21 Performance agreements signed	1	1	1	G	None	None
TL11	# of Formal Individual Assessment/review conducted	Simple Count of the number of individual performance reviews concluded	02 formal individual review (2019/20 end year and 2020/21 Mid - year) conducted	2	2	2	G	None	None
TL12	Completion date of reviewing 2021/22 Performance Management framework	on of the Revised Management Framework to 1 May 2022 will result in a 1 being achieved	2020/2021 PMS framework	1	1	1	G	None	None

TL13	Submission date of 2021/22 Mid - Year Report to the Mayor, National and Provincial Treasury and COGHSTA	Submission of the 21/22 Mid-year Performance Report to the Mayor, National and Provincial Treasury and CoGHSTA by 25 January 2022 will result in a 1 being achieved	2020/21 mid - year Report submitted Report to the Mayor, National and Provincial Treasury and COGHSTA	1	1	1	1	G	None	None
TL14	Submission date of 2020//21 Annual Performance Report to AG	Submission of the Annual Performance Report for 2020/21 to the AG by 31 August 2021 will result in a 1 being achieved	2019/20 Annual Performance Report submitted	1	1	1	1	G	None	None
TL15	Submission date of 2020/21 Annual Report to council	Submission of the Annual Report for 2020/21 to Council by 30 January 2022 will result in a 1 being achieved	2019/20 Annual Report submitted	1	1	1	1	G	None	None
TL16	Submission date of 2020/21 oversight report to council	Submission of the Oversight Report for the 20/21 Annual Report to Council by 31 March 2022 will result in a 1 being achieved	2019/20 oversight report submitted to council	1	1	1	1	G	None	None

TL17	submission date of 2020/2021 Oversight report to AG, Provincial treasury and COGHSTA	Submission of the Oversight Report on the 20/21 Annual Report to the AG, Provincial Treasury and CoGHSTA by 30 April '22 will result in a 1 being achieved	Submission date of 2020/21 Oversight report to AG, Provincial Treasury and COGHSTA	1	1	1	1	G	None	None
TL18	Submission date of 2022/23 IDP/Budget to council	Submission of the Final IDP for 2022/23 to Council by 31 May 2022	2020/21 IDP/Budget approved by council	1	1	1	1	G	None	None
TL19	2021/2022 Organizational structure reviewed	Submission of the Revised Organizational structure to Council by 31 May 2022 will result in a 1 being achieved	2020/21 Organizational structure reviewed	1	1	1	1	G	None	None
TL20	% of by-laws gazetted and promulgated	Number of by-laws promulgated as a percentage of the total number of FTLM by-laws	New Indicator	100.00%	100.00%	100.00%	100.00%	G	None	None
TL21	# Employee conduct reports (hearings) submitted to council (hearings)	Simple count of the number of employee conduct reports submitted to Council	2	4	4	4	4	G	None	None
TL22	# of litigation reports submitted to Council	Simple count of the number of litigation reports submitted to Council	2	4	4	4	3	O	Late submission of third Quarter Report led into the report	Observation of council submission dates

TL23	% Progress in cascading PMS to level 01 (grade 14-18) managers	Number of employees in level 01 with signed performance agreements as a percentage of the total number of level 1 employees	0%	100.00%	100.00%	100.00%			missing council sitting	
									None	None
									G	

KPA 03: Basic Service Delivery and Infrastructural Development

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL26	% Planning of designs for Appiesdooring to Manoke road	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	100.00%	B	Through engagement the contractor agreed to complete the designs pending MIG allocation	None
TL27	% Planning of designs for Access roads N3 Gamohlopi to Holong	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	25.00%	G	None	None
TL28	% planning of designs for Mashamotane Access road to Moshate	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	75.00%	B	A Positive relationship between the contractor and the municipality motivated the contractor to draw the Preliminary design pending approval of 2022/2023 financial year budget to complete the designs.	None
TL29	% Planning of designs for Mareseleng Access road	Percentage project progress in line with predetermined milestone	0%	100.00%	75.00%	75 %	G	None	None

TL30	% planning of designs for Selala Access roads to Moshate	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	75.00%	B	A positive relationship between the contractor and municipality motivated the contractor draw to Preliminary design pending approval of 2022/2023 financial year budget to complete the designs.	None
TL31	% Progress in Construction of Ga Debeila to Mhlaletse internal street phase 1	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	73.00%	R	Late delivery of Asphalt by the supplier.	The contractor developed project acceleration plan to cover the lost time
TL34	% Progress in Construction of Motaganeng Access bridge & Road	Percentage project progress in line with predetermined milestone	New project	100.00%	100.00%	100.00%	G	None	None
TL35	% progress in Completion of Ohrigstad Sports Complex - Phase 2	Percentage project progress in line with predetermined milestone	0%	100.00%	100.00%	0.00%	R	Non - responsiveness of the bid for qualifying bidders	The project is prioritised for 2022/2023 financial year
TL36	# of Municipal households to be electrified	Simple count of the number of households electrified by FTLM	10%	10 758	4 007	0	R	Two projects Maphutle(437 households) and Barcelona(321 households) are physical completed however awaiting	Continuous engagement with Eskom to energize completed

									energization from ESKOM and the remaining four projects are still under construction						projects and contractor to Fasttrack the completion of remaining four projects
TL37	% progress in rehabilitation of Mabocha Access bridge	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	35.00%	G2		Through its project acceleration plan the contractor was able to do extra work, which is setting out ,blinding and Dump rock fill.						None
TL38	% progress in rehabilitation of Mashilabele Access bridge	Percentage project progress in line with predetermined milestone	0%	100.00%	55.00%	6.00%	R		Late appointment of the Contractor						The contractor has developed project acceleratio n plan to ensure timeous completion the project.
TL39	% Planning of designs for N1 road from Bothashoek T - junction to River cross	Percentage project progress in line with predetermined milestone	0%	100.00%	25.00%	25.00%	G		None						None
TL40	% planning of designs for municipal electrification projects	sum of Percentage project progress of the two designs in line with predetermined milestone divided by 2	New indicator	100.00%	100.00%	37.50%	R		Budgetary constraints couldn't permit the completion of projects/designs						Raise fund for the completion of the projects/ designs in

KPA 04: Local Economic Development

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL42	% rationalization & review of LED plan	Percentage project progress in line with predetermined milestone	LED strategies of erstwhile municipalities	100.00%	100.00%	85.00%	O	Inadequate internal stakeholder support	enforcement of internal controls
TL43	% progress in Development of Long Term Economic Growth strategy	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	20.00%	R	Delays in SCM procurement processes	enforcement of internal controls
TL44	% Development of Heritage Site (concept)	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	30.00%	R	SCM procurement delays	enforcement of internal controls
TL45	% Support to SEZ initiatives,	Number of Special Economic Zone (SEZ) initiatives supported as a percentage of the number of SEZ initiatives planned	New Indicator	100.00%	100.00%	100.00%	G	None	None
TL46	% Progress in development of FTLM SEZ Institutional Framework,	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	0.00%	R	Delay in procurement of service provider observing national moratorium on matters between AFRI forum and government	Wavier was initiated by Treasury on procurement and project scheduled for next financial year 2022-2023
TL47	% Progress on Commercialization of LED/Trading Facilities	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	0.00%	R	SCM procurement delays	enforcement of internal controls

	(PPP with the Municipality)											
TL48	% progress in implementation of Grant Funding Policy	Percentage project progress in line with predetermined milestone	0%	100.00%	100.00%	100.00%					None	None
TL49	% progress in implementation of FTLM EPWP Policy	Percentage project progress in line with predetermined milestone	The policy is developed	100.00%	100.00%	100.00%					None	None
TL50	% progress in development of FTLM Street Trading By-laws	Percentage project progress in line with predetermined milestone	Draft by - law in place	100.00%	100.00%	100.00%					None	None
TL51	% progress in implementation of FTLM SMME By-Laws	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	100.00%					None	None
TL52	# of Jobs created through LED programmes	Simple count of the number of jobs created through municipal LED initiatives	New Indicator	3 232	3 230	3 433					The department had an increase in participants during the 3rd quarter.	None

KPA 04: Local Economic Development

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL42	% rationalization & review of LED plan	Percentage project progress in line with predetermined milestone	LED strategies of erstwhile municipalities	100.00%	100.00%	85.00%	O	Inadequate internal stakeholder support	enforcement of internal controls
TL43	% progress in Development of Long Term Economic Growth strategy	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	20.00%	R	Delays in SCM procurement processes	enforcement of internal controls
TL44	% Development of Heritage Site (concept)	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	30.00%	R	SCM procurement delays	enforcement of internal controls
TL45	% Support to SEZ initiatives,	Number of Special Economic Zone (SEZ) initiatives supported as a percentage of the number of SEZ initiatives planned	New Indicator	100.00%	100.00%	100.00%	G	None	None
TL46	% Progress in development of FTLM SEZ Institutional Framework,	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	0.00%	R	Delay in procurement of service provider observing national treasurying monitorium on matters between afriforum and government	Wavier was initiated by Treasury on procurement and project scheduled for next financial year 2022-2023
TL47	% Progress on Commercialization of LED/Trading Facilities	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	0.00%	R	SCM procurement delays	enforcement of internal controls

	(PPP with the Municipality)											
TL48	% progress in implementation of Grant Funding Policy	Percentage project progress in line with predetermined milestone	0%	100.00%	100.00%	100.00%						
TL49	% progress in implementation of FTLM EPWP Policy	Percentage project progress in line with predetermined milestone	The policy is developed	100.00%	100.00%	100.00%						
TL50	% progress in development of FTLM Street Trading By-laws	Percentage project progress in line with predetermined milestone	Draft by - law in place	100.00%	100.00%	100.00%						
TL51	% progress in implementation of FTLM SMME By-Laws	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	100.00%						
TL52	# of Jobs created through LED programmes	Simple count of the number of jobs created through municipal LED initiatives	New Indicator	3 232	3 230	3 433						

KPA 05: Financial Viability and Management

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL53	Approval date of main Municipal Budget of 2022/23	Approval of the Final Budget for 2022/23 by Council by 31 May 2022 will result in a 1 being achieved	31-May-21	1	1	1	G	None	None
TL54	Approval date of 2021/22 Budget Adjustment	Submission of the Adjusted budget for 2021/22 to Council by 28 February '22 will result in a 1 being achieved	28-Feb-21	1	1	1	G	None	None
TL55	Submission date of 2021/22 Mid-Year Report (s72) to the Mayor, National treasury & provincial treasury	Submission of the 2021/22 Mid-Year Performance Report to the Mayor, National and Provincial Treasury by 25 January will result in a 1 being achieved	25-Jan-21	1	1	1	G	None	None
TL56	# of Quarterly reports submitted to council (s 52)	Simple count of the Number of quarterly SDBIP progress reports submitted to Council	4	4	4	3	O	Late submission of section 52 report to council due to late sitting of Exco - Lekgotla for	Alignment of EXCo - Lekgotla programme to council programmes

TL63	# SCM reports submitted to council	Simple count of the number of Supply Chain Management reports submitted to Council	4	4	4	3	O	None	None
TL64	# of supplementary valuation roll compiled	Simple count of the number of supplementary valuation rolls compiled	1	1	1	1	G	None	None
TL65	% Billing vs Collection	R-value revenue collected as a percentage of the R-value billed	60%	70.00%	70.00%	67.88%	O	<p>1. The Municipality still have a challenge in collecting Government debts even though Provincial Debt Forums are held on quarterly basis to unlock government debts. 2. Former Fetakgomo refuse charges increase the billing on monthly basis while there is 0% collection rate. The council approved the write-off and stopping of these debts as the refuse removal service is not rendered. 3. The indigent register was not in place(meaning</p> <p>Quarterly Provincial Debt Forums are held to unlock Government Debts . 2. The council approved the write-off and stopping of these debts as the refuse removal service is not rendered. 3. Currently indigent register was submitted to council for approval). 4. Debts over 90 days are handed to the debt collectors to recover the long outstanding debts.</p>	

TL71	Due date for procurement of Assets management system	Procurement of an Electronic System to manage Assets by 30 September 2021 will result in a 1 being achieved	New Indicator	1	1	1	G	None	None
TL72	Self-Insurance	Simple count of the number of quarterly reports on self-insurance	New Indicator	4	4	4	G	None	None
TL73	% reduction of (UIFW) and Non compliance	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	100.00%	G	None	None
TL74	% Cost Savings on annual expenditure	R-value operational budget not spent as a percentage of the total operational budget for the financial year	New Indicator	10.00%	5.00%	10.00%	B	The expenditure was properly managed by the budget unit by capping the the expenses to the approved budget	Sustain proper budget management


KPA 06: Good Governance and Public Participation

Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2022		
							Result	Reason for Variation	Corrective Measures Taken
TL75	Completion date in the rehabilitation of Apel Recreational Park	Completion of the Rehabilitation of the Apel Recreational Park by 30 June 2022 will result in a 1 being achieved	Installation of cage, replacement of two toilet doors and replacement of kiosk burglar door	1	1	1	G	None	None
TL76	Completion date in the rehabilitation of Burgersfort Recreational Park	Completion of the Rehabilitation of the Burgersfort Recreational Park by 30 June 2022 will result in a 1 being achieved	New Indicator	1	1	1	G	None	None
TL77	Completion date in the commercialization of Apel Recreation Park	Completion of the Commercialization of Apel Recreation Park by 30 June 2022 will result in a 1 being achieved	Installation of turnstile and coin vending machine	1	1	1	G	None	None
TL78	Completion date in the commercialization of Burgersfort Recreation Park	Completion of the Commercialization of Burgersfort Recreational Park by 30 June 2022 will result in a score of 1	New project	1	1	1	G	None	None

TL79	Completion date in obtaining landfill operating permit	Obtaining a landfill operating permit by 30 June 2022 will result in a 1 being achieved	Scoping report Final EIA report	1	1	1	G	None	None
TL80	Completion date of gazette of Noise pollution by-law	Gazetting of the Noise pollution by-law by 30 June 2022 will result in a 1 being achieved	Draft by-law developed Stakeholder engagement conducted	1	1	1	G	None	None
TL81	% progress in development of air quality management by - law	Percentage project progress in line with predetermined milestone	Draft by-law developed	100.00%	100.00%	100.00%	G	None	None
TL82	% progress in the development of cemetery and crematoria by-law	Percentage project progress in line with predetermined milestone	Draft cemetery and crematoria by law developed Council noted for stakeholder engagement Stakeholder engagement completed	100.00%	100.00%	100.00%	G	None	None

TL83	% progress in the development of traffic management by-law	Percentage project progress in line with predetermined milestone	New Indicator	100.00%	100.00%	100.00%	G	None	None
TL84	Completion date for review and rationalization of Disaster Management Plan	Submission of the Revised Disaster Management Plan to Council by 31 December 2021 will result in a 1 being achieved	Disaster Management Plan developed Stakeholder engagement conducted	1	1	1	G	None	None
TL85	% progress in the development of Community Safety Plan	Operational project progress reported against predetermined milestones	Draft Community Safety Plan Council noted for stakeholder engagement	100.00%	100.00%	100.00%	G	None	None
TL86	# of Functional Traffic Stations	Simple count of the number of traffic stations deemed functional by the Department of Traffic	3	4	4	4	G	None	None
TL87	# facilities transferred into municipal ownership (Mabopo DLTC and Leboeng TSC)	Transfer of the Mabopo TLTC to municipal ownership concluded by 30 June '22 will result in a 1 being achieved	Engagement with affected tribal authority	1	1	1	G	None	None

TL89	# of reports generated on the implementation of the findings from Transport Inspectorate Unit	Simple count of the number of reports generated on the implementation of the findings from the Transport Inspectorate Unit	2		2	2	2	2	G	None	None
TL90	# of refuse removal services reports submitted to council	Simple count of the number of refuse removal reports submitted to Council	4		4	4	4	4	G	None	None
TL91	# of newsletter editions printed	Simple count of the number of newsletter editions printed	3		4	4	4	3	O	second quarter edition was suspended pending Local Government election	In future missed edition will be substituted
TL92	# of risk assessment reports submitted to Council	Simple count of the number of risk assessments facilitated	2 risk assessment facilitated		3	3	3	3	G	None	None
TL93	# of investigation reports produced	Simple count of the number of investigation reports produced	New Indicator		4	4	4	4	G	None	None
TL94	# of reports produced on reported fraud & corruption cases	Simple count of the number of reports produced on reported fraud and corruption cases	2		4	4	4	4	G	None	None
TL95	# of security audits produced	Simple count of the number of security audits produced	New Indicator		2	2	2	2	G	None	None

TL96	# of Internal Audit Risk Based projects conducted	Simple count of the number of Internal audit Risk Based project conducted	8	8	8	6		Targets for 2021/2022 could not be fully achieved due to treasury Communique and directive on procurement of services which was issued during February. As a result, some of the internal audit projects could not be executed.	Audit Projects which could not be implemented are planned for execution as approved in the Annual Internal Audit plan for 2022/2023 financial year
TL97	% Development/ Review and approval of Internal Audit frameworks	Percentage project progress in line with predetermined milestone	2020/21 Internal audit framework	100.00%	100.00%	100.00%	G	None	None
TL98	# of audit committee reports Submitted to council	Simple count of the number of audit committee reports submitted to Council	04 - audit committee reports	4	4	4	G	None	None
TL99	# of performance audit committee reports submitted to Council	Simple count of the number of reports submitted	04 Performance Management Audit Committee	4	4	4	G	None	None
TL100	% reduction of AG prior year findings	Zero prior year findings during the 20/21 audit will result in a 1 being achieved 00%	New Indicator	100.00%	100.00%	100.00%	G	None	None

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTONAL TO THE MUNICIPAL PERSONNEL

4.1. Employee totals, turnover and vacancies

The municipality staff component stands at 288 in 2021/2022 financial year, it has decreased by twenty-one (21) employees compared to 309 employees in 2020/2021 financial year. The table below demonstrate the comparison.

Table/figure 40 Employee total and Vacancies

Departments	2020/2021	2021/2022				
		Approved Posts	Employees	Variance	funded	Variance on funded (%)
Office of Municipal Manager	15	44	25	19	10	29%
Office of the Mayor	3	15	3	12	12	80%
Office Chip whip	2	2	0	2	02	100%
Office of Speaker	11	16	10	6	06	38%
Budget and Treasury	17	73	39	34	05	11%
Development and Planning	29	42	13	29	02	13%
Local Economic Development and Tourism	12	22	7	15	01	13%
Community Services	138	261	109	152	01	1%
Corporate Services	62	108	43	65	20	31%
Regional Office	1	3	2	1	0	0%
Infrastructure Development and Technical Services	35	71	37	34	11	23%
Total	309	656	288	369	70	20%

4.2. Staff turnover rate

Table/figure 42: Turnover rate

Details	Turn-over Rate		
	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2018/2019	309	17	5%
2019/2020	316	8	2%
2020/2021	309	3	1%
2021/2022	288	21	7%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3.1. Introductions

MSA 2000 S67 mandates 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.

4.3.2. Human Resource Policies

The table below shows Human resource policies in the municipality and dates on which they were adopted.

Figure/Table 43: Human Resource policies

HR Policies and Plans					
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt	
		%	%		
1	Occupational Health and safety policy	100%	None	29/05/2017	
2	Leave Management Policy	100%	100%	30/06/2022	
3	Legal Aid Policy	100%	100%	30/06/2022	
4	Smoking Policy	100%	100%	30/06/2022	

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
5	Employment Assistance policy	100%	100%	30/06/2022
6	Staff Retention Policy	100%	100%	30/06/2022
7	Record management policy	100%	100%	30/06/2022
8	Housing Allowance policy	100%	100%	30/06/2022
9	Sexual harassment policy	100%	100%	30/06/2022
10	Covid -19 policy	100%	100%	30/06/2022
11	Travelling and out of pocket expenses policy	100%	100%	30/06/2022
12	Subsistence and Travel policy	100%	100%	30/06/2022
13	Overtime Policy	100%	100%	30/06/2022
14	Bursary Policy	100%	100%	30/06/2022
15	Fleet Management policy	100%	100%	30/06/2022
16	Secondment, transfer and acting in Higher or Equivalent position policy	100%	100%	30/06/2022
17	Performance Management framework	100%	100%	29/05/2021
18	Recruitment, selection, and appointment policy	100%	100%	30/06/2022
19	Human Resource Planning Policy	100%	100%	30/06/2022
20	Internship, learnership and Experiential policy	100%	100%	30/06/2022
21	Training and Development Policy	100%	100%	30/06/2022

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
22	Employment Equity policy	100%	100%	30/06/2022

4.3.3. INJURIES, SICKNESS AND SUSPENSIONS

4.3.3.1. Injuries

Table/figure 44: Employees injuries on duty

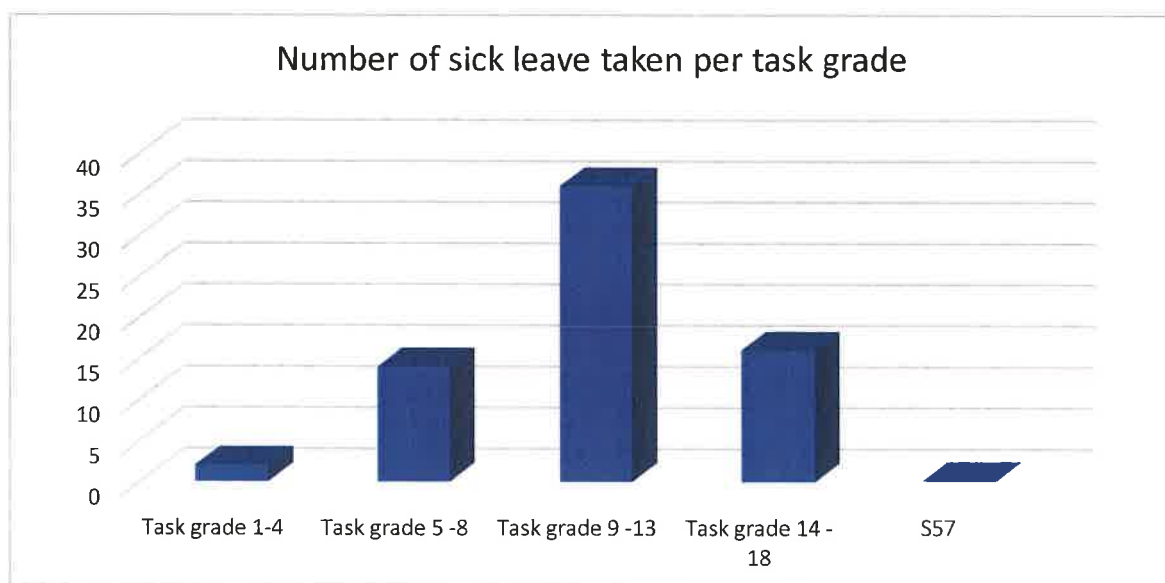
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

4.3.3.2. Sick leaves

Table/figure 45: Employees taken sick leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (T1 – T4)	21 days	0%	2	30	1.4	17 753.40
Skilled (T5 - T8)	56 days	0%	14	74	1.3	106 512
Highly skilled supervision (T9 – T13)	129 days	3%	36	145	1.1	377 921.95
Senior Management (T14 – T18)	69 days	0%	16	37	0.5	183 126
MM and S57	0 days	0%	0	8	8	0
Total	258	2%	36	306	0.8	685 313,35

Chart 10: employees taken sick leaves



4.3.3.3. Suspended Employees

Table/figure 46: suspended employees

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised
None	None	None	None	None

4.3.4. Disciplinary actions taken against employees

Table/figure 47: Disciplinary actions against employees

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None	None	None	None

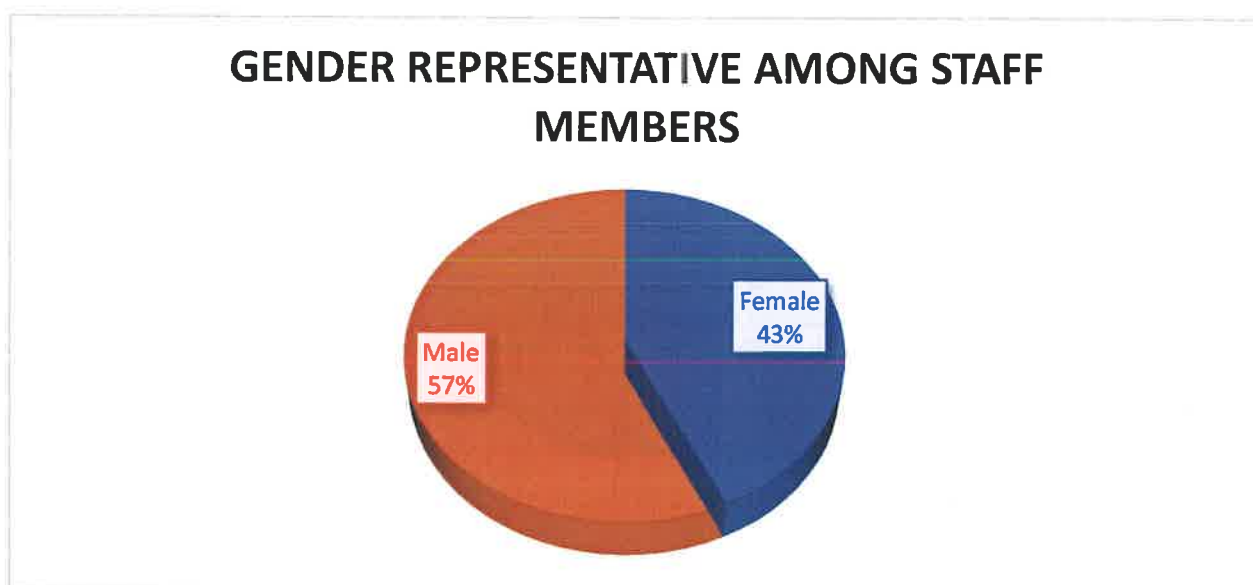
4.3.5. PERFORMANCE REWARDS

Table/figure 48: Performance rewards

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2021/2022 R' 00	Proportion of beneficiaries within group %
Lower skilled (Tasks 1-4)	Female	21	None	None	None
	Male	13	None	None	None
Skilled (Tasks 5-8)	Female	35	None	None	None
	Male	39	None	None	None
Highly skilled supervision (Tasks 9-13)	Female	57	None	None	None
	Male	88	None	None	None

Senior management (Tasks 14 -18)	Female	08	None	None	None
	Male	19	None	None	None
MM and S57	Female	03	None	None	None
	Male	05	01	R50 595	13
Total		288	01	R50 595	13

Chart 11: Gender Representative Among staff members



COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4.Skill development and training

Municipalities are mandated by MSA 2000 S68(1) to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient, and accountable way. The table below reflects municipal skill matrix

Table/figure 49: Skill matrix

Skill Matrix														
Management Level	Gender	Employees in the post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2022				Skills programmes & other short courses				Other forms of training			
			30 June 2021	30 June 2022	Target	30 June 2021	30 June 2022	Target	30 June 2021	30 June 2022	Target	30 June 2021	30 June 2022	Target
MM and S57	Female	02	00	00	00	00	00	02	00	00	00	00	00	02
	Male	04	00	00	00	00	01	04	00	00	00	00	01	04
	Female	27	00	00	00	06	48	00	00	00	00	00	06	27
	Male	50	00	00	00	12	65	00	00	00	00	00	12	50
Councillors, senior officials, and managers														
Technicians and associate professionals	Female	04	00	00	00	00	04	04	00	00	00	00	04	04
	Male	06	00	00	00	00	06	06	00	00	00	00	06	06
Professionals														
Sub total	Female	05	00	04	04	00	05	05	00	00	00	00	09	09
	Male	04	00	01	01	00	04	04	00	00	00	00	05	05
	Female	59	00	04	04	00	15	59	00	00	00	00	19	63
	Male	79	00	01	01	00	23	79	00	00	00	00	24	80
Total		138	00	05	05	00	38	138	00	00	00	00	43	143

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.4. Employees whose salaries are upgraded

Table/figure 50: Employees whose salaries are upgraded

Number Of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Task 1 – 4)	Female	0
	Male	0
Skilled (Task 5 - 8)	Female	0
	Male	0
Highly skilled supervision (Task 9 - 13)	Female	0
	Male	0
Senior management (Task14 -18)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

4.6. Employees whose salaries are affected by Job evaluation

Table/figure 51: Employees whose salaries are affected by Job evaluation

Employees whose salary levels exceeded the grade determine by job evaluation				
Occupation	Number of Employees	Job evaluation level	Remuneration level	Reason for deviation
None	None	None	None	None

Table/figure 52: Employees appointed on unapproved position

Employees not appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None	None	None	None	None

CHAPTER 05: FINANCIAL PERFORMANCE

5.1. Statement of Financial Performance

Table/figure 53: statement of financial performance

Figures in Rands	Notes	2022	2021
REVENUE			
Revenue from exchanged transactions			
Services charges	20	21 117 504	22 878 460
Rental of community offices and facilities	22	438 538	248 090
Interest Charge	23	3 726 839	6 211 388
Licence and Permits	25	12 043 069	9 399 035
Fees Earned	27	781 571	400 572
Discount Received	27	-	122 083
Other Incomes	28	98 473	16 357 368
Interest Received – Investment	29	9 394 517	7 098 623
Total Revenue from exchange transaction		47 600 511	62 715 619
Revenue from exchanged transactions			
Taxation Revenue			
Property rates	30	104 915 566	109 905 103
Property rates – penalties Imposed	30	10 745 040	14 515 726
Transfer Revenue			
Government Grants and Subsidies	32	620 244 568	661 508 575
Public Contributions and Donations	33	82 800	5 028 779
Traffic fines	22	1 045 250	624 450

Other Revenue			
Fair value adjustments	42	1 466 000	27 028 400
Total Revenue from Non – exchange transactions		738 499 224	881 611 033
Total Revenue		47 600 511	62 715 619
		738 499 224	818 611 033
		786 099 735	881 185 784
Expenditure			
Employees related costs	34	(201 012 845)	(194 797 530)
Remuneration of Councillors	35	(35 396 629)	(33 603 065)
Depreciation and Amortisation	36	(86 308 893)	(102 177 046)
Impairment losses/reversal of impairment	37	(2 749 308)	(12 504 072)
Finance costs	38	(4 653 414)	(3 963 496)
Lease rentals on operating lease	26	(1 710 635)	(14 669 114)
Debt impairment/(Reversal of impairment)	39	(23 595 651)	(77 269 681)
Contracted services	40	(237 257 043)	(163 737 445)
Transfer and subsidies	31	(5 908 650)	(8 069 078)
Loss on disposal of assets		(551 790)	(3 220 808)
General expenses	41	(114 836 575)	(102 262 328)
Total expenditure		(713 981 433)	(716 829 504)
Total Revenue		786 099 735	881 326 652
Total Expenditure		(713 981 433)	(716 829 504)
OPERATING SURPLUS		72 118 302	164 829 504

5.2. Financial Performance of Operational Services

Table/figure 54: financial Performance of Operational Services

Description	2020/2021	2021/2022			2020/2021 Variance		
		Original budget	Adjusted budget	Actual	Original Budget	Adjusted budget	
Operational Costs							
Corporate service Administration	133 253 819	159 775 027	191 533 653	160 833 464	1 058 437	- 30 700 189	
Municipal Manager administration	55 980 765	74 176 771	88 776 457	78 848 811	4 672 040	- 9 927 646	
Finance administration	182,816,281	146 989 702	153 816 249	126 301 264	-20 688 438	-27 514 985	
Technical Services administration	147 978 957	165 111 141	177 450 920	141 560 133	-23 551 008	-35 890 787	
Community services administration	6 570 272	8 604 423	2 337 067	1 055 443	- 7 548 980	-1 281 624	
Local Economic Development and Tourism	8 967 739	17 613 138	12 301 355	8 967 739	- 8 645 399	-3 333 616	
Development Planning	17 308 604	58 125 053	47 117 814	42 962 118	-15 162 935	-4 155 696	
Executive Support	45 300 444	55 882 509	66 123 307	60 787 364	-4 904 855	-5 335 943	
Protection	42 702 993	46 186 311	46 497 191	41 862 329	-4 323 982	-4 634 862	
Libraries	4 011 478	4 563 713	5 495 474	5 048 053	484 340	-447 421	
Refuse Removal	21 079 965	29 073 666	36 449 879	35 685 066	6 611 400	-764 813	
Cemeteries	7 745 658	9 416 545	7 335 634	5 284 749	-4 131 796	-2 050 885	
Total	673 716 975	775 518 000	835 235 000	709 196 533	-66 321 467	-126 038 467	

5.3. Grants

Table/figure 55: Grants

Descriptions	2020/2021	2021/2022			2021/2022 variance	
		Original budget	Adjustment budget	Actual	Adjusted Budget	Original Budget
<u>Operational transfers and grants</u>						
Equitable Share	557 280 000	478 498 000	478 498 000	478 498 000	00	00
Municipal system improvement	00	00	00	00	00	00
MIG	66 953 028	99 240 000	95 540 000	76 794 116	18 745 884	22 445 884
INEP	14 102 396	00	00	54 985 394	00	00
Finance management grant	2 400 000	2 400 000	2 400 000	2 400 000	00	00
EPWP	1 052 000	1 688 000	1 688 000	1 688 000	00	00
Distressed mining town	14 425 102	16 190 447	16 190 447	5 879 058	00	00
Municipal Disaster Relief Grant	00	00	00	00	00	00
Total	661 408 575	581 826 000	584 005 058	620 244 568	18 745 884	22 445 884

5.4. Asset Management

Table/Figure 56: Asset management

Asset 1			
Name	Ga- Debeila to Mohlaletse Internal Street		
Description	Upgrading 10km of gravel road to asphalt		
Asset Type	Road infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2021/2022	2022/2023	2023/2024
	R 10 193 015	R79 834 950	R0.00
Capital Implications	MIG		
Future Purpose of Asset	Promotion of road safety		
Describe Key Issues	Road safety		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 2			
Name	Magakala Access Bridge and access roads – Phase 2		
Description	Upgrading Magakala access road from gravel to asphalt and construction of access bridge on the road		
Asset Type	Road infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2021/2022	2022/2023	2023/2024
	R27 952 110	R10 000 000	R0.00

Capital Implications	MIG
Future Purpose of Asset	Promotion of road safety
Describe Key Issues	Road safety
Policies in Place to Manage Asset	Repair and Maintenance

Asset 3			
Name	Mashung Access Bridge and access road – Phase 1		
Description	Construction of access Bridge and upgrading of Mashung access road from gravel to tar		
Asset Type	Upgrading road Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2021/2022	2022/2023	2023/2024
	R32 122 342	R10 000 000	R0.00
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition and viable Economy		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 4			
Name	Municipal Electrification project		
Description	Electrification of villages at the Municipality		
Asset Type	Electrification project		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2021/2022	2022/2023	2023/2024
	R 22 000 000	R00	R00
Capital Implications	INEP		
Future Purpose of Asset	Crime prevention and viable Economy		
Describe Key Issues	Improve economic status of the community		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 5			
Name	Motaganeng access road and bridge		
Description	Upgrade 3km of gravel road to asphalt		
Asset Type	Upgrading road Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2021/2022	2022/2023	2023/2024
	R 14 203 547	R0.00	R0.00
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		

Describe Key Issues	Improve road condition and viable Economy
Policies in Place to Manage Asset	Repair and Maintenance

5.5. Repair and Maintenance

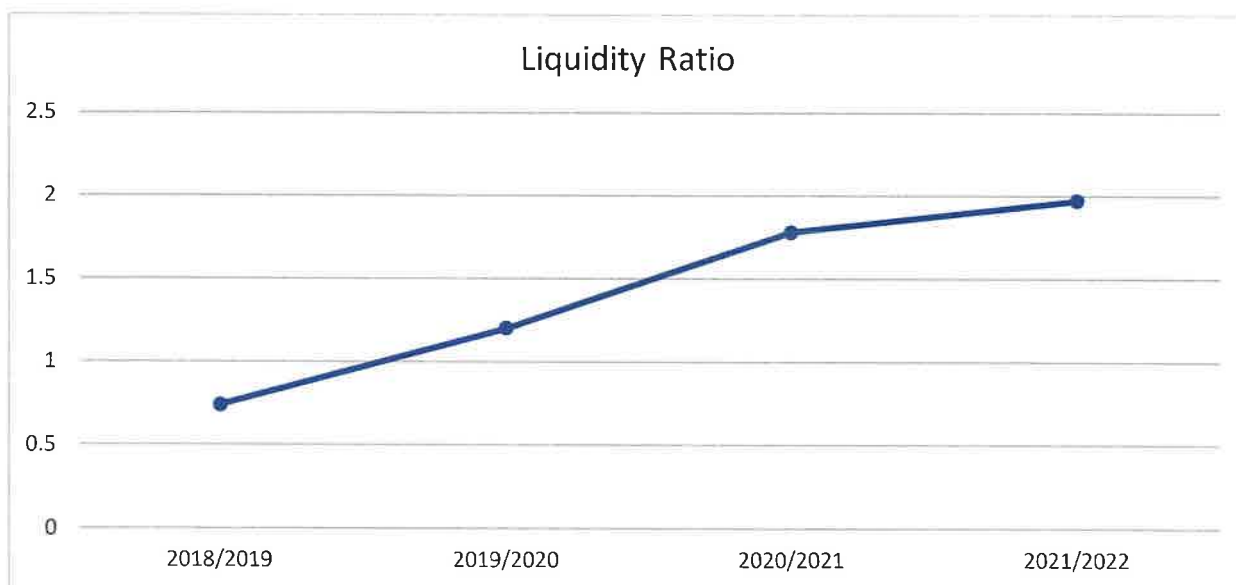
Table/figure 57: Repair and maintenance

Descriptions	2021/2022			2021/2022 variance
	Original Budget	Adjusted Budget	Actual	Variance
Repair and Maintenance	50 260 295	50 260 295	40 484 276	9 776 019

5.6. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.6.1. Liquidation ratio

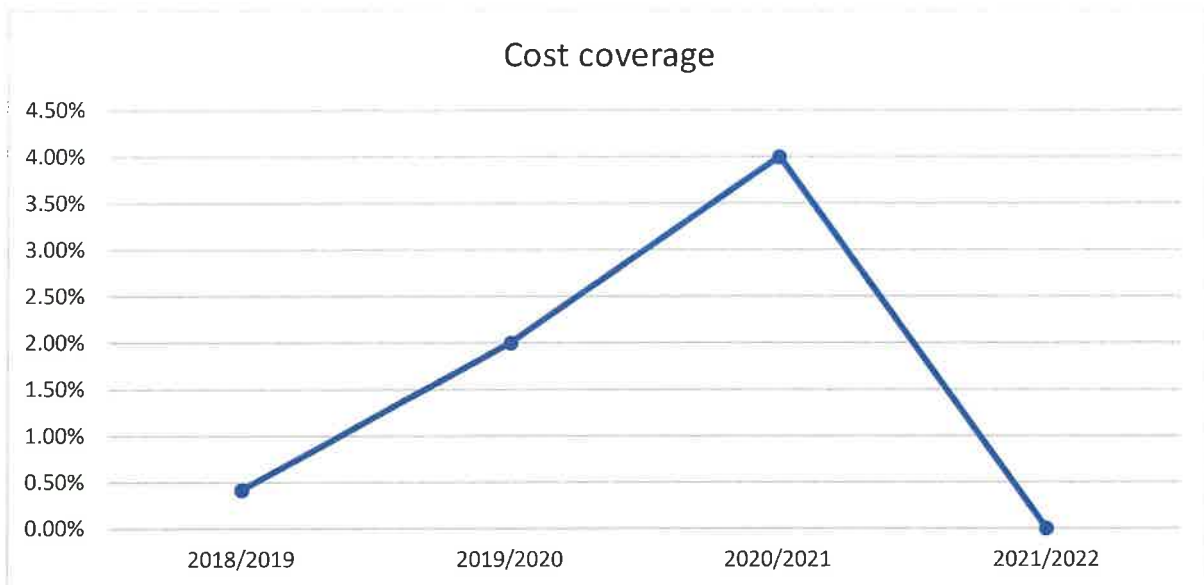
Chart 12: Liquidation ratio



2018/2019	2019/2020	2020/2021	2021/2022
0.74	1.20	1.78	1.97

5.6.2. Cost Coverage

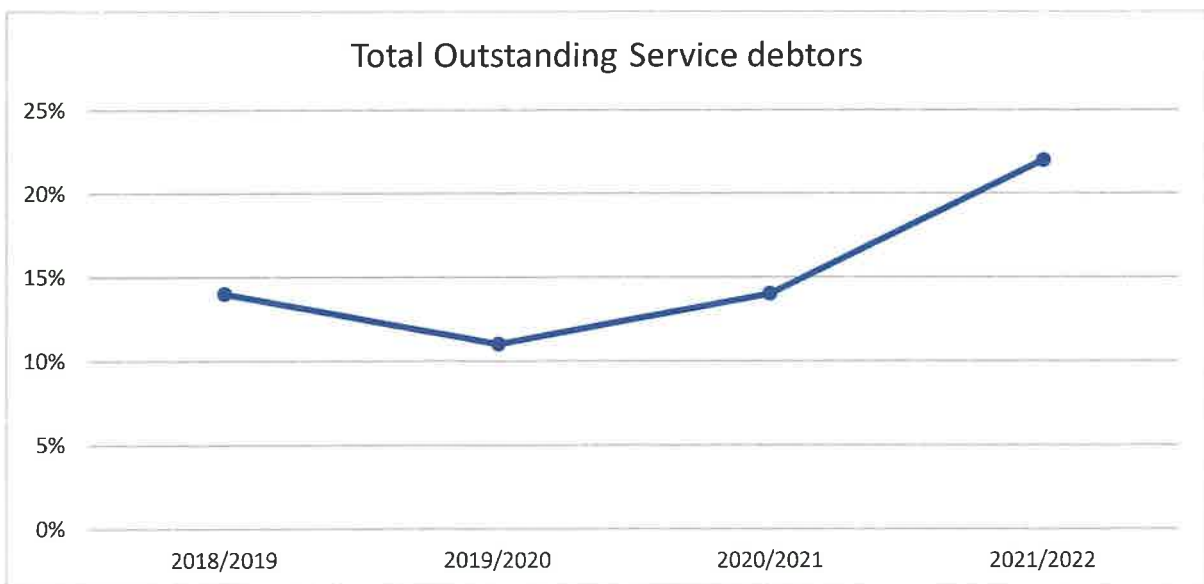
Chart 13: Cost Coverage



2018/2019	2019/2020	2020/2021	2021/2022
0.13	0.46	0.66	0.54

5.6.3. Total outstanding Services debtors

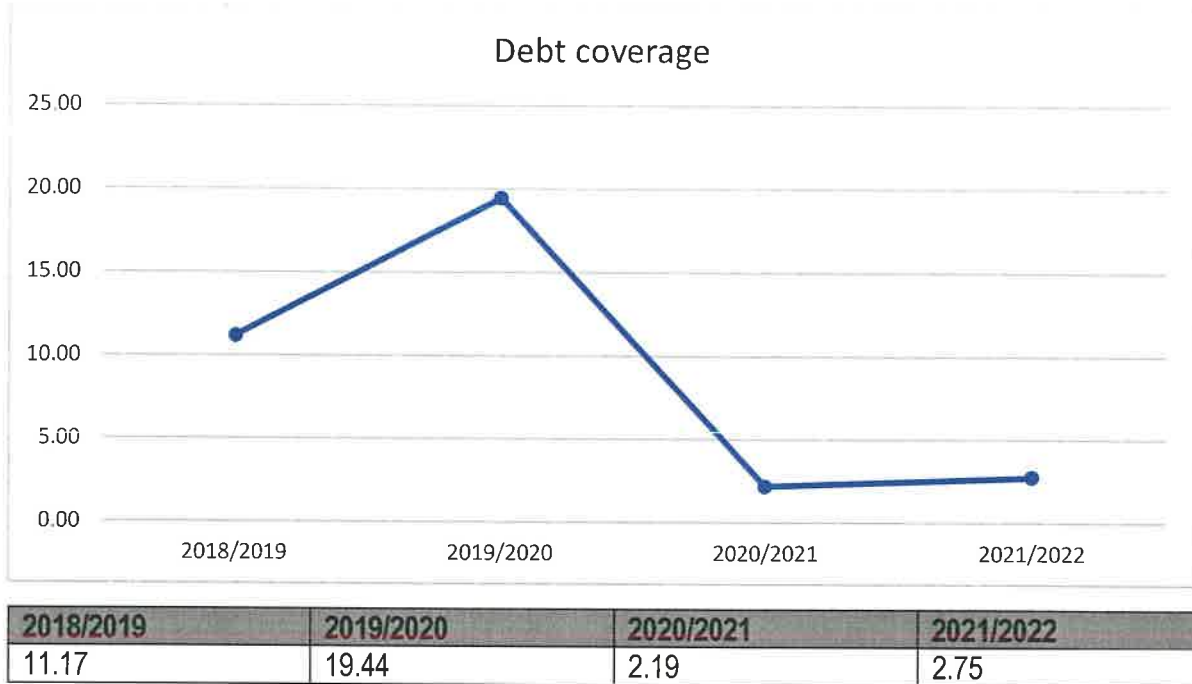
Chart 14: Total Outstanding Services debtors



2018/2019	2019/2020	2020/2021	2021/2022
14%	11%	14%	22%

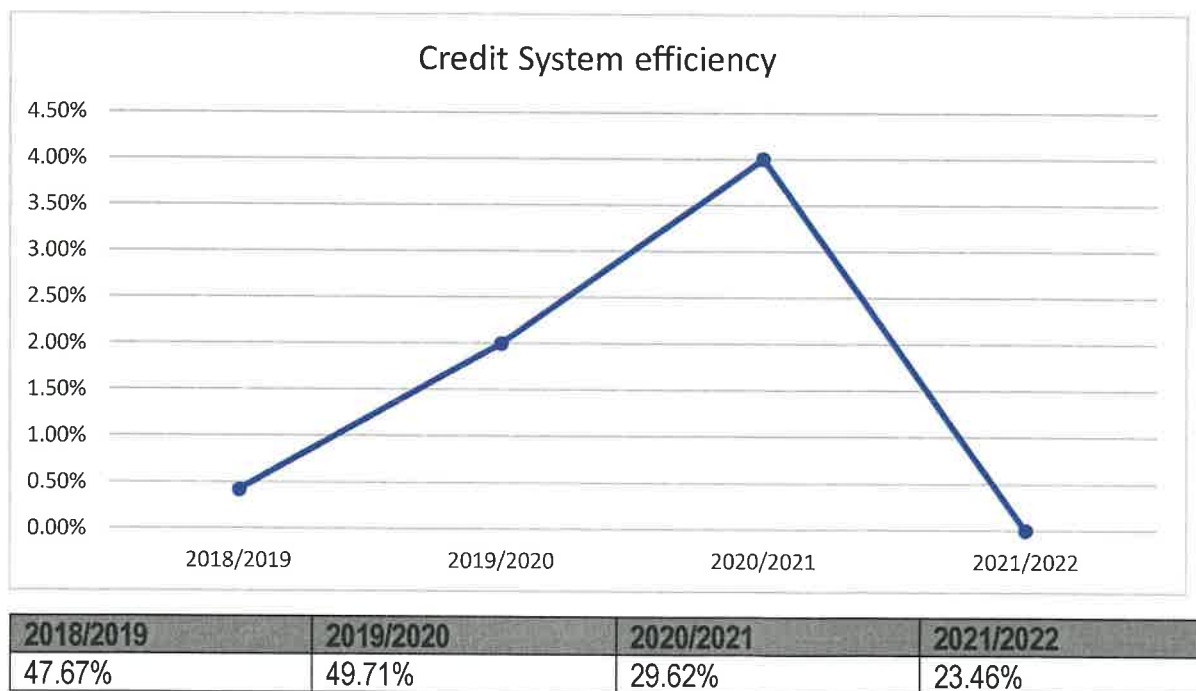
5.6.4. Debt Coverage

Chart 15: Debt Coverage



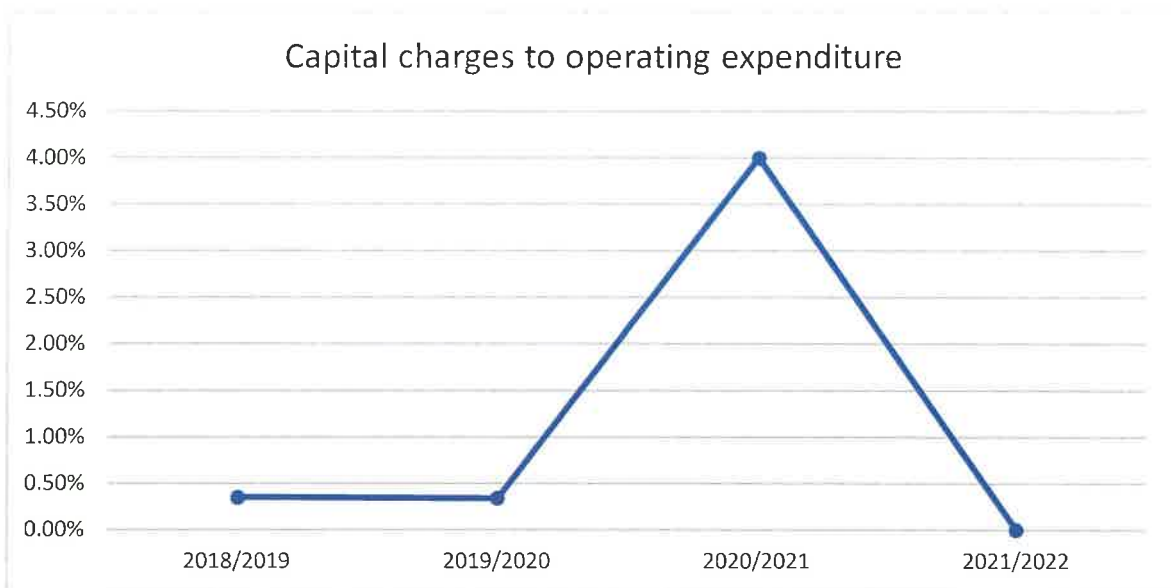
5.6.5. Creditor System Efficiency

Chart 16: Credit system efficiency



5.6.6. Capital Charges to Operating Expenditure

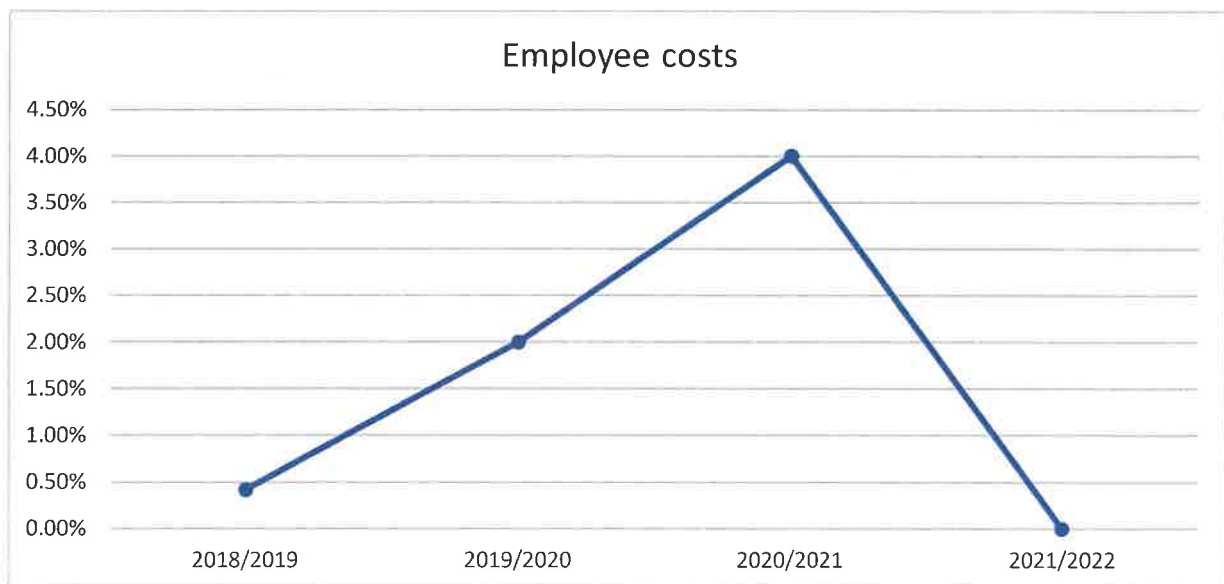
Chart 17: Capital charges to operating expenditure



2018/2019	2019/2020	2020/2021	2021/2022
0.35%	0.34%	4%	0%

5.6.7. Employee costs

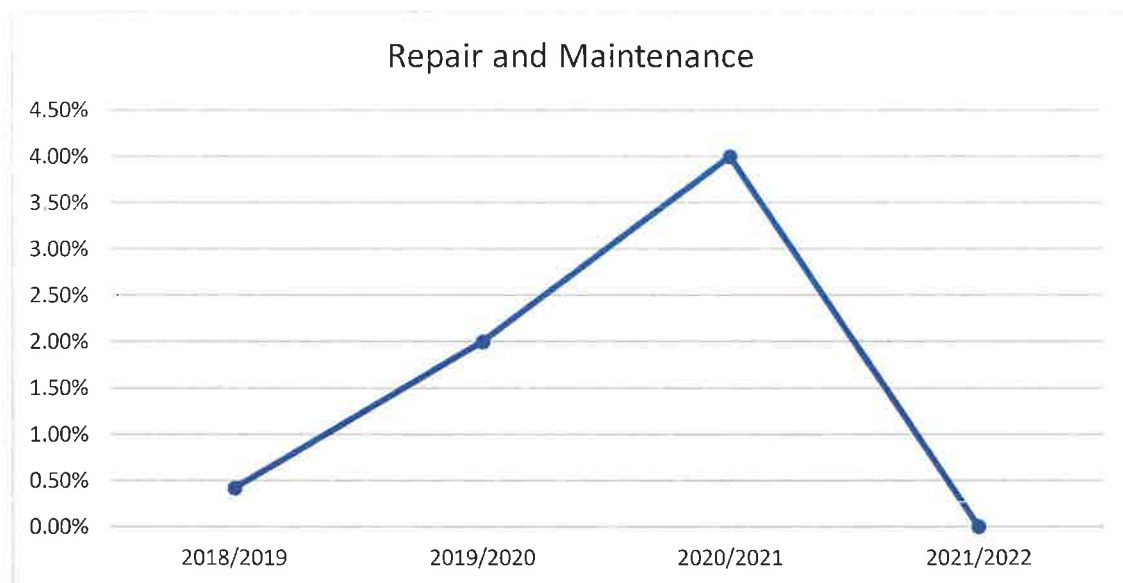
Chart 18: Employee costs



2018/2019	2019/2020	2020/2021	2021/2022
29%	30%	25%	31%

5.6.8. Repairs and Maintenance

Chart 19: Repairs and Maintenance



2018/2019	2019/2020	2020/2021	2021/2022
0.42%	2%	4%	0%

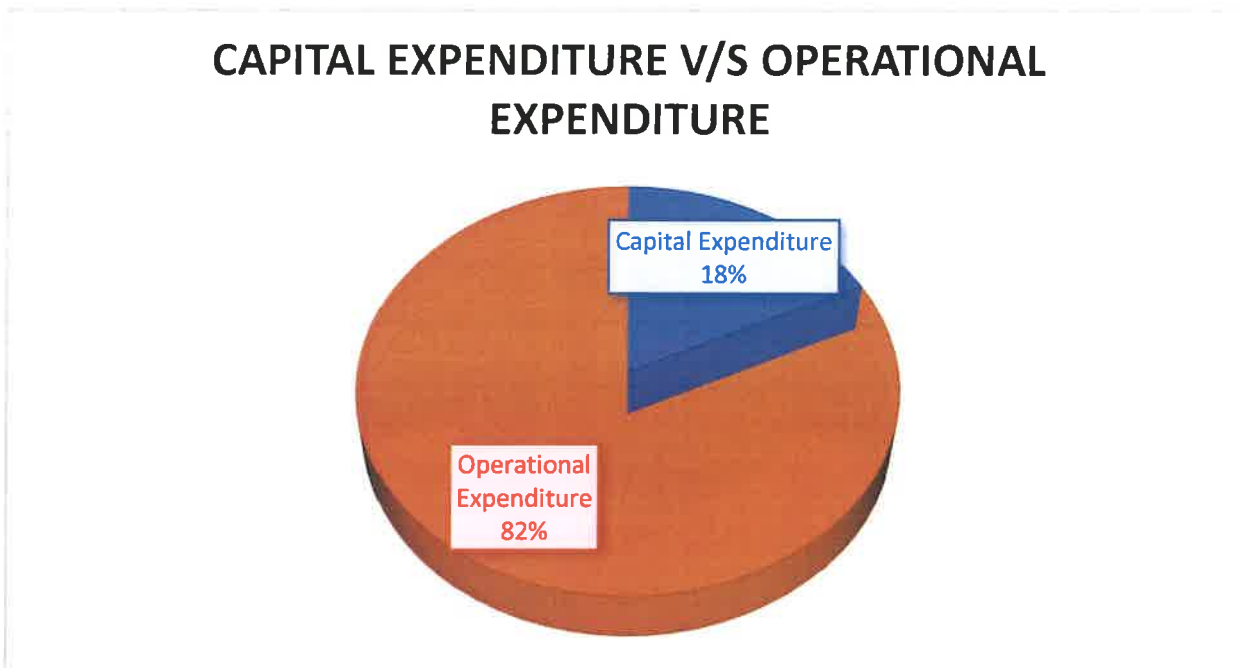
Component B: Spending against Capital Budget

5.7.1. Capital Expenditure vs Operational Expenditure

Figure/table 58: Capital expenditure v/s operational expenditure

Expenditure Type	%of Expenditure Budget	Original Budget	Adjustment Budget	Audited Total	Full Year
Capital Expenditure	63%	200,578,000	240, 560,000	152, 711, 000	
Operating Expenditure	85%	775,518,000	835,325,000	709,196,533	
Total expenditure	88%	976,096,000	1,075,975,000	861,907,533	

Chart 20: Capital expenditure v/s operational expenditure



5.7.2. Capital Spending on Five Largest Projects

Table/Figure 59: Capital spending on five largest projects

projects names	2021/2022 financial year			Variance 2020/2021	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Motaganeng Access Bridge	26,596,087	22,142,612	20,989,116	79%	95%
Ga-Debeila to Mhlaletse	57,681,913	38,517,306	31,207,919	51%	81%
Leboeng Access Roads	34 061 071	11,500,000	11,500,000	34%	100%
Ring fenced sports facility	10,000,000	10,000,000	8,135,080	81%	81%
Magakala Access Bridge	23 830 106	9,800,000	0,00	0%	0%

Name of Project - A	Motaganeng Access Bridge
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None
Anticipated citizen benefits	120 000

Name of Project - B	Ga – Debeila to Mohlaletse internal street
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None anticipated
Anticipated citizen benefits	600

Name of Project - C	Leboeng Access road
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None
Anticipated citizen benefits	600

Name of Project - D	Ring fencing of sport facilities
Objective of Project	promote sport and recreation
Delays	none
Future Challenges	none
Anticipated citizen benefits	2348

Name of Project - E	Magakala Access bridges
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None anticipated

Anticipated citizen benefits	600
------------------------------	-----

5.8. Basic Service and Infrastructure Backlog – Overview

5.8.1. Introduction

As indicated in the overview in chapter 01 of this report, the municipality does not have authority to provide most of basic services. The table below highlights the status of basic service delivery in Fetakgomo Tubatse local municipality.

Table/figure 60: Service Delivery Backlog

No	Services	Access/connected	No Access/connection	% Access/connected
1.	Water (Pipe water)	58 255HH	67 208HH	46%
2.	Sanitation (Flushing toilets)	98 231HH	111 661HH	47%
3.	Electricity	107 770HH	17 692HH	87%
4.	Refuse Removal (at least once a week)	12 095HH	113 266HH	10%
5.	Housing (Formal)	107 477HH	17 976HH	87%

Source: FGTM IDP 2021/2022

5.8.2. 2021/2022 MIG spending

The table below depicts the municipal spending on MIG.

Table/Figure 61: MIG spending

projects names	2021/2022 financial year			Variance 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Motaganeng Access Bridge	26,596,087	22,142,612	20,989,116	79%	95%

projects names	2021/2022 financial year			Variance 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Ga-Debeila to Mhlaletse	57,681,913	38,517,306	31,207,919	51%	81%
Leboeng Access Roads	34 061 071	11,500,000	11,500,000	34%	100%
Ring fenced sports facility	10,000,000	10,000,000	8,135,080	81%	81%
Magakala Access Bridge	23 830 106	9,800,000	0,00	0%	0%

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

5.9. Cash flow

Table/figure 62: Cash flow management

Figures in Rands	Notes	2022	2021
Cash flows from operating activities			
Receipts			
Sales of goods and services		154 911 852	164 440 191
Government Grant and subsidies		576 826 000	641 939 000
Interest Income		9 394 517	7 098 623
		741 132 369	813 477 814
Payments			
Employee costs		(236 409 471)	(228 400 595)
Suppliers		(417 368 560)	(321 625 709)
Finance costs		-	(1 021 277)
		(653 778 031)	(551 673 427)
Total receipts		741 132 369	813 477 814
Total Payments		(653 778 031)	(551 673 427)

Net cash flows from operating activities	44	87 354 339	261 804 385
Cash flows from investing activities			
Purchase of property, plant, and equipment	4	(163 474 458)	(122 572 911)
Proceeds from sale of property, plant and Equipment	4	-	-
Proceeds from sale of other intangible assets	5	220 000	92 500
Net cash flows from investing activities		(259 246 543)	(123 198 759)
Cash flow from finance activities			
Repayment of other financial liabilities		-	(10 467 934)
Finance lease payments-Capital portion		(30 429 919)	(14 436 785)
Finance lease payments-Interest portion		(4 663 414)	(3 104 882)
Operating lease repayments		(1 710 634)	(25 477 824)
Net cash flow from Financing activities		(36 793 968)	(53 487 425)
Net increase (decrease) in cash and cash equivalents		112 914 087	85 744 049
Cash and cash equivalents at the beginning of the year		299 134 269	213 390 220
Cash and cash equivalents at the end of the year	15	186 220 182	299 134 269

5.10. Borrowing and investment

Table/Figure 63: Borrowing and investment

Actual Borrowings 2020/2021	
Instrument	2021/2022
Long-Term Loans (annuity/reducing balance)	00
Long-Term Loans (non-annuity)	00
Financial Leases	35 083 333
Total	35 083 333

5.11. Public Private partnership

No public private partnership was entered into in the financial year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. Supply Chain Management

5.12.1. Introduction

The Municipality has established a functional Supply Chain Management unit in Budget and Treasury department. It has adopted its Supply Chain Management policy on 29 May 2017, which is reviewed annually with other finance policies. On quarterly basis the Municipality tables in council and National Treasury SCM reports.

5.12.2. Bid Committees

Appointment of Bid Committees is the competency of Municipal Manager. The Municipality has established the three required Bid committees namely: specification, Evaluation and Adjudication Committees. All these committees were functional.

The Municipality had a procurement plan to regulate its procurement processes. The plan has improved turnaround time in procurement of goods in the municipality.

5.12.3. Oversight Role of Council

Municipality has established five oversight committees which play oversight function over council and its committees and report directly to council through office of the speaker. The committees are depicted in the table below:

Table/figure 64: Oversight council committees

No	Committee Name	Responsibilities
1.	Rules committees	Enforces council rules during council sittings
2.	Petition committee	Attends to petitions submitted to the municipality and report to council
3.	Ethic committee	Regular conduct of councillors
4.	Municipal Public account committee (MPAC)	Ensures accountability of administration to council
5.	Audit committee	advises the municipal council, the political office bearers, the accounting officer, and

		the management on matters reflected in section 166(2) of MFMA.
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5.13. GRAP Compliance

The Municipality is implementing different GRAP standards in its finance related matters. Numbers of finance staff members have attended different workshops on GRAP standards, some have registered in different courses on the implementation of various GRAP standards.

Chapter 06: AUDITOR GENERAL AUDIT FINDINGS

6.1. Introduction

Section 188(1)(b) of the constitution of Republic of South Africa mandates Auditor General of South Africa (AGSA) to audit municipalities and report on their accounts, financial statements, and financial management annually. On the same breath section 45(b) of the Municipal System Act, 32 of 2000 mandates the Auditor General of South Africa to audit the results of performance measurement of municipalities and give his/her audit opinion of the financial matters of municipalities.

6.2. Component A: Auditor General Opinion of 2020/2021 financial statement

Table/figure 65: 2020/2021 Auditor General Opinion

Auditor General Report on 2020/2021 financial year	
Audit Report status:	Qualified Opinion
Audit Qualification matters	Remedial Action taken
<p>1. ISS.16-COMAF 32 - Additional disclosures in terms of MFMA (resolved)</p> <p>Disclosures concerning councillors, directors, and officials -</p> <p>The notes to the annual financial statements of a municipality must include particulars of any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors. The amounts disclosed do not agree to the supporting age analysis.</p>	<p>2022 AFS preparation action plan was developed for implementation, including milestones, responsible officials, activities to be undertaken and timelines.</p>
<p>2. ISS.69-Possible Overpayment in the acquisition of the building</p> <p>Contrary to the above requirement when auditing acquisition of the building we noted that the municipality contracted to pay excessive amount for acquisition of the Civic centre building resulting in fruitless and wasteful expenditure. The overpayment is because of the municipality using the rate that are above the market rates to determine the value, resulting in potential material financial loss .Reasonability test was performed on the acquisition of the building using the data and inputs from the municipality's</p>	<p>Submitted to council for investigation before write-off or other corrective actions..</p>

Auditor General Report on 2020/2021 financial year

management expert and we note a difference amounting to R 5 484 087.	
<p>3. ISS.63-COMAF 54 - Investment Property Incorrectly Disclose</p> <p>Contrary to the above requirement, we noted that Investment property as per note 3 page 53 includes accumulated depreciation or accumulated impairment resulting in incorrect disclosure of the note as the municipality is using the fair value model to value all its properties. The investment property does not depreciate as the fair value model is used therefore the note/heading for investment property should not include depreciation at all</p>	2022 AFS preparation action plan was developed for implementation, including milestones, responsible officials, activities to be undertaken and timelines.
<p>4. ISS.11-COMAF 14 - Unauthorised Expenditure</p> <p>Contrary to the requirements above, unauthorized expenditure as presented on note 54 of the financial statements states that an amount of R220 987 656 has been condoned by council. This is in contravention of section 170(2) as noted above. Council does not have the power to condone but rather to write off unauthorized expenditure in terms of section 32 (2) (a)(ii).</p>	Irregular, fruitless, and unauthorised expenditure was referred for investigation to portfolio committee (EXCO) prior to being written off by council.
<p>5.ISS.85-COMAF 43: ISS 85: SCM - No evidence that the final decision on which quotation to accept was approved by CFO.</p> <p>Contrary to the above, we noted that there is no evidence attached on the payment voucher that the final decision on which quotation to accept was approved by the CFO. The finding results in irregular expenditure</p>	Checklist is consistently implemented on all quotations which ensures that it is clearly indicated on which supplier is awarded the quotation.
<p>6.ISS.49-Lack of approved user access management procedure on Active Directory; Payday and Solar systems</p> <p>It was found that the Municipality did not have approved user access management procedure to provide guidance on user accounts management processes on the following:</p> <ul style="list-style-type: none"> · Creation of new users; · Profile modifications; · Password resets; · User access and administrator reviews; · Access violations; and · User terminations <p>Lack of adequately designed user access</p>	<p>Training for IT staff on systems currently in progress.</p> <ol style="list-style-type: none"> 1. Munsoft completed 2. Active Directory not completed 3. Payday still to undergo training.

Auditor General Report on 2020/2021 financial year	
procedures may result in unauthorised access being granted resulting in unauthorised disclosure of confidential information.	
<p>7. ISS.26-Policies not annually reviewed - Internal Control Deficiency</p> <p>During the review of municipality's policies, it was noted that the municipality did not review the following policies in the current financial year under audit. Management representation letter citing that policies are still undergoing a consultation process is noted and acknowledged.</p>	Corporate Services has developed and reviewed 20 policies which were approved by the municipal council on 30 June 2022 in terms of Council Resolution No. SC 41/2022
<p>8. ISS.63-COMAF 54 - Investment Property Disclose Incorrectly</p> <p>Contrary to the above requirement, we noted that Investment property as per note 3 page 53 includes accumulated depreciation or accumulated impairment resulting in incorrect disclosure of the note as the municipality is using the fair value model to value all its properties. The investment property does not depreciate as the fair value model is used therefore the note/heading for investment property should not include depreciation at all.</p>	AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS
Auditor General report on Service delivery	
Audit report status:	Qualified Opinion
Audit findings	Remedial actions taken
<p>1.ISS.41-Inconsistencies of the performance indicators and the targets between the planning documents (IDP) and the Annual Performance Report (APR) & SDBIP</p> <p>Contrary to the above requirements, we identified that the annual targets on the following:</p> <p>1. Planned targets reported in the annual performance report (APR) and Service delivery budget implementation plan (SDBIP) are not consistent with the planned target as per the planning documents which is the integrated development plan.</p> <p>We also noted that the Project BSDI/11: Completion of Magakala Access Bridge and access roads – Phase 1 was included in the Service Delivery and Budget Implementation</p>	SDBIP is aligned to IDP. SDBIOP was subjected to Performance committee for reviewal

Auditor General Report on 2020/2021 financial year

<p>Plan (SDBIP) and the Annual Performance Report (APR) however it was not included in the planning documents: Integrated Development Plan (IDP)</p> <p>We also noted that the Project BSDI/11: Completion of Magakala Access Bridge and access roads – Phase 1 was included in the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Performance Report (APR) however it was not included in the planning documents: Integrated Development Plan (IDP)</p>	
<p>2. ISS.43-Inconsistency between the progress reported in the progress report of indicators and in the Annual Performance Report (APR).</p> <p>Contrary to the above legislation, we identified that the following targets are not consistent with progress report and targets in the APR:</p> <p>Inconsistency between the Progress report and Annual Performance Report (APR)</p>	<p>Quarterly reports are aligned to the SDBIP and are reviewed quarterly by Internal audit unit . The alignment of SDBIP and APR will be verified in July when the drafting the APR</p>
<p>3.ISS.44-Inconsistencies of the performance indicators included in the Annual Performance Report (APR) & SDBIP.</p> <p>Contrary to the above legislation, we identified that the following targets are not consistent with progress report and targets in the APR.</p> <p>Inconsistency between the Progress report and Annual Performance Report (APR):</p> <p>The accounting officer did not ensure that the system or process works efficiently and correctly to ensure accurate reporting between the progress reports and annual performance set. Impact The impact with result in non-compliance with laws and regulation</p>	<p>Quarterly reports are aligned to the SDBIP and are reviewed quarterly by Internal audit unit</p>
<p>4.ISS.7-COMAF 05 - SDBIP not consistently revised when a budget is adjusted.</p> <p>During the review of the Business Process of Strategic Planning and Budgeting, we identified that the Service Delivery and Budget Implementation Plan (SDBIP) was not consistently revised when the budget was adjusted.</p> <p>Inspected the Council Resolution dated 28 June 2021 for the approval of the 3rd Budget Adjustment, and noted that it made no reference</p>	<p>SDBIP has been reviewed after the Mid- year budget adjustment</p>

Auditor General Report on 2020/2021 financial year	
to the revision of service delivery targets and performance indicators.	
The budget was revised three (3) times however the SDBIP was only approved two (2) times in the financial year under review	

COMPONENT B: 2021/2022 AUDITOR GENERAL OPINION

6.2. 2021/2022 AUDITOR GENERAL OPINION

Table/Figure 62: 2021/2022 Audit opinion

Auditor General Report on 2021/2022 Financial year	
Audit Report status: Qualified Audit Opinion	
Audit Qualification matters	Remedial Action

APPENDIX A: Councillors, Committee Allocation and Council Attendance

27 July 2021 – 28 October 2021

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
1.	Phala	Tlakale Naume	Full time	Speaker	ANC	100%	0%
2.	Mamekoa	Ralepane Samuel	Full time	Mayor	ANC	100%	0%
3.	Shoba	Makgalema Vicent	Full time	Chief whip	ANC	100%	0%
4.	Malla	Edwin Eddie	Full time	Portfolio head Infrastructure Development and Technical Services	ANC	100%	0%
5.	Moeng	Queen Malekgale	Part time	Portfolio head Budget and Treasury	ANC	100%	0%
6.	Pholwane	Maakgalake Beneilwe	Full time	Portfolio head Corporate services	ANC	100%	0%
7.	Mashego	Raisibe Maria	Part time	Portfolio head Community services	ANC	100%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
8.	Mojalefa	Lerero Halindah	Part time	Portfolio head Development Planning	ANC	100%	0%
9.	Hlatswayo	Buti Ephraim	Part time	Portfolio head Local Economic development and Tourism	Ward 06/ANC	50%	50%
10.	Mogofe	Abigail	Part time	Deputy Portfolio head Corporate services	EFF	50%	50%
11.	Kupa	Ramatsobane Breanda	Part time	Deputy Portfolio head Budget and Treasury	EFF	50%	50%
12.	Mnisi	Fonda Gerry	Part time	MPAC, District representative	EFF	50%	50%
13.	Mabelane	Motsebeng Morussia	Part time	MPAC, ward councillor and district representative	Ward 01 /ANC	50%	50%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
14.	Makine	Molelekwa Patrick	Part time	Rules, Ethics, Petition & public participation	Ward 02/ ANC	0%	100%
15.	Radingwana	Maroale Release	Part time	LED&T and District representative	Ward 03/ANC	100%	0%
16.	Mamogale	Malebotse Frans	Part time	Corporate Services and Name change committee and District representative	Ward 04/ANC	50%	50%
17.	Leweile	Motlabaile Bennet	Part time	LED&T	Ward 05/ANC	100%	0%
18.	Riba	Mashego Rebotile	Part time	Community Services	Ward 07/ANC	50%	50%
19.	Mohubedu	Putaneng Simon	Part time	Rules, Ethics, Petition & public participation	Ward 08/ANC	50%	50%
20.	Malakane	Oshaletjeng Angelina	Part time	Community Services	Ward 09/ANC	50%	50%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
21.	Mahlaba	Lucy Marema	Part time	Rules, Ethics, Petition & public participation	Ward 10/ANC	100%	0%
22.	Magane	Mpone Timothy	Part time	Technical Services	Ward 11/ANC	100%	0%
23.	Mahlake	Tola Victor	Part time	Chair of Chairs	Ward 12/ANC	50%	50%
24.	Mokgakala	Putiputi	Part time	LED&T	Ward 13/ANC	100%	0%
25	Makofane	Ntsabolane Nelly	Part time	Development Planning	Ward 14/ANC	100%	0%
26.	Kgaphola	Mpho Andries	Part time	Corporate services and District representative	Ward 15/ANC	100%	0%
27.	Khoza	Maria Rinkie	Part time	Development Planning	Ward 16/ANC	100%	0%
28.	Mphethi	Maria Mahwiti	Part time	Development planning	Ward 17/ANC	100%	0%
29.	Ngwatla	Themba Jackson	Part time	Development planning	Ward 18/ANC	100%	0%
30.	Malomane	Kapudi Hamilton	Part time	Community Services	Ward 19 /ANC	50%	50%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
31.	Lekwadi	Manyala Irene	Part time	Rules, Ethics, Petition & public participation	Ward 20 /ANC	100%	0%
32.	Mokgotho	Lisbeth Letlabolo	Part time	Technical services and District representative	Ward 21 /ANC	100%	0%
33.	Malatji	Mpho Lydia	Part time	Corporate services	Ward 22 /ANC	50%	50%
34.	Maphakge	Ranchiyeng Agnes	Part time	Budget & Treasury	Ward 23 /ANC	100%	0%
35.	Mnisi	Hluphi Dindi	Part time	Community Services	Ward 24 /ANC	100%	0%
36.	Mosoma	Senwabjala Elijah	Part time	Budget and Treasury	Ward 25 /ANC	100%	0%
37.	Molapo	Ntopi Trainer	Part time	Community Services	Ward 26 /ANC	100%	0%
38.	Makua	Lesotja Caiphus	Part time	Community Services	Ward 27 /ANC	50%	50%
39.	Rantho	Lekgemanane Jim	Part time	Corporate Services	Ward 28/ANC	100%	0%
40.	Mariri	Mogudishetso Lenky	Part time	Development planning	Ward 29/ANC	100%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
41.	Thobejane	Motubatse Lot	Part time	Budget & Treasury	Ward 30/ANC	100%	0%
42.	Mohlala	Suzan Gaki	Part time	Budget and Treasury	Ward 31/ANC	100%	0%
43.	Maisela	Ramatsimele Philystus	Part time	Technical Services and District representative	Ward 32/ANC	50%	50%
44.	Selepe	Malope Elias	Part time	Technical Services	Ward 33/ANC	100%	0%
45.	Makgelema	Kokotso Lennox	Part time	LED&T and Name change committee	Ward 34/ANC	50%	50%
46.	Ratsoma	Meselane Justice	Part time	Technical Services	Ward 35/ANC	0%	100%
47.	Moifo	Khulong Hendrik	Part time	Budget and Treasury	Ward 36/ANC	50%	50%
48	Diphofa	Diphofe Klaas	Part time	Rules, Ethics, Petition & public participation	Ward 37/ANC	100%	0%
49.	Makua	Moloke John	Part time	MPAC and District representative	Ward 38/ANC	50%	50%
50.	Mashabela	Mphage Nelson	Part time	MPAC	Ward 39/ANC	0%	100%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
51.	Mphethi	Ngwakwane Dorah	Part time	MPAC	ANC	100%	0%
52.	Phokane	Maudu Johannes	part time	Technical services	ANC	50%	50%
53.	Maphanga	Thato Promise	Part time	Budget and Treasury	ANC	0%	100%
54.	Gumede	Rose Thembisile	Part time	MPAC	ANC	100%	0%
55.	Maruga	Tlaishego Treggy	Part time	Corporate Services	ANC	100%	0%
56.	Mamogale	Magatane Isaac	Part time	Deceased (Not replaced)	ANC	0%	100%
57.	Makhubedu	Ngwanyane Rhinah	Part time	LED & T	ANC	0%	100%
58.	Malapane	Sekatikele Surprise	Part time	Community Services and District representative	EFF	0%	100%
59.	Mahlakwana	M.E	Part time	Community service	EFF	0%	100%
60.	Mdluli	O.V	Part time	Technical Services and District representative	EFF	0%	100%
61.	Kgoete	Mokgotlane Judas	Part time	Technical Services	EFF	0%	100%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
62.	Moropana	Tlapadi Alice	Part time	Corporate Services	EFF	0%	100%
63.	Madire	Nkehwane Delta	Part time	Development Planning	EFF	0%	100%
64.	Mogoane	Mogaleadi Kgothatso	Part time	Rules, Ethics, Petition & public participation	EFF	0%	100%
65.	Thwala	Calvin Sipho	Part time	Development Planning	EFF	0%	100%
66.	Radingwane	Thembi Maatlale	Part time	LED&T	EFF	0%	100%
67.	Mphogo	Khutso Division	Part time	Rules, Ethics, Petition & public participation	EFF	0%	100%
68.	Makola	Joseph Verwoerd	Part time	Budget and Treasury	EFF	0%	100%
69.	Mokgalaka	Conny Ramabele	Part time	Budget and Treasury	EFF	0%	100%
70.	Makofane	Isaac Thabo	Part time	MPAC and District representative	DA	0%	100%
71.	Mashile	Mante Didi	Part time	Technical Services	DA	0%	100%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
72.	Shaku	Semaka Ronny	Part time	Budget and Treasury	DA	0%	100%
73.	Laka	Ledile Emily	Part time	Technical Services	DA	0%	100%
74.	Mahlakwana	Makgoale Emma	Part time	Corporate Services	AZAPO	0%	100%
75.	Mdluli	Obuti Vincent	Part time	Rules, Ethics, Petition & public participation	COPE	0%	100%
76.	Mola	Nkoemakae	Part time	Local Economic Development & Tourism	PAC	0%	100%
77.	Ngwana	Mamsy Suzan	Part time	Technical service	SADA	0%	100%

22 November 2021 – 30 June 2022

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
1.	Pholwane	Maakgalake Beneilwe	Full time	Speaker	ANC	70%	30%
2.	Maila	Edwin Eddie	Full time	Mayor	ANC	60%	40%
3.	Shoba	Makgalema Vincent	Full time	Chief whip	ANC	80%	20%
4.	Moeng	Queen Malekgale	Full time	Portfolio head Budget and Treasury	ANC	60%	40%
5.	Mashego	Raisibe Maria	Full time	Portfolio head Corporate Services	ANC	70%	30%
6.	Mphethi	Ngwakwane Dorah	Full time	Portfolio head Infrastructure Development and Technical Services	ANC	100%	0%
7.	Mashego	Owen Teishe	Part time	Portfolio head Local Economic Development & Tourism	ANC	80%	20%
8.	Mabelane	Mosebeng Morussia	Part time	Portfolio head Development Planning	ANC	100%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
9.	Radingwana	Maroale Release	Part time	Portfolio head Community Services	Ward 03/ANC	70%	30%
10.	Makofane	Isaac Thabo	Part time	Deputy Portfolio head Local Economic Development and Tourism	DA	30%	70%
11.	Mengwai	Lethube Dolly	Part time	Deputy Portfolio head Infrastructure development and Technical Services	EFF	90%	10%
12.	Malepe	Kahlolo Peter	Part time	Deputy Portfolio head Corporate Services	EFF	100%	0%
13.	Moopane	Michel Khutso	Part time	Ward 01	Ward 01 /ANC	100%	0%
14.	Nkosi	Manchipane David	Part time	Corporate services	Ward 02/ ANC	100%	0%
15.	Magagula	Tshepo Brown	Part time	Development Planning	Ward 03/ANC	90%	10%
16.	Malapane	Oupa Timothy	Part time	Budget & Treasury5	Ward 04/ANC	90%	10%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
17.	Magane	Isaac Phasudi	Part time	Corporate Services Local Geographic Name Change committee;	Ward 05/ANC	90%	10%
18.	Magaba	Anthony Mogalabanna	Part time	Infrastructure Development & Technical service; Rules and Ethics committee	Ward 07/ANC	90%	10%
19.	Modipa	Freddy Mathume	Part time	MPAC	Ward 08/ANC	90%	10%
20.	Thobejane	Lordwill Masenyeletse	Part time	Ward 09	Ward 09/ANC	70%	30%
21.	Mashabela	Victor Mmutlane	Part time	Infrastructure Development & Technical service; Local Geographic Name Change committee	Ward 10/ANC	100%	0%
22.	Tjie	Mohube Rachel	Part time	MPAC	Ward 11/ANC	100%	0%
23.	Sebopela	Maurice Maphakela	Part time	Rules and Ethics committee	Ward 12/ANC	90%	10%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
24.	Nchabeleng	Nkoele Colman	Part time	Infrastructure Development & Technical service	Ward 13/ANC	70%	30%
25	Makofane	Thabang	Part time	Infrastructure Development & Technical service	Ward 14/ANC	80%	20%
26.	Mampa	Daphney Mmateng	Part time	Community services	Ward 15/ANC	30%	70%
27.	Mokgotho	Khutjo	Part time	Local Geographic Name Change committee	Ward 16/ANC	70%	30%
28.	Mokoena	Matladi Salome	Part time	Budget & Treasury; Rules and Ethics committee	Ward 17/ANC	100%	10%
29.	Ngwatla	Themba Jackson	Part time	Development Planning – Chairperson	Ward 18/ANC	100%	0%
30.	Tjie	Thoko Mamsy	Part time	Rules and Ethics committee- Chairperson	Ward 19 /ANC	90%	10%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
31.	Lekgau	Alfred Kale	Part time	Corporate Services	Ward 20 /ANC	90%	10%
32.	Mokgotho	Lisbeth Letlabolo	Part time	Community services; Local Geographic Name Change committee	Ward 21 /ANC	100%	0%
33.	Rashoshi	Lentle Moses	Part time	Development Planning	Ward 22 /ANC	70%	30%
34.	Mokoena	Dira Freddy	Part time	MPAC	Ward 23 /ANC	100%	0%
35.	Kgwete	Makhanakhana Peter	Part time	Corporate Services - Chairperson	Ward 24 /ANC	80%	20%
36.	Makutu	Tsepo Sam	Part time	LED & T	Ward 25 /ANC	80%	20%
37.	Hlase	Sydwell Thaweng	Part time	Ward 26	Ward 26 /ANC	100%	0%
38.	Mabowa	Swarang Isaiah	Part time	Budget & Treasury	Ward 27 /ANC	100%	0%
39.	Tshehla	Mahlabe Simon	Part time	LED & T	Ward 28/ANC	90%	10%
40.	Mmushi	Mpaki Johannes	Part time	Local Geographic Name Change committee	Ward 29/ANC	80%	20%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
41.	Magabe	Mathokge Sarah	Part time	Infrastructure Development & Technical service	Ward 30/ANC	90%	10%
42.	Mohlala	Traidor Hlakudi	Part time	MPAC	Ward 31/ANC	90%	10%
43.	Phasha	Matime Andrew	Part time	MPAC	Ward 32/ANC	100%	0%
44.	Mathipa	Moffat Phonyoga	Part time	LED & T	Ward 33/ANC	70%	30%
45.	Thobela	Koketso Makgalema Lennox	Part time	Infrastructure Development & Technical service -- Chairperson	Ward 34/ANC	80%	20%
46.	Phasha	Mmakgashane Maggy	Part time	LED & T,	Ward 35/ANC	100%	0%
47.	Matheba	Abel Madiboke	Part time	Budget & Treasury	Ward 36/ANC	100%	0%
48	Matlakaneng	Maijatji Matshidisho	Part time	Ward 37 Community services	Ward 37/ANC	100%	0%
49.	Mamphego	Taumang Lawrence	Part time	Development Planning; Rules and Ethics committee	Ward 38/ANC	90%	10%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
50.	Tlape	Matlale Mathilda	Part time	Corporate Services	Ward 39/ANC	100%	0%
51.	Mojalefa	Lerero Halindah	Part time	MPAC - Chairperson	ANC	100%	0%
52.	Maepa	Mahlabane Linah	part time	Budget & Treasury; Community services	ANC	80%	20%
53.	Makofane	Ntshabolane Nelly	Part time	LED & T- Chairperson	ANC	90%	10%
54.	Mokome	Khudu Elsie	Part time	Community services - chairperson	ANC	80%	20%
55.	Rantho	Lekgemane John	Part time	Budget & Treasury – Chairperson	ANC	100%	0%
56.	Mgiba	Nokuthula Peaceful	Part time	Community services	ANC	70%	30%
57.	Motene	Papi Petrus	Part time	Local Geographic Name Change committee - Chairperson	ANC	90%	10%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
58.	Thamaga	Shibane Thakgatso	Part time	Development Planning; Community services	AZAPO	90%	10%
59.	Kupa	Simon Mantsho	Part time	LED & T	BPSA	90%	10%
60.	Molapo	Tjekane Itumeng	Part time	MPAC	DA	100%	0%
61.	Kupa	Ramatsobane Brenda	Part time	Community services; Rules and Ethics committee	EFF	70%	30%
62.	Mohuba	Mphakeng Sakie	Part time	Infrastructure Development & Technical service	EFF	90%	10%
63.	Mabelane	Juliet Mamane	Part time	LED & T	EFF	70%	30%
64.	Shai	Mokola Lucky	Part time	Corporate Services	EFF	100%	0%
65.	Sekgala	Shadrack Moremogolo	Part time	Budget & Treasury	EFF	80%	20%
66.	Thobejane	Matlale Esmy	Part time	MPAC	EFF	100%	0%
67.	Ngwatle	Masha Patrick	Part time	LED & T	EFF	90%	10%
68.	Komana	Winnie Thomo	Part time	Infrastructure Development &	EFF	80%	20%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
				Technical service; Development Planning			
69.	Mogashoa	Mashianyane Lucia	Part time	Development Planning; Rules and Ethics committee	EFF	60%	40%
70.	Molapo	Walter Samuel	Part time	MPAC	EFF	50%	50%
71.	Mogoane	Mogaleadi Kgothatso	Part time	Budget & Treasury	EFF	70%	30%
72.	Masha	Moses Maitsi	Part time	Community services; Local Geographic Name Change committee	EFF	80%	20%
73.	Mola	Nkoemakae	Part time	LED & T; Rules and Ethics committee	PAC	50%	50%
74.	Madalane	Ephraim Tololo	Part time	Infrastructure Development & Technical service	PAU	80%	20%
75.	Ngwatle	Aubrew Dibapolelong	Part time	Corporate Services; Local Geographic	SADA	40%	60%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% Council meetings attendance	% Apologies for non-attendance
				Name Change committee			
76.	Nkele	Joseph Tamatisi	Part time	Budget & Treasury	SADA	80%	20%
77.	Bothma	Charmaine	Part time	Development Planning; Local Geographic Name Change committee	VF PLUS	90%	10%

APPENDIX B: Council Committees and their Purposes

Name change Committee	Ethics committee	Municipal Public Account committee	Audit committee
Purpose: To facilitate the process naming of municipal properties	Purpose: Investigate the conduct of councillors	Purpose: To ensure accountability of administration to council	Purpose: To advise the municipal council, the political office bearers, the accounting officer, and the management staff of the municipality on matters as per section 166(2) of MFMA
Members	Members	Members	Members
Chairperson: Cllr. Motene P.P	Chairperson: Cllr. Tjje T.M	Chairperson: Cllr. Mojalefa LH	Chairperson: Mr. Marobane N
Cllr. Mmushi M.J	Cllr. Sebopela M.M	Cllr. Mokoena D.F	Ms. Mabuza J
Cllr. Mokgotho L.L	Cllr. Tjje M.R	Cllr. Phasha M.A	Ms. Ramutsheli M
Cllr. Mashabela V.M	Cllr. Magaba A.M	Cllr. Modipa F.M	Mr. Maharaj S
Cllr. Masha M.M	Cllr. Mogoshoa M.L	Cllr. Mohlala T.H	Mr. Mathabathe M.G
Cllr. Ngwatle A.D	Cllr. Kupa R.B	Cllr. Thobejane M.E	
Cllr. Bothma C	Cllr. Mola N	Cllr. Molapo W.S	
Cllr. Mokgotho K	Cllr. Mamphego T.L	Cllr. Molapo T.I	
	Cllr. Mokoena M.S	Cllr. Tjje M.R	

APPENDIX C: Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Accounting officer	Municipal Manager: Mr. Phala N. W
Budget and Treasury	Chief Finance Officer: Mr. Makgata M.J
Corporate Services	Acting Director: Mr. Mosoma O. N
Community Services	Director: Mrs. Magooa R. M
Infrastructure Development and Technical Services	Acting Director: Mrs. Ntuku D.R
Local Economic Development and Tourism	Director: Ms Shongwe F. K
Development Planning	Director Mr. Mathebula M. A
Apel Regional office	Director: Adv. Mashoeu M.D

APPENDIX D: Powers and functions of the Municipality

Powers and functions of the Fetakgomo Tubatse Municipality are as listed below:

- 3.7.2.1. Municipal planning.
- 3.7.2.2. Building regulations.
- 3.7.2.3. Local tourism.
- 3.7.2.4. Trading regulations.
- 3.7.2.5. Street trading.
- 3.7.2.6. Control of undertakings that sell liquor to the public.
- 3.7.2.7. Streetlights.
- 3.7.2.8. Municipal roads.
- 3.7.2.9. Traffic and parking.
- 3.7.2.10. Municipal public transport.
- 3.7.2.11. Billboards and the display of advertisements in public places.
- 3.7.2.12. Local sport facilities.
- 3.7.2.13. Local amenities.
- 3.7.2.14. Refuse removal & refuse dumps; (Refuse Management)
- 3.7.2.15. Municipal cemeteries, funeral parlour, and crematoria.
- 3.7.2.16. Public places; and (with ftm but not in gtm)
- 3.7.2.17. Municipal airport

APPENDIX E: WARD COMMITTEE REPORTING

July 2021 - October 2021

Functionality of Ward Committees							
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Ward 01	Mabelane	Motsebeng Morussia	Yes	4	4	4	
Ward 02	Makine	Molelekwa Patrick	Yes	4	4	2	
Ward 03	Radingwana	Maroale Release	Yes	4	4	5	
Ward 04	Mamogale	Malebotse Frans	Yes	4	4	2	
Ward 05	Lewele	Motlabaille Ben	Yes	4	4	2	
Ward 06	Hlatshwayo	Buti Ephraim	Yes	4	4	0	
Ward 07	Riba	Mashego Rebotile	Yes	4	4	2	
Ward 08	Mohubedu	Putaneng Simon	Yes	4	4	4	
Ward 09	Malakane	Oshaletjeng Angelina	Yes	4	4	2	
Ward 10	Mahlaba	Lucky Marema	Yes	4	4	2	

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 11	Magane	Mpone Timothy	Yes	4	4	4
Ward 12	Mahlake	Tola Victor	Yes	4	4	5
Ward 13	Mokgakala	Putiputi	Yes	4	4	2
Ward 14	Makofane	Ntsabolane Nelly	Yes	4	4	2
Ward 15	Kgaphola	Mpho Andries	Yes	4	4	2
Ward16	Khoza	Maria Rinkie	Yes	4	4	4
Ward 17	Mphethi	Maria Mahwiti	Yes	4	4	6
Ward 18	Ngwatle	Themba Jackson	Yes	4	4	2
Ward 19	Malomane	Kapudi Hamilton	Yes	4	4	2
Ward 20	Lekwadi	Manyala Irene	Yes	4	4	2
Ward 21	Mokgotho	Lisbeth Letlabolo	Yes	4	4	5
Ward 22	Malatji	Mpho Lydia	Yes	4	4	3
Ward 23	Maphakge	Ranchiyeng Agnes	Yes	4	4	4

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 24	Mnisi	Hluphi Dindi	Yes	4	4	4
Ward 25	Mosoma	Senwabjala Elijah	Yes	4	4	2
Ward 26	Molapo	Ntopi Trainer	Yes	4	4	3
Ward 27	Makua	Lesotja Caiphus	Yes	4	4	2
Ward 28	Rancho	Lekgemane Jim	Yes	4	4	3
Ward 29	Mariri	Mogudishetso Lenky	Yes	4	4	2
Ward 30	Thobejane	Motubatse Lot	Yes	4	4	2
Ward 31	Mohlala	Suzan Gaki	Yes	4	4	2
Ward 32	Maisela	Ramatsimela Philystus	Yes	4	4	2
Ward 33	Selepe	Malope Elias	Yes	4	4	2
Ward 34	Mokgelema	Kokotse Lennox	Yes	4	4	5
Ward 35	Ratsoma	Meselane Justice	Yes	4	4	2
Ward 36	Moifo	Khulong Hendrik	Yes	4	4	2

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 37	Diphofa	Diphofe Klaas	Yes	4	4	4
Ward 38	Makua	Moloke John	Yes	4	4	4
Ward 39	Mashabela	Mphakge Nelson	Yes	4	4	2
Total				156	156	111

March 2022 – June 2022






Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Moopane	MK	Yes	4	4	2
Ward 02	Nkosi	MD	Yes	4	4	2
Ward 03	Radingwana	MR	Yes	4	4	2
Ward 04	Magagula	TB	Yes	4	4	2
Ward 05	Malapane	OT	Yes	4	4	2
Ward 06	Magane	IP	Yes	4	4	2
Ward 07	Magaba	AM	Yes	4	4	2
Ward 08	Modipa	FM	Yes	4	4	2
Ward 09	Thobejane	LM	Yes	4	4	2
Ward 10	Mashabela	VM	Yes	4	4	2
Ward 11	Tjie	MR	Yes	4	4	2
Ward 12	Sebopela	MM	Yes	4	4	2







Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 13	Nchabeleng	NC	Yes	4	4	2
Ward 14	Makofane	T	Yes	4	4	2
Ward 15	Mampa	DM	Yes	4	4	2
Ward16	Mokgotho	K	Yes	4	4	2
Ward 17	Mokoena	MS	Yes	4	4	2
Ward 18	Ngwatle	TJ	Yes	4	4	2
Ward 19	Tjie	TM	Yes	4	4	2
Ward 20	Lekgau	AK	Yes	4	4	2
Ward 21	Mokgotho	LL	Yes	4	4	2
Ward 22	Ratshoshi	LM	Yes	4	4	2
Ward 23	Mokoena	DF	Yes	4	4	2
Ward 24	Kgwete	MP	Yes	4	4	2
Ward 25	Makutu	TS	Yes	4	4	2








Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 26	Hlase	ST	Yes	4	4	2
Ward 27	Mabowa	SI	Yes	4	4	2
Ward 28	Tshehla	MS	Yes	4	4	2
Ward 29	Mmushi	MJ	Yes	4	4	2
Ward 30	Magabe	MS	Yes	4	4	2
Ward 31	Mohlala	TH	Yes	4	4	2
Ward 32	Phasha	MM	Yes	4	4	2
Ward 33	Mathipa	AM	Yes	4	4	2
Ward 34	Thobela	KML	Yes	4	4	2
Ward 35	Phasha	MM	Yes	4	4	2
Ward 36	Matheba	AM	Yes	4	4	2
Ward 37	Matlakaneng	MM	Yes	4	4	2
Ward 38	Mamphekgo	TL	Yes	4	4	2


Functionality of Ward Committees							
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Ward 39	Tlape	MM	Yes	4	4	2	
Total				156	156	78	

Appendix G: Recommendation of the Municipal Audit Committee

No	Item Description	Resolution	Progress	Challenges	Mitigations	IA Evaluation
1	4th quarter Performance Report	It was resolved that management should discuss the Audit committee pack before they are sent to the Audit committee	ongoing	Done	None	<u>Satisfactory</u> 
2		It was resolved that all level 1 managers should sign their performance contracts and be advised of the implications on not signing		Level 1 Managers have signed Performance Agreement and submitted the same to the PMS unit. Technical Services Department is also finalising the process	None	Not Satisfactory 
3	Budget and Treasury Quarterly Report	It was resolved the budget manager should create an executive summary to summarise the statements of financial position and highlight key financial ratios, showing the liquidity and solvency ratios	Ongoing	None	None	<u>Satisfactory</u> 
4		It was resolved that progress report which reflecting the current status on spending of MIG and Capital projects should be presented to Audit Committee during the next meeting	Ongoing	None	None	<u>Satisfactory</u> 
5		All Audit and Performance Committee reports should be forwarded to internal audit timeously and Audit committee going forward	Ongoing	None	None	<u>Satisfactory</u> 

No	Item Description	Resolution	Progress	Challenges	Mitigations	IA Evaluation
6		It was resolved that a formal report should be presented to the audit Committee quarterly till vacancies are filled	Ongoing	done	report forwarded to Audit Committee	Satisfactory 
7	AFS Review	All inputs and corrections should be formal and forwarded to the municipality by today the 24 August 2021	done	none	Inputs were forwarded to CFO	Satisfactory 
8		CFO to submit all workings and documents requested by internal audit by tomorrow the 25 August at 12H00	Done	Delays in submission of documents to Internal Audit as per agreed timeframes	Documents were forwarded to internal Audit	Satisfactory 
9		Internal Audit to review the documents and consult with finance team for any clarity seeking and submit the 2nd draft report to the committee by Friday at 12H00	Done	None	2nd Draft report was submitted and presented to the Committee on the 27 August 2021	Satisfactory 
10		Internal Audit report should have a column to reflect whether the findings which were raised has been corrected or not so that they can track progress.	Done	None	2nd draft report reflected column as advised	Satisfactory 
11	Draft Annual Performance Report (2020-2021)	It was resolved that inputs from Audit and Performance Committee will be forwarded to internal Audit for corrections on APR	Done	None	Inputs were received and forwarded to the PMS specialist for correction prior submission of APR to AGSA	Satisfactory 

No	Item Description	Resolution	Progress	Challenges	Mitigations	IA Evaluation
12		It was resolved that the 2nd review of financials will be on Friday the 27 August at 17H00	Done	None	Meeting was held on the 27 August 2021	<u>Satisfactory</u> 
13	Resolution Register	It was resolved that a formal report on all grants including ENEP 80M progress be prepared and presented during the next Audit Committee meeting	Done	Progress was reported in the Audit Committee meeting	none	<u>Satisfactory</u> 
14	Performance Report	It was resolved that all contracts coming to an end, the municipality should issue communiques for notification 3months in advance	ongoing	None	none	<u>Satisfactory</u> 
15	Performance Report	It was resolved that PMU Support staff will be appointed by 30 November 2021	done	PMU Support was appointed during July 2021	none	<u>Satisfactory</u> 
16	Asset Report	It was resolved that Loss control committee with TOR will be established by end of November 2020	done	none	none	<u>Satisfactory</u> 
17	Section 52 Report	It was resolved that creditors will be paid within 30 after receipt of invoices by finance department	ongoing	All invoices submitted on time are paid within 30 days	Delays on submission by departments	<u>Satisfactory</u> 
18	Section 52 Report	It was resolved progress on roll over projects and spending will be presented on every Audit Committee meeting from the next meeting	ongoing	Progress was reported in the Audit Committee meeting	delays in procurement of services	<u>Satisfactory</u> 

No	Item Description	Resolution	Progress	Challenges	Mitigations	IA Evaluation
19	Risk management report	It was resolved that COVID-19 should be a standing item in the audit committee and a formal report should be presented thereto	ongoing	item is included in the Audit/ Performance Committee agenda	none	<u>Satisfactory</u> 

Appendix H1 - H2: Long term contracts and Public Private Schedule

Long Term Contracts (20 Largest Contracts Entered into 2021/2022)						R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
MAXIMUM PROFIT RECOVERY (PTY) LTD	VAT RECOVERY SERVICES FOR A PERIOD OF 36 MONTHS	2021-07-02	2024-07-02	Mapeka MM	Rate based	
MAFUMU CONSULTING	INFRASTRUCTURE AND PMU SUPPORT TEAM FOR A PERIOD OF 36 MONTHS	2021-07-02	2024-07-02	Dr Ntuku	Rates Based	
OMNIRISK SOLUTION (PTY) LTD	PROVIDE INSURANCE BROKERING SERVICES FOR FTM	2021/05/18	2024/06/18	Malepe AL	Rates Based	
Engnet Solutions	Asset Verification, Condition Assesment Classification, Valuation of Immovable and Movable Properties, Review of Useful Life, Residual Values of all Assets and other related activities.	2022/01/19	2025/01/18	Malepe AL	R7 590 036 p.a	
FBN Consulting (Pty) Ltd	Strategic Financial Reporting Support and Capacity Building Programme in the office of the CFO.	2022/01/03	2024/12/31	Mohlala LM/Makgopa ML	R4 000 000 p.a exc vat and disbursement	
Mashumi Construction Supply and projects	Cleaning of Burgersfort town	2021/10/01	2024/09/30	Masebe KJ	R633 190 p,m	
Bravospan 90	Provision of security services cluster 3	2022/01/03	2024/10/31	Thobeiane MP	R452 614.72	

Long Term Contracts (20 Largest Contracts Entered into 2021/2022)						R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
MABOTWANE SECURITY SERVICES	Provision of security services cluster 1	2021/11/01	2024/10/31	Thobejane MP	R1 622 008 p.m	
Tubatse Security Services	Provision of security services cluster 2	2022/01/03	2024/10/31	Thobejane MP	R798 716.60 p.m	
Tshegane Business Enterprise	Provision of security services cluster 4	2022/01/03	2024/10/31	Thobejane MP	R567 000 p.m	
Brown Dogs Security Services	Provision of security services cluster 6	2022/01/03	2024/10/31	Thobejane MP	R496 137.20 pm	
Marumo Consulting	Planning and designing of Praktiseer roads and stormwater project	2021/10/22	Until completion of construction phase	Ntuku DR	14% of construction amount	
Marumo Consulting	Planning and designing of Mashamothane access road to moshate	2021/10/22	Until completion of construction phase	Ntuku DR	14% of construction amount	
Loato Consulting	Planning, designing, project management and commissioning of Radingwana to Sekhukhune College internal street	2021/10/22	2022/09/30	Ntuku DR	14% of construction amount	
Loato Consulting	Planning, designing, project management and commissioning of Malogeng Landfill site internal street	2021/10/22	2022/09/30	Ntuku DR	14% of construction amount	

Long Term Contracts (20 Largest Contracts Entered into 2021/2022)						R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
Mont Consulting	Planning, Designing, Project Management and Commissioning of Strydkraal A to Thobehlele internal Streets	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
Mont Consulting	Planning and designing of Mapodile roads and stormwater	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
SLM Engineering Projects	Planning, designing, project management and commissioning of N1 road from Bothashoek T-Junction to River cross	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
SLM Engineering Projects	Planning, designing, project management and commissioning of Ohgristad road & stormwater	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
Inhlakanipho Consultants	Planning, designing, project management and commissioning of Stocking Internal Street	2022/03/01	completion of construction phase	Ntuku DR	14% of construction amount	
Inhlakanipho Consultants	Planning, designing, project management and commissioning of Mareseleng Access Road & Bridge	2022/03/01	completion of construction phase	Ntuku DR	14% of construction amount	
KIPP CONSULTING ENGINEERS	Planning, designing, project management and commissioning of Ga Selala road to Moshate	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
KIPP CONSULTING ENGINEERS	Planning, designing, project management and commissioning of Malogeng landfill Cell	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	

Long Term Contracts (20 Largest Contracts Entered into 2021/2022)						R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
TMS CONSULTING	Planning and designing of Aaapiesdoring to Manoke road	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
Risima Consulting	Planning and designing of Streetlights at the main intersection (four way stop next to Coca cola to Tubatse Ferrochrome in Steelpoort to Riba Cross, Four way to Regional office, R37 Bothashoek cross, towards Praktiseer, R555 Spar robot to Motaganeng and Burgersfort last stop to Lydenburg	2022/03/01	completion of construction phase	Ntuku DR	14% of construction amount	
Reliant Consulting	designing, project management and commissioning of electrification of 543 households at Burgersfort EXT 54, 58, 71 and 74	2022/05/15	completion of construction phase	Ntuku DR	14% of construction amount	
Reliant Consulting	Designing, project management and commissioning: Electrification of 1900 households at Praktiseer Mountain Square/ Mogaba Park.	2022/03/01	completion of construction phase	Ntuku DR	14% of construction amount	
TMS CONSULTING	Planning and designing of Driekop access road from N1 ga Mholopi to Hall	2021/10/22	completion of construction phase	Ntuku DR	14% of construction amount	
VOLT CONSULTING ENGINEERS	Designing, project management and commissioning: Electrification of 1400 households at Leboeng (Nkoana, Moraba & Ruteng)	2022/05/02	completion of construction phase	Ntuku DR	14% of construction amount	

Long Term Contracts (20 Largest Contracts Entered into 2021/2022)						R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
Risima Consulting	Designing, project management and commissioning: Electrification of 340 households at Mogabane Village (Kgoladitshelo, Mashemong & 1 highmast light at Mohlaletse Ga Kgoshi Thulare)	2022/03/01	completion of construction phase	Ntuku DR	14% of construction amount	

Public Private Partnerships Entered into 2021/2022						R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2020/2021	
None	None	None	None	None	None	
None	None	None	None	None	None	
None	None	None	None	None	None	
None	None	None	None	None	None	

APPENDIX I: 2021/2022 SERVICE PROVIDERS PERFORMANCE REPORT

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
1	ANAKA GROUP (PTY) LTD	SUPPLY, CONFIGURATION, SUPPORT AND MAINTENANCE OF DESKTOP MULTIFUNCTION PRINTERS AND COPIER MACHINES.	CORPORATE	2019-09-11	2022-09-30	R 5,901,689.88	GOOD	Fully functional printers	None	None
2	BATHOB OHLE INVESTMENT	UPGRADING OF RADINGWANA SPORTS FACILITY	TECHNICAL	2016-07-20	2016-11-19	R 6,212,299.34	NO PERFORMANCE	completion of the works	None	None
3	BAUBA MARUMO GROUP	WASTE COLLECTION AT PRAKTISEER AND OHRIGSTAD	COMMUNITY	2020-11-02	30/10/2023	R 11,950,138.98	GOOD	Waste collection as per the agreed schedule	None	None
4	BAUBA MARUMO GROUP	OPERATION AND MANAGEMENT OF MALOGENG LANDFILL SITE	COMMUNITY	2020-12-01	2023-11-30	R 23,239,761.71	GOOD	Management of the landfill	None	None
5	BAUPA TRADING ENTERPRISE	MARKETING, BRANDING AND MEDIA ADVERTISING(PANEL)	MM'S OFFICE	2018-12-05	2021-12-04	R 319,484.50	GOOD	Branding and Advertising services	contract ended in December	Notify user
6	DITLOLO TRADING ENTERPRISE	MARKETING, BRANDING AND MEDIA ADVERTISING(PANEL)	MM'S OFFICE	2018-12-05	2021-12-04	R 3,380,777.04	GOOD	Branding and Advertising services	contract ended in December	Notify user
7	ET TSHIPOT A ELECTRIC	TUBATSE HIGHMAST LIGHTS IN RURAL VILLAGES AND	TECHNICAL	2018-08-21	2018-12-20	R 4,900,000.00	NO PERFORMANCE, PROJECT ON HOLD	Project completion	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
	CAL CONTRACTORS	ELECTRICAL CONNECTIONS								
8	ENGINEER REX	DEVELOPMENT OF NEW BURGERSFORT LANDFILL SITE	Community Services	01/07/2018	30/09/2022	R 1,433,950.64	GOOD	Project completion	None	None
9	KIPP CONSULTING ENGINEERS	MAKGAKALA ACCESS BRIDGE AND ROAD – PROFESSIONAL SERVICE.	TECHNICAL	2018-06-04	2021-06-04	R 2,169,268.75	NO PERFORMANC E, PROJECT ON HOLD	Supervision and monitoring of the contractor	None	None
10	KIPP CONSULTING ENGINEERS	GA-DEBEILA TO MOHLALETSE INTERNAL STREET – PROFESSIONAL SERVICES	TECHNICAL	2018-06-04	2021-06-04	R 2,081,446.71	FAIR	Supervision and monitoring of the contractor	None	None
11	KIPP CONSULTING ENGINEERS	MASHUNG INTERNAL STREET – PROFESSIONAL SERVICES	TECHNICAL	2018-06-22	2021-06-04	R 1,344,213.66	NO PERFORMANC E, PROJECT ON HOLD	Supervision and monitoring of the contractor	None	None
12	KIPP CONSULTING ENGINEERS	Magotwaneng access bridge and road	TECHNICAL	2018-06-04	2021-06-04	R 2,169,268.75	NO PERFORMANC E, PROJECT ON HOLD	full completion of the work	none	none
13	LEKONAKONETSI CONSULTING SERVICES (PTY) LTD	REQUEST FOR PROPOSAL FOR PROVISION OF INFRASTRUCTURE AND CONNECTIVITY FOR A PERIOD OF 36 MONTH WITH AN	CORPORATE	2021-03-01	2024-02-28	R 48,472,913.30	GOOD	As per TOR	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
		OPTION TO RENEW FOR TWO YEARS								
14	LIZZARD TECH	PROVISION OF OFF-SITE STORAGE FOR OLD MUNICIPAL DOCUMENTS	BTO	2021-03-04	2024-03-31	Rate based	GOOD	Off site storage of documents	none	none
15	MARSH CORP 2008 (PTY) LTD	DISASTER RECOVERY PLAN (DRP)		2018-11-23	2021-11-30	R 3,487,202.50	GOOD	DRP	Contract ended	None
16	MASHUMI CONSTRUCTION SUPPLY AND PROJECTS	WASTE COLLECTION AT BURGERSFORT TOWN	COMMUNITY	2020-11-02	31/10/2023	R 13,184,906.40	GOOD	Waste collection as per the agreed schedule	None	None
17	MASHUMI CONSTRUCTION SUPPLY AND PROJECTS	WASTE COLLECTION AT STEELPOORT AND MAPODILE	COMMUNITY	2020-11-02	31/10/2023	R 12,340,015.00	GOOD	Waste collection as per the agreed schedule	None	None
18	MAXIMUM PROFIT RECOVERY (PTY) LTD	VAT RECOVERY SERVICES FOR A PERIOD OF 36 MONTHS	BTO	2021-07-02	2024-07-02	Rate based	GOOD	Vat recoveries	none	none

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
19	4 TSAR STREET SERVICE S-INITIALLY APPOINTED MOK DEVELOPMENT CONSULTANT	UPGRADING OF LAND TENURE PROJECT – TUBATSE TOWNSHIP	DVP	01/12/2021	31/12/2022	R 1,429,862.00	GOOD	Land tenure upgrade	None	None
20	MORKALI O	APPOINTMENT OF SERVICE PROVIDER TO IMPLEMENT REVENUE ENHANCEMENT PROJECTS FOR A PERIOD OF 36 MONTHS DEBT COLLECTION SERVICE	BTO	+	17/01/2024	Rate based	GOOD	Debt collection	none	none
21	HAHLEKE TA TRADING	REVENUE ENHANCEMENT PROJECT: DEBT COLLECTION	BTO	2021-01-18	2024-01-17	Rate based	GOOD	Debt collection	none	none
22	MOTHAK GE PHADIMA CONSTRUCTION	MOTAGANENG ACCESS BRIDGE	TECHNICAL	2021-05-14	2022-05-16	R 19,450,741.11	GOOD	full completion of the work	none	none
23	MOTHAK GE PHADIMA CONSTRUCTION	COMPLETION OF LEBOENG ACCESS ROAD	TECHNICAL	01/01/2022	30/06/2022	R 19,916,444.00	GOOD	full completion of the work	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
24	TUBATSE SECURITY SERVICES	PROVISION OF PHYSICAL SECURITY SERVICES AT OHRIGSTAD TO LEBOENG CLUSTER 3	MM'S OFFICE	2018-10-01	2021-09-30 extended to 2021/10/31	R 11,826,722.16	GOOD	1.Posting of required security officers on sites 2.Officers in proper full uniform 3.Body kit (Handcuffs,baton, touches, whistle, pocketbook, pen, metal detectors) 4.Occurrence book 5.Two-way radios 6.PSIRA registration for security officers	contract ended on 31 Oct 2021	New Service provider appointed
25	BROWN DOGS SECURITY SERVICES	PROVISION OF PHYSICAL SECURITY SERVICES AT STEELPOORT & APEL -CLUSTER 2	MM'S OFFICE	2018-10-01	2021-09-30 extended to 2021/10/31	R 40,085,215.33	GOOD	1.Armed guards 2.Posting of required security officers on sites 3.Officers in proper full uniform 4.Body kit (Handcuffs,baton, touches, whistle, pocketbook, pen, metal detectors) 5.Occurrence book 6.Two-way radios 7.PSIRA registration for security officers	contract ended on 31 Oct 2021	New Service provider appointed

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
26	MPHEMA HLO RISK MANAGEMENT	PROVISION OF PHYSICAL SECURITY SERVICES AT DRIKOP TO MALOGENG LAND FILL SITE (CLUSTER 4)	MM'S OFFICE	01/10/2018	2021-09-30 extended to 2021/10/31	R 14,612,331.54	GOOD	1.Posting of required security officers on sites 2.Officers in proper full uniform 3.Body kit (Handcuffs,baton, touches,whistle, pocketbook,penn, metal detectors) 4.Occurrence book 5.Two way radios 6.PSIRA registration for security officers	contract ended on 31 Oct 2021	New Service provider appointed
27	MABOTWANE SECURITY SERVICES	PROVISION OF PHYSICAL SECURITY SERVICES AT BURGERSFORT (CLUSTER 1)	MM'S OFFICE	01/10/2018	2021-09-30 extended to 2021/10/31	R 41,399,764.56	GOOD	1.Posting of required security officers on sites 2.Officers in proper full uniform 3.Body kit (Handcuffs,baton, touches,whistle, pocketbook,penn, metal detectors) 4.Occurrence book 5.Two way radios 6.PSIRA registration for security officers	contract ended on 31 Oct 2021	New Service provider appointed

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
28	MULALO BUSINES ENTERPRISE	CONSTRUCTION OF MAKGAKALA ACCESS BRIDGE AND ACCESS ROAD PHASE 2V	TECHNICAL	2020-12-05	2021-12-10	R 39,168,860.47	NO PERFORMANC E, PROJECT ON HOLD	Construction of the bridge and road	Project currently on hold due to litigation	None
29	MULALO BUSINES ENTERPRISE	CONSTRUCTION OF MASHUNG INTERNAL STREET	TECHNICAL	2020-12-05	2021-12-10	R 37,926,384.93	NO PERFORMANC E, PROJECT ON HOLD	Construction of the streets	Project currently on hold due to litigation	None
30	MUNSOFT	APPOINTMENT OF SERVICE PROVIDER FOR MSCOA COMPLAINT ERP SYSTEM FOR A PERIOD OF 36 MONTHS WITH AN OPTION TO RENEW ON AN ANNUAL BASIS	BTO	2021-04-01	2024-03-31	Rate based	GOOD	Implementation of the MSCOA compliant System and integration to the current system	none	None
31	NGOTI DEVELOPMENT CONSULTANTS	DEMARCATON OF SITES- DRESDEN	DVP	2018-06-01	2021-07-31	R 482,457.00	GOOD	Demarcation of sites- Dresden	None	None
32	NGOTI DEVELOPMENT CONSULTANTS	DEMARCATON OF SITES- MASHILABELA	DVP	2018-06-01	30/09/2022	R 578,949.00	GOOD	Demarcation of sites- Mashilabela	None	None
33	NSK ELECTRICAL AND	ELECTRIFICATION OF 1343 HOUSEHOLDS AT PRAKTISEER EXT 11 VILLAGE	TECHNICAL	2021-05-18	2022-02-01	R 15,206,221.58	GOOD	full completion of the work	none	none

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
	CONSTRUCTION									
34	NSK ELECTRICAL AND CONSTRUCTION	ADDITIONAL HOUSEHOLDS-ELECTRIFICATION OF PRAKTISEER EXT 11	TECHNICAL	01/01/2022	30/06/2022	R 7,874,700.24	GOOD	full completion of the work	None	None
35	REVENUE ENHANCEMENT AGENCY JV ARCTISGN	REVENUE ENHANCEMENT PROJECT: CREDIT CONTROL AND INDIGENT MANAGEMENT	BTO	2021-01-18	2024-01-17	Rate based	GOOD	full completion of the work	none	none
36	SEGOKARA ELECTRICAL	ELECTRIFICATION OF 427 HOUSEHOLDS AT MAPHUTLE VILLAGE	TECHNICAL	2021-05-18	2021-12-01	R 8,468,039.64	GOOD	Energizing	none	none
37	SITA	WEBSITE HOSTING SUPPORT AND MAINTENANCE		2017-08-02	30/06/2022	R 391,756.11	GOOD	Fully functional website	None	None
38	STANDARD BANK	PROVISION OF BANKING SERVICES FOR A PERIOD OF 36 MONTHS RENEWABLE FOR A PERIOD NOT EXCEEDING 60 MONTHS	BTO	2018-01-01	31/12/2022	Rate based	GOOD	banking services	None	None
39	ASHCOR TRAVELS	PROVISION OF TRAVEL AGENCY FOR A PERIOD OF 36 MONTHS	BTO	2021-06-08	2024-06-10	Rates Based	GOOD	Accommodation or travel Bookings done on time	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
40	CHEAP CHEAP TRAVEL	PROVISION OF TRAVEL AGENCY FOR A PERIOD OF 36 MONTHS	BTO	2021-06-09	2024-06-11	Rates Based	GOOD	Accommodation or travel Bookings done on time	None	None
41	MOSA M TRAVEL	PROVISION OF TRAVEL AGENCY FOR A PERIOD OF 36 MONTHS	BTO	2021-06-10	2024-06-12	Rates Based	GOOD	accommodation or travel Bookings done on time	None	None
42	REAKGO NA TRAVEL	PROVISION OF TRAVEL AGENCY FOR A PERIOD OF 36 MONTHS	BTO	2021-06-11	2024-06-13	Rates Based	GOOD	Accommodation or travel Bookings done on time	None	None
43	NOKO MAIMELA INCORPORATED	Provision of legal services panel	MM'S OFFICE	2017-12-20	Month-to-Month	Rates Based	GOOD	Legal services	None	None
44	MACHAB A INCORPORATED	Provision of legal services panel	MM'S OFFICE	2017-12-21	Month-to-Month	Rates Based	GOOD	Legal services	None	None
45	MPHOKA NE ATTORNEY	Provision of legal services panel	MM'S OFFICE	2017-12-22	Month-to-Month	Rates Based	GOOD	Legal services	None	None
46	MAHOWA INC ATTORNEY	Provision of legal services panel	MM'S OFFICE	2017-12-23	Month-to-Month	Rates Based	GOOD	Legal services	None	None
47	KGOROE ADIRA MUDAU INC ATTORNEYS	Provision of legal services panel	MM'S OFFICE	2017-12-24	Month-to-Month	Rates Based	GOOD	Legal services	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
48	KGOHLISI ABLE MAMABOLO INC	Provision of legal services panel	MM'S OFFICE	2017-12-25	Month-to-Month	Rates Based	GOOD	Legal services	None	None
49	MMAKOLA MATSIME LA INC ATTORNEYS	Provision of legal services panel	MM'S OFFICE	2017-12-26	Month-to-Month	Rates Based	GOOD	Legal services	None	None
50	Reliable Accountants	Business and Supply Chain Management support panel	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	None	None
51	Nextflex (Pty) Ltd	Business and Supply Chain Management support panel	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	None	None
52	Meodi Chartered accountants	Business and Supply Chain Management support panel	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	Business and Supply Chain Management support	None	None
53	Chapu Chartered Accountants	Business and Supply Chain Management support panel	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	Business and Supply Chain Management support	None	None
54	Cathu Consulting	Panel of Internal Audit and Internal Control Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	n/a	n/a
55	MNB Chartered Accountants	Panel of Internal Audit and Internal Control Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	n/a	n/a
56	Thuso Financial Consultants	Panel of Internal Audit and Internal Control Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	n/a	n/a

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
57	Mera Ketso Business Solutions	Panel of Internal Audit and Internal Control Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	n/a	n/a
58	Sempro Consulting	Panel of Fixed Assets Management	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	n/a	n/a
59	Engnet Solutions	Panel of Fixed Assets Management	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	None	None
60	FBN Consulting (Pty) Ltd	Panel of Accounting and Financial Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	GOOD	as per work allocated	None	None
61	Oongoti Consulting (Pty)	Panel of Accounting and Financial Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	None	None
62	Matseba Chartered Accountants inc	Panel of Accounting and Financial Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	None	None
63	MMB Consulting	Panel of Accounting and Financial Services	BTO	02/08/2021	01/08/2024	Quotation and rates based	No performance yet	as per work allocated	None	None
64	Montani property valuers	property valuation	BTO	2020-07-17	2022-06-30	Rate based	GOOD	Property valuation	None	none
65	Montani property valuers	property valuation	BTO	2021-07-01	2025-06-30	Rate based	No performance yet	Property valuation	None	none
66	START UP CEO CAPITAL ADVISORY	ACQUISITION OF FLEET & FULL MAINTENANCE SOLUTION ADVISORY SERVICES	BTO	01/07/2021	14/03/2024	R 598,000.00	GOOD		None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
67	NTIYISO CONSULTING	MANAGE DISPOSAL OF STANDS AT BURGERSFORT AS PART OF REVENUE ENHANCEMENT	BTO	01/01/2022	30/04/2022	R 1,310,940.00	GOOD	As per work allocated	None	None
68	NTIYISO CONSULTING	FEASIBILITY AND FUNDING MODEL FOR EASTERN AND WESTERN RING ROAD	BTO	01/11/2021	31/05/2022	R 6,700,000.00	GOOD	As per work allocated	None	None
69	KELOTHL OKO CONSULTING	SOURCING OF NEIGHBOURHOOD DEVELOPMENT GRANT AND INTEGRATED ELECTRIFICATION GRANTS WHICH ARE NOT INCLUDED IN THE DoRA	BTO	15/11/2021	15/03/2024	Risk based	GOOD	As per work allocated	None	None
70	KELOTHL OKO CONSULTING	EXPLORING SUSTAINABILITY OF BURGERSFORT LAND FILL SITE ON PPP BASIS, RAISING FUNDS FOR BURGERSFORT LANDFILL SITES AS PART OF FINANCIAL SUSTAINABILITY MODEL	BTO	15/11/2021	15/03/2024	Funding success fee at 2%	GOOD	As per work allocated	None	None
71	KELOTHL OKO CONSULTING	ACQUISITION OF ELECTRICITY DISTRIBUTION LICENCE FOR REVENUE	BTO	01/11/2021	30/10/2022	R 1,499,658.00	GOOD	As per work allocated	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
		ENHANCEMENT PURPOSES								
72	TMS CONSULTING	PLANNING, DESIGNS AND PROFESSIONAL MANAGEMENT & SUPERVISION OF MOTAGANENG ACCESS BRIDGE (TECHNICAL PROPOSAL)	TECHNICAL	02/08/2017	30/06/2022	R 1,400,000.00	GOOD	Monitoring and Compliance of oversight over allocated project	None	None
73	URBAN-ECON DEVELOPMENT (PTY) LTD	RATIONALIZATION AND REVIEW OF FETAKGOMO TUBATSE LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY	ELD	2021-06-14	2022-02-14, Extended to 2022/12/30	R 401,005.00	GOOD	full completion of the work	None	None
74	l@ consulting	Apel Precinct plan	DVP	01/08/2021	31/07/2022	R 700,000.00	GOOD	full completion of the work	None	None
75	Bushland developers	Township Establishment on portion 6 of the farm Hoeraroep 515Ks	DVP	04/01/2019	31/08/2022	R 1,972,000.00	FAIR	full completion of the work	None	None
76	Bushland developers	Burgersfort Precinct plan	DVP	01/07/2020	31/08/2022	R 900,000.00	FAIR	full completion of the work	None	None
77	Bushland developers	Demarcation of sites at Strdkraal	DVP	30/03/2021	31/08/2022	R 700,000.00	FAIR	full completion of the work	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
78	Nkanivo Development Consultants	Formalisation of Tubatse A Extension 1,2,3,4,5,6,8,11,12,13 & 15	DVP	15/12/2019	22/10/2022	R 6,325,000.00	GOOD	full completion of the work	None	None
79	Nkanivo Development Consultants	Establishment of land development, Applications and Building plans Management System.	DVP	01/03/2020	22/10/2022	R 1,500,000.00	GOOD	full completion of the work	None	None
80	Pfukani Kusile Consulting	DEVELOPMENT OF FETAKGOMO-TUBATSE DENSIFICATION POLICY	DVP	01/04/2021	20/04/2022	R 800,000.00	GOOD	full completion of the work	None	None
81	VOLTA CONSULTING ENGINEERS	DESIGNING AND PROJECT MANAGEMENT OF 40 HIGH MAST LIGHTS ENERGIZATION WITHIN FETAKGOMO TUBATSE LOCAL MUNICIPALITY	TECHNICAL	2020-06-12	2021-06-12	R 695,000.00	NO PERFORMANCE, PROJECT ON HOLD	High mast lights energized	None	None
82	Muteo Consulting	Design and project management for the electricity of Tswelopele Park, Riverside and Phakaneng	TECHNICAL	12/06/2020	Until completion of construction works	R 4,493,096.86	GOOD	Households electrified	None	None
83	WANTLHANA ARCHITECTS CC	MAKUWA LIBRARY (PLANNING DESIGNS AND PROFESSIONAL MANAGEMENT SUPERVISION)	TECHNICAL	2017-08-02	Until completion of construction works	R 1,200,000.00	GOOD	Monitoring of the project	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
84	MAFUMU CONSULTING	INFRASTRUCTURE AND PMU SUPPORT TEAM FOR A PERIOD OF 36 MONTHS	TECHNICAL	2021-07-02	2024-07-02	Rates Based	GOOD	fully functional PMU unit	None	None
85	ZAMA TRAFFIC SIGNALS	Electrification of 1720 households at Praktiseer Ext 3 village	TECHNICAL	2021-06-01	2022-02-01	R 23,517,350.50	NO PERFORMANCE, PROJECT ON HOLD	Energised households	None	None
86	MAKANA KA RISK & ADVISORY SERVICE S (PTY) LTD	EXTENSION OF SCOPE ON FORENSIC INVESTIGATION FOR INFRASTRUCTURE PROJECTS & DEFAULT JUDGEMENTS ON LEGAL SERVICES	MM'S OFFICE	10/06/2021	31/01/2022	Rate Based	N/A	Forensic report	None	None
87	Marumo Consulting	Planning and designing of Praktiseer roads and stormwater project	TECHNICAL	22/10/2021	Until completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
88	Marumo Consulting	Planning and designing of Mashamothane access road to moshate	TECHNICAL	22/10/2021	Until completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
89	Loato Consulting	Planning, designing, project management and commissioning of Radingwana to Sekhukhune College internal street	TECHNICAL	22/10/2021	30/09/2022	14% of construction amount	GOOD	As per TOR	None	None
90	Loato Consulting	Planning, designing, project management and commissioning of Malogeng Landfill site internal street	TECHNICAL	22/10/2021	30/09/2022	14% of construction amount	GOOD	As per TOR	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
91	Mont Consulting	Planning, Designing, Project Management and Commissioning of Strydkraal A to Thobehale internal Streets	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
92	Mont Consulting	Planning and designing of Mapodile roads and stormwater	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
93	SLM Engineering Projects	Planning, designing, project management and commissioning of N1 road from Bothashoek T-Junction to River cross	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
94	SLM Engineering Projects	Planning, designing, project management and commissioning of Ohgristad road & stormwater	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
95	Inhlakanipho Consultants	Planning, designing, project management and commissioning of Stocking Internal Street	Technical	01/03/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
96	Inhlakanipho Consultants	Planning, designing, project management and commissioning of Mareseleng Access Road & Bridge	Technical	01/03/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
97	KIPP CONSULTING ENGINEERS	Planning, designing, project management and commissioning of Ga Selala road to Moshate	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
98	KIPP CONSULTING ENGINEERS	Planning, designing, project management and commissioning of Malogeng landfill Cell	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
99	TMS CONSULTING	Planning and designing of Aapiesdoring to Manoke road	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
100	Risima Consulting	Designing, project management and commissioning: Electrification of 340 households at Mogabane Village (Kgoladitshelo, Mashemong & 1 highmast light at Mohlaletse Ga Kgoshi Thulare)	Technical	01/03/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	none
101	Risima Consulting	Planning and designing of Streetlights at the main intersection (four way stop next to Coca cola to Tubatse Ferrochrome in Steelpoort to Riba Cross, Four way to Regional office, R37 Bothashoek cross, towards Praktiseer, R555 Spar robot to Motaganeng and Burgersfort last stop to Lydenburg	Technical	01/03/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
102	Reliant Consulting	designing, project management and commissioning of 543 households at Burgersfort EXT 54, 58, 71 and 74	Technical	15/05/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
103	Reliant Consulting	Designing, project management and commissioning: Electrification of 1900 households at Praktiseer Mountain Square/ Mogaba Park.	TECHNICAL	01/03/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	none	None
104	TMS CONSULTING	Planning and designing of Driekop access road from N1 ga Mhlopi to Hall	Technical	22/10/2021	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
105	VOLT CONSULTING ENGINEERS	Designing, project management and commissioning: Electrification of 1400 households at Leboeng (Nkoana, Moraba & Ruteng)	TECHNICAL	02/05/2022	completion of construction phase	14% of construction amount	GOOD	As per TOR	None	None
106	OMNIRIS SOLUTIONS (PTY) LTD	PROVIDE INSURANCE BROKING SERVICES FOR FTM	BTO	18/05/2021	18/06/2024	Rates Based	GOOD	Insurance services	None	None
107	Minatlou Fleet Management Solutions	Hybrid Fleet Management Solution	CORPORATE	30/08/2021	01/09/2024	Rate based (Outright Purchase)	GOOD	Fleet management services	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
108	Engnet Solutions	Asset Verification, Condition Assessment Classification, Valuation of Immovable and Movable Properties, Review of Useful Life, Residual Values of all Assets and other related activities.	BTO	2022-19-01	18/01/2025	R7 590 036 p.a	GOOD	As per TOR	None	None
109	FBN Consulting (Pty) Ltd	Strategic Financial Reporting Support and Capacity Building Programme in the office of the CFO.	BTO	03/01/2022	31/12/2024	R4 000 000 p.a	GOOD	As per TOR	None	None
110	Mashumi Construction and projects	Cleaning of Burgersfort town	Community Services	01/10/2021	30/09/2024	R633 190 p.m	Good	Cleaning of town	None	None
111	Mafiki Kgwadi Jv (KNM Civils)	Electrification of Riverside village	TECH NICAL	01/01/2022	30/06/2022	R 8,765,880.06	GOOD	as per the scope of work	None	None
112	Top Cherry resources	Electrification of Phakaneng village	TECH NICAL	01/01/2022	30/06/2022	R 8,619,450.97	GOOD	as per the scope of work	None	None
113	MABOTWANE SECURITY SERVICES	Provision of security services cluster 1	Risk Unit	01/11/2021	31/10/2024	R1 622 008 p.m	Good	Provision of security services	None	None
114	MABOTWANE SECURITY	Extension of scope on cluster 1-Provision of security services	Risk Unit	01/11/2021	28/02/2022	R2 164 484,9 p.m	Good	Provision of security services	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
	Y SERVICE S									
115	Tubatse Security Services	Provision of security services cluster 2	Risk Unit	03/01/2022	31/10/2024	R798 716.60 p.m	Good	Provision of security services	None	None
116	Bravospan 90	Provision of security services cluster 3	Risk Unit	03/01/2022	31/10/2024	R452 614.72	Good	Provision of security services	None	None
117	Tshegane Business Enterprise	Provision of security services cluster 4	Risk Unit	03/01/2022	31/10/2024	R567 000 p.m	Good	Provision of security services	None	None
118	R5 Security	Provision of security services cluster 5	Risk Unit	03/01/2020	28/02/2023				None	None
119	Brown Dogs Security Services	Provision of security services cluster 6	Risk Unit	03/01/2022	31/10/2024	R496 137.20 pm	Good	Provision of security services	None	None
120	Msquared civils	Fencing of Steelpoort Testing Station	TECH NICAL	01/04/2022	30/06/2022	R 833,881.39	No performance yet	as per the scope of work	None	None
121	Modubanyane trading	Completion of Aapiesdoring Regional Cemetery	TECH NICAL	01/04/2022	31/05/2022	R 86,000.00	No performance yet	As per the scope of work	None	None
122	Matubeng Trading	Mapodile Stormwater Rehabilitation (Kgahlanong)	TECH NICAL	01/04/2022	30/09/2022	R 3,073,654.05	No performance yet	As per the scope of work	None	None
123	Mmakatjila supply and projects	Ring Fenced Sports Facilities-Part A	TECH NICAL	01/04/2022	30/06/2022	R 3,982,097.81	No performance yet	As per the scope of work	None	None
124	Braigan Group	Ring Fenced Sports Facilities-Part B	TECH NICAL	01/04/2022	30/06/2022	R 3,982,097.81			None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
125	Richemont e trading	Burgersfort Roads Infrastructure	TECH NICAL	01/04/2022	30/09/2022	R 5,456,449.83	No performance yet	As per the scope of work	None	None
126	Nkoane Phaahle General maintenance	Rehabilitation of Mabocha Access Bridge,	TECH NICAL	01/04/2022	30/09/2022	R 5,000,826.79	No performance yet	As per the scope of work	None	None
127	Top Cherry resources	Rehabilitation of Mashilabela Access bridge	TECH NICAL	01/04/2022	30/09/2022	R 4,883,774.68	No performance yet	As per the scope of work	None	None
128	Mulalo Business Enterprise	Construction of Debeila to Mhlaletsi Internal Streets 3KM	TECH NICAL	04/02/2022	31/07/2022	R 25,931,805.12	Good	As per the scope of work	None	None
129	Mulalo Business Enterprise	Construction of Debeila to Mhlaletsi Internal Streets 1.5KM	TECH NICAL	01/04/2022	30/06/2022	R 9,994,395.62	No performance yet	As per the scope of work	None	None
130	Mothakge Phadime Resources	Construction of Debeila to Mhlaletsi Internal Streets 2KM	TECH NICAL	04/02/2022	31/07/2022	R 16,766,886.15	Good	As per the scope of work	None	None
132	Moishavint ha Jv	Construction of Praktiseer library (phase 1)	TECH NICAL	02/05/2022	30/04/2023	R 16,460,023.60	No performance yet	As per TOR	None	None
132	Moishavint ha Jv	Construction of Makuwa Library	TECH NICAL	02/05/2022	31/01/2023	R 11,767,709.79	No performance yet	As per TOR	None	None
133	Risima Project management	Electrification of Taung ,743 Connection	TECH NICAL	07/01/2022	8 months from commencement date	R 17,485,437.71	No performance yet	As per TOR	None	None
134	KNM CIVILS	Mandela Park East and West 1544 connections	TECH NICAL	06/10/2022	10 months from commencement date	R 26,092,911.60	No performance yet	As per TOR	None	None

No	Service provider	Service	Department	Appointment date	End of contract	Tender amount	Annual performance	Performance evaluated on the following	Challenges	Intervention
135	Maleko Project and Construction	Closure of Burgersfort landfill site	TECHNICAL	06/10/2022	15/09/2022	R 1,678,596.77	No performance yet	As per TOR	None	
136	Bohlatse trading projects	Fencing of Sebidikane Cemetery	TECHNICAL	06/10/2022	15/09/2022	R 1,223,420.10	No performance yet	As per TOR	None	None

APPENDIX J: Disclosure of Financial Interest

Disclosures of Financial Interests			
Period 1 July 2021 to 30 June 2022			
Position	Name	Description of Financial interests* (Nil / Or details)	
Mayor	Maila EE	Baphuti mining and construction	
Member of Exco			
Head: Budget and Treasury	Moeng Queen Malekgale	None	
D/Head: Budget and Treasury		None	
Head: Corporate Services	Mashego RM	None	
D/Head: Corporate Services	Malepe KPT	None	
Head: Infrastructure Development and Technical services	Mphethi ND	None	
D/Head: Infrastructure Development and Technical Services	Mengwai LD	None	
Head: Local Economic Development and Tourism	Mashego OT	Chalie M Infrastructure Development	
Head: Community Services	Radingwane MR	None	

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
Head: Development Planning	Mabelane MM	None
SPEAKER	Pholoane MB	None
CHIEFWHIP	Shoba Makgalema Vicent	Shoba & sons (Brother) Driving school business
Councillors		
Ward Councillors	Moopane MK	JJM BUILDING CONSTRUCTION AND GENERAL TRADING
	Nkosi MD	DV AUTOMATION AND PROJECTS
	Magagula TB	MAGRITA TURCKSHOP
	Malapane OT	None
	Magane LP	None
	Magaba AM	ARM CONSORDIUM COMMUNITY COMPANY
	Modipa FM	TSWAKO MOHLALA TRIBAL TRUST
	Thobejane LM	None
	Mashabela VN	NOKWENA PTY LTD
	Tjie MR	None
	Sebopela MM	None
	Nchabeleng NC	None
	Makofane T	ITC
	Mampa DM	None
	Mokgotho K	None
	Mokoena MS	None
		DITSWANENG TRADING
	Ngwatla TJ	ROUKAKOU TRADING
	Tjie TM	MAGABE-MOGOFI DEVELOPMENT TRUST

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
	Lekgau AK	None
	Mokgotho LL	None
	Ratshoshi LM	None
	Mokoena DF	LAND AND HOUSES RENTING ROOMS
	Kgwete MP	MPONYA INVESTMENT
	Makutu TS	TSOSHA TRADING CONSTRUCTION SUPPLIER
	Hlase ST	NKILISHE CONSTRUCTION
	Mabowa SI	FAKPAL GENERAL CONTRACTOR
	Tshehla MS	SEMETSA HOLDING PROPERTY DEVELOPMENT
	Mmushi MJ	MAHLABE HOLDING IT CONSTRUCTION
	Magabe MS	None
	Mohlala TH	None
	Phasha MA	None
	Mathipa MP	None
	Thobela KML	RURAL HUSTLE GROUP MAKGALEMA CONSTRUCTION @ENGINEERING CC
		MAAPARANKWE CORPORATION TSELETSELE CORPORATION PRIVATE CATERING
	Phasha MM	GRAND SECONDARY CORPORATION
	Matheba AM	NGWANA NAPJADI TRADING
	Matlakaneng MM	None

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial Interests* (Nil / Or details)
	Mampheko TL	None
	Tlape MM	MOTHOKABATHO PTY LTD
Proportional Representation	Mojalefa LH	None
	Maepa ML	None
	Makofane NN	None
	Mokome KE	None
	Rancho LJ	None
	Mgiba NP	MAMPONILE PROJECTS
	Motene PP	SANTETE TRADING TRANSPORT
	Thamaga ST	None
	Kupa SM	None
	Mohuba MS	None
	Mabelane MS	None
	Shai ML	None
	Sekgala SM	None
	Thobejane ME	None
		NAPJADI LIQUOR REST
	Ngwatle MP	MAGOLELA TRADING TARVEN
	Komana WT	None
	Mogashoa ML	None
		MOLAPO KB FAMILY TRUST
	Molapo WS	MAMOKGALAKOPIE TRUST
	Mogoane MK	None
	Masha MM	None

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
	Mola N	None
	Madalane ET	None
	Ngwatle AD	MATSHKGE TRADING SUPPLY
	Nkele JT	None
	Bothma C	BURGERSFORT RIVER LODGE BURGERSFORT BLOAMSH FLOWERS

Appendix K(i): Revenue collection performance by Vote

Revenue Collection Performance by Source						
Description	2020/2021	2021/2022			2020/2021 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property rates	118 495 375	139 269 000	139 269 000	104 915 566	34 353 434	34 353 434
Service charges	23 169 029	25 921 000	25 921 000	21 117 504	(4 803 496)	(4 803 496)
Rental of Facilities and Equipment's	248 090	281 000	218 000	438 538	157 538	157 538
License and Permits	9 399 035	16 529 000	16 529 000	12 043 069	(4 485 931)	(4 485 931)
Interest on investments	7 098 623	7 285 000	7 285 000	9 394 517	2 109 517	2 109 517
Interest received (trading)	6 211 388	34 929 000	34 929 000	3 726 839	(31 202 161)	(31 202 161)
Traffic fines	624 450	3 419 000	3 419 000	1 045 250	(2 373 750)	(2 373 750)
Government grants and subsidies	661 508 575	601 925 000	614 415 000	620 244 568	5 829 568	5 829 568
Fees earned	400 572	4 981 000	4 981 000	782 193	(4 198 807)	(4 198 807)
Other income	257 368	18 742 000	34 742 000	98 473	(34 643 527)	3 776 760
Total Revenue (excluding capital transfers and contributions)	827 412 505	853 281 000	881 708 000	773 806 517	-39 257 615	-39 257 615

Appendix L: Conditional Grants Received (Excluding MIG)

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Finance Management Grant	2 400 000	2 400 000	2 400 000	00	00	None	
Extended Public work programme	1 688 000	1 688 000	1 688 000	00	00	None	
Distressed Mining Towns	16 190 447	16 190 447	5 879 058	10 311 389	10 311 389	None	
Integrated National Electrification grant	20 000 000	20 000 000	15 000 000	5 000 000	5 000 000	None	
Total	40 278 447	40 278 447	24 967 058	15 311 389	15 311 389	None	

Annexure M: Capital Programme by Project 2021/2022

projects names	2021/2022 financial year			Variance 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Motaganeng Access Bridge	26,596,087	22,142,612	20,989,116	79%	95%
Ga-Debeila to Mohlaletse	57,681,913	38,517,306	31,207,919	51%	81%
Leboeng Access Roads	34 061 071	11,500,000	11,500,000	34%	100%
Ring fenced sports facility	10,000,000	10,000,000	8,135,080	81%	81%
Magakala Access Bridge	23 830 106	9,800,000	0,00	0%	0%

APPENDIX O: Capital Programme by project by ward current Year

Project/Programme	Performance Indicator	2021/22 Targets	Budget & Target			Overall Total	Source of funding	Wards	Villages
			2021/22	2022/23	2023/24				
Fetakgomo Tubatse Highmast lights - Hot Spot Areas	# of Highmast lights to be installed	18 high mast lights to be installed	R10 000 000	N/A	N/A	R 10 000 000	MIG		1. Moroke next to police station 2. Ga Selala next Built it 3. R555 Lavino Junction 4. Sehlaku next Mhluli 5. Old Mandagschoek hospital junction 6. Taung 7. Kgautswane 8. Alverton 9. Leboeng Market 10. Tswenyane 11. Magaba Park next to Lolo 12. Apel Taxi Rank 13. Mohlatse Taxi Rank 14. Lebrogong 15. Hoeraroep portion 2 16.
	# of Highmast lights to be energized	18 high mast lights to be installed	R 1 500 000	N/A	N/A	R 1 500 000	OWN		Mphanama to Radingwana Bridge 17. Dithabaneng /Ga serishane junction 18. Mmotwaneng
Planning and Design Appiesdroorin g to Manoke road	% Planning Design of Appiesdroorin g to Manoke road	100% Planning of design Appiesdroorin g to Manoke road	R 300 000.00	N/A	N/A	R 300 000	OWN	18	Appiesdroorin to Manoke

Project/Programme	Performance Indicator	2021/22 Targets	Budget & Target			Overall Total	Source of funding	Wards	Villages
			2021/22	2022/23	2023/24				
Planning and design of Driekop access road from N3 Gamohlopi to Hollong	% Planning of designs for Access roads N3 Gamohlopi to Hollong	100% Planning design of Access road N3 Gamohlopi to Hall completed	R 300 000.00	N/A	N/A	R 300 000	OWN	7, 19	Driekop, Ga-Mohlopi
Planning and Design of Mashamothane Access road to Moshate	% Planning of designs for Mashamothane Access road to Moshate	100% planning designs for Mashamothane Access road to Moshate completed	R 300 000.00	N/A	N/A	R 300 000	OWN	25	Mashamothane
Planning and design of Mareseleng Access Road	% Planning designs for Mareseleng Access Road	100% planning and designs for Mareseleng Access road completed	R 300 000.00	R 28 000 000	N/A	R 28 300 000	OWN	25	Mareseleng
Planning and design of Ga - Selala access road to Moshate	% Planning and designs for Selala Access roads to Moshate	100% planning and designs for Selala Access roads to Moshate completed	R 300 000.00	N/A	N/A	R 300 000	OWN	17	Selala
Construction of Ga Debeila to Mohlaletse internal street Phase 1	% Progress in Construction of Ga Debeila to Mohlaletse internal street	100% Progress in Construction of Ga Debeila to Mohlaletse internal street	R 10 193 015.02	R 79 834 950.24	N/A	R 90 027 965.26	MIG	3, 36, 39	Debeila -Mohlaletse
Construction of Magakala access bridge	% Progress in Construction of the	60% Progress in Construction of the	R 27 952 110.10	R 10 000 000	N/A	R 15 498 129,58	MIG	39	Magakala

Project/Progr amme	Performance Indicator	2021/22 Targets	Budget & Target			Overall Total	Source of funding	Wards	Villages
			2021/22	2022/23	2023/24				
and access road – Phase 2	Magakala Access bridge and access roads	Magakala Access bridge and access roads							
Construction of Mashung Internal Street	% Progress in Construction of Mashung Internal Street	100% Progress in Construction of Mashung Internal Street	R32 122 34 2.42	R 10 000 00	N/A	R 44 460 000.00	MIG	36	Nchabeleng, Nkoana and Apei
Construction of Motaganeng Access bridge & Access Road	% Progress in Construction of Motaganeng Access bridge & Access Road	100% Progress in Construction of Motaganeng Access bridge & Access Road	R 14 203 547. 48		N/A	R 26 596 086,57	MIG	25	Motaganeng
Completion of Ohrigstad Sports Complex – Phase 2	% Progress in Completion of Ohrigstad Sports Complex – Phase 2	100% Completion of Ohrigstad Sports Complex – Phase 2	R 3 000 000	N/A	N/A	R 3 000 000	OWN	01	Ohrigstad
Municipal Electrification projects	# of Municipal households to be electrified	10758 municipal households to be electrified	R 22 000 000	N/A	N/A	R 22 000 000	Own /INEP	1, 5, 13, 19, 33	Taung, Praktiseer X 3 and X 11, Mandela east and west, Barcelona, Maphutle, Tswelopele park, riverside, Phakaneng, Mogabane Mountain view
Rehabilitation of Mabocha Access bridge	% Progress in rehabilitation of Mabocha Access bridge	100% rehabilitation of Mabocha Access bridge	R 3000 000	R2 000 000	N/A	R 5000 000	OWN	30	Mabocha

Project/Programme	Performance Indicator	2021/22 Targets	Budget & Target			Overall Total	Source of funding	Wards	Villages
			2021/22	2022/23	2023/24				
Rehabilitation of Mashilabele Access bridge	% Progress in rehabilitation of Mashilabele Access bridge	100% rehabilitation of Mashilabele Access bridge	R 3000 000	R 2000 000	N/A	R 5000 000	OWN		Mashilabele
Planning and Design of N1 road from Bothashoek T-junction to River Cross	% Planning and design of N1 road from Bothashoek T-junction to River Cross	100% planning and design of Bothashoek T-junction to River Cross	R300 000	N/A	N/A	R 300 000.00	OWN		Bothashoek, River cross
Planning and Design of Municipal electrification projects	% Planning and design of municipal electrification projects	100% planning and design of municipal electrification project	R1000 000	N/A	N/A	R 1000 000.00	OWN	33,13	Mogabane village & Mountain view village
Construction of Transfer stations	# Of transfer stations constructed	2 transfer stations constructed (Penge and Mphanama, Cluster)	R 1500 000	R 1000 000	R 1000 000	R 35000 000		16,37	Penge, and Mphanama

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Schools Needing Extension of Blocks, Renovation / Upgrading and Construction (New)

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
1	Ohrigstad/ Maepa Sec. School	Mareolege Primary, Matlabong Primary, Mokutung Primary, Kgaola Secondary, Legabeng Primary, Mahlatsegwane Secondary, Laerskool Ohrigstad.	At maepa there is need for water and ablution facilities
2	Mahloakweng and Ga-Ragopola	Maelebe Primary School, and Shopyane Primary School need for upgrading	Maelebe
3	Moshiane Primary School	need for upgrading	Shopyane and Kgahlanong
		Thete High School	Maebe Primary School
		Mohlaletse High School	Peu Secondary School
		Maphuthe Primary School	Matleu Primary School
		Leganabatho Primary School	
4	None	Matleu Primary School	
		none	none
5	N/A	Morewane Primary School	Morewane Primary School
			Mogolo Sec School

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
6	Ngwanatheko, Mampuru, makopole, rehlahleng, nkokoane, mante, mashupje, kgoboko	Ngwanatheko	n/a
7	France village	Gowe primary	Tumishi primary, Bonwankwe school, Nakgwadi school
8	Diphale (Ga-malemane, Dipatji, Ga-Makhwae, Tsokung and Ga-mabilo)	Matladi-a-phaahla, Diketepe primary, Dihlabakela sec, Tswako primary	Hlahlana
9	N/A	N/A	Letolwane primary, Potoko high, Mahlo Mmutlane high
10	Primary schools at Djate, Monampane, Ga-Mongatane, Ga-makgopa, Serafa, Madifahlane and secondary at Ga-Mongatane	Djate primary, Mosego Sec, Monampane Primary, Lephenye Sec, Motlammotse primary, Teleki primary, Makgopa primary, Setlamorago primary and Diphala primary	Djate primary, Mosego Sec, Monampane Primary, Lephenye Sec, Teleki primary, Makgopa primary, Tshihlo Sec and Diphala primary
11	Sebope Primary School	2	2
	Maroga Primary School	6	2
	Maputle High School	2	3
	Maboeletsa primary School	2	2
	Maroka Dieta Primary School	1	2
	Molaka Primary School	N/A	2

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
12	Matholeni, Ratau	Marole secondary, Phuti Nare, Marole High school	Moruladilepe primary, Molaka primary
13	Madikiloshe Malepe, Segorong, Dr Selahle high	Bogwasha	Leolo, bogwasha
14	N/A	Malegodi primary	<p>Moroke primary 3 blocks</p> <p>Ntwampe high 3 blocks</p> <p>Maepa primary 2 blocks</p> <p>Motloulela high 3 blocks</p> <p>Mohloping primary 3 blocks</p> <p>Kgolane high 2 blocks</p> <p>Ledingwe primary 1 block</p> <p>Makwane high 3 blocks</p> <p>Malegodi primary 1 block</p> <p>Hlakanang pprimary 4 blocks</p> <p>Magobanya high 2 blocks</p>
15	Mashishi (mahlapa), Shakung, Morapaneng, Ditwebeleng	Makofane primary, Moroleng primary, Shakung high, Mabje a kgoro, Tekanang sec, Masegodi primary	<p>Seoke primary, Mphogo primary</p> <p>Moila sec, Mabje a kgoro</p>

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
16	1 Kgopanong	Masenyetse Primary	Masenyetse Primary
	1Maakubu	Manawe Sec School	Manawe Sec School
	1 Malepe	Kanama Sec School	Kanama Sec School
	1Maretlwaneng	Legathoko Sec and Pre-school	Legathoko Sec and Pre-school
	1Mamogolo	Makidi Sec & Mamogolo Primary	Makidi Sec & Mamogolo Primary
	1Motshana	Makgatagabotse Sec School	Makgatagabotse Sec School
	1Moraba	Kgakantshane Primary	Kgakantshane Primary
	1 Penge	Penge Primary	Penge Primary
17	N/A	Phogole ,Ntoshang ,Ratanang new school	Phogole 1 block & hall, Ntoshang 1 block & hall,Mosedi 1 block & hall, Selala primary admin block, hall & library,Ratanang library & hall,Mamogege library & hall,Mohlophe 1 block
18	Burgersfort ext10	Tubatse primary, Manoke high	Manoke high, Mafemane primary Ikhwezi primary
19	N/A	All schools	All school

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
20	Secondary school Bothashoek	Phaahla high, Tshwelopele primary, Mokgabudi primary, Madinoge primary, Mahlagaume primary	Phaahla high, Tshwelopele primary, Mokgabudi primary, Madinoge primary, Mahlagaume primary
21	N/A	Ntibaneng, moisele & Mafolo	Makofane, Ntibaneng, Mafolo & Kgomatlou
22	Taung & motodi	Taung high, Ntlaisheng primary, Tswetlane primary, Marota primary	Taung high, Ntlaisheng primary, Tswetlane primary, Marota primary
23	Nazaretha Alverton primary and secondary school	Mashakwaneng, Sedibeng, Maatserepe Primary	Lehlabile
24	Majaditshukudu, Makgopa	Matshaille, Mahlahle, Morwagkwadi, Dipitsi & Legoleng	Mashakwaneng, Mathafeng Motlailane, Matshaille, Mahlahle, Morwagkwadi, Dipitsi & Legoleng
25	Mareseleng	There is a need for a school	Primary and Secondary School
	Mashifane	Primary school needed	
26	Leboeng primary, Banareng	Upgrading hall	n/a
27	Kutullo need secondary school	Malekane primary	Ngwanathupane primary need 01 block and admin

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
28	n/a	Masha primary, Masago primary Ngwaabe sec, Ngwanangwato sec	Masha primary, Masago primary
29	Maphopha School	Upgrading hall	None
	Sengange H	Upgrading hall	None
	Shorwane H	Renovation	Extension of blocks
	Dikgageng P	Upgrading hall	Extension of blocks
	Mashego H	Upgrading hall	Extension of blocks
	Madiete P	Renovation	Extension of blocks
	Ntake P	Renovation	n/a
	Maaphoko P		
	Makgwale H		
	Nthule Pre School		
	Matladi Pre School		
	Maubane Day care		
	Magawane Pre School		
	Segopotse crèche		
	Motsetladi Pre School		

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
30	Maselatole Preschool	Kweledi Secondary	
	Naledi crèche		
	High school (Dark city		Koboti Primary
	Paepae High School		Thabane Primary
	Priamary School		Mabocha Primary
	Highschool (Extension 11)		Mokobela Primary
	Nkota High School		Kweledi secondary
31	Sehloi Primary School	Magakantshe Primary	
	Dresten, Makgemeng & Kopie need secondary schools		None
32	Seroletshidi secondary	Lebelo Primary	Nyaku Secondary
		Kwano Primary	Mogale Primary
		Morwaswi Secondary	Malegase Primary
		Makgalanoto Priamry	Modiadie Secondary
33	Mogabane	Selepe Primary	Sejadipudi Primary
		Lefakgomo secondary	Selepe Primary
		Manotoana Primary	Lefakgomo Secondary

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
34	Makudu primary	Motjatjana Primary	Thlouthuthi secondary
		Hlapogadi Primary	Ramoko Primary
			Kangaza secondary
35	Mphela Marumu	Mphaaneng primary, Selebalo Sec, Serokolo Sec, Mafise primary, Phoko primary, Mafene primary	Bogalatladi primary, Serokolo Sec
36	Modimolle Primary	n/a	Extension
	Idia Primary	Renovation	Extension
	Nkoana Primary	Renovation	Extension
	Maphotle	Renovation	Extension
	Ngwanamala	Upgrading	Extension of office
37	Tlakale	n/a	Extension of office
	Frank Mashile	n/a	Extension of office
	Madithame	Upgrading	n/a
	Moenyane	Upgrading	n/a
	Masha Makopole	N/A	Extension of office
	Sepakapakeng Primary	Mphanama Primary	Mphanama Primary

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
38	Matebana Primary	Makelepeng High	Makelepeng
	Magagamatala High school	Thobelahlale	Modipadi primary
		Phukubjane	Strydkraal B primary
		Strydkraal B primary	Phukubjane primary
	Mashilabele Primary and Secondary	Dinakanyane High	Seroka Primary
		Mankopodi Primary	Dinakonyane High
		Mashilabele Primary	Mankopodi Primary
		Mmotong Primary	Pakeng Primary
		Mohwaduba Secondary	Masehleng Primary
		Masehleng Primary	Mohwaduba Secondary
39	Hans Komane Secondary		Mashilabele Primary
		Hans Komane	Maisela Primary
	Maisela Primary	Maisela Primary	Lerajane Primary
	Lerajane Primary	Lerajane Primary	Phutakwe secondary
	Phutakwe secondary	Phutakwe secondary	Mampuru Thulare Primary
	Mampuru Thulare Primary	Mampuru Thulare Primary	Maisela Primary
	Lerajane Ditlokwe	N/A	N/A

Ward	Construction of new school(s)	Schools needing renovation / upgrading	Schools needing extension of blocks
	Mokhulwane Ditlokwe	N/A	N/A

Health

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
1	Makopung	Mobile	Once in two weeks	There is a need for a clinic as people travel long distance to reach health services
	Makgalane	No	No	People travel six km to swarang clinic
	Ga Mabelane	Clinic	n/a	Over crowding
	Newstands	Clinic	n/a	Over crowding & lack of medicines
	Mapareng	Mobile	Once per month	
	Malaeneng	Mobile	Not reliable	People foot to Phiring clinic
	Mokutung	Mobile	Once per month	Far from clinic
	Ohrigstad	No clinic and mobile	n/a	Access clinic at Burgersfort clinic
	Maepa	No mobile and clinic	n/a	Access clinic Burgersfort clinic
2	Mapodile	Ga-Ragopola	Once a week	There is a need for central clinic as Mapodile Clinic is far from other villages
3	Ga-Mmakopa Badimong	Mobile	Once a week	There is a need for mobile to atleast 3days per week

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Tsereng(Pukubjane and Senthlane),	Mobile	Once a week	There is a need for mobile to atleast 3days per week
	Mapulaneng	Mohlaletse clinic	None	Clinic is not easily accessible especially old age people it is far and they pay transport.
	Ga- Phasha,	Mohlaletse clinic	None	Clinic is not easily accessible especially old age people it is far and they pay transport.
	Ga-Tebeila	Mohlaletse clinic	None	None
	Maroteng Tsate	Mohlaletse clinic	None	Clinic is not easily accessible especially old age people it is far and they pay transport.
	Selotsane, Molalaneng Leswaneng,	Mohlaletse clinic	None	Clinic is not easily accessible especially old age people it is far and they pay transport.
	Matebeleng	Mohlaletse clinic	None	None
	Mogolwaneng,	Mohlaletse clinic	None	None
	Shushumela	Mohlaletse clinic	None	Clinic is not easily accessible especially old age people it is far and they pay transport.
	Maebe,	Mohlaletse clinic	None	None
	Ga-Matjije,	Mohlaletse clinic	None	None
	Makola	Mohlaletse clinic	None	None
	Lekgwarapeng	Mohlaletse clinic	None	None

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Rite	Mohlaletse clinic	None	Clinic is far from the village
	Sekateng	Mohlaletse clinic	None	None
4	Mpita, Matsianeng & Riba Cross	none	none	community travel long distance to the clinic
5	Mandela 122	None	None	Distance to Access Clinic
	Pomping	None	None	
	Polaseng	None	None	
	London	None	None	
	Stasie	Mobile	Daily	Crossing – R37
	Morewane	None	None	Distance
	Lepakeng	None	None	None
	Crossong	None	None	None
	Sedibaneng	None	None	None
	Madiseng	Mobile	Regularly	None
	Dipolateng	clinic	n/a	n/a
6				
7	Gowe, Kampeng, France, Hollong, Moihoek, Maonong, Legononong, Boitumelo & Lekgwareng	All villages use Dilokong hospital	n/a	n/a

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
8	Seuwe	Matsageng clinic	n/a	Clinic does not operate 24 hours, community travel long distance to the clinic
9	Shakung	Mobile	n/a	A need for a clinic
	Thokwane	Mobile	n/a	n/a
10	Mashabela	Clinic	n/a	Road towards the clinic is slippery and thus inaccessible during rainy season
11	Makgopa	Mobile	Once a week	n/a
12	Swale	Clinic	n/a	No medical facilities
	Komane	Mobile	n/a	Road not properly maintained
				Shortage of staff at H.C. Boschhoff Health Centre
13	Praktiseer, Ext 2-10 and 15; Tshwelopele Park; Ramaube	Clinic	n/a	Poor service Shortage of medication
14	Moroke	Clinic Mecklenburg	n/a	Staff not cooperating with the community
	magobading	Mobile	Once a week	n/a

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Habeng	Mobile	Once a month	n/a
	Moshira	Mobile	Once a month	n/a
15	Mashishi	Under construction by C.Trust	Thursday	Sometimes not coming
	Kgoete, masete, morapaneng & mphogo	No clinic or mobile	n/a	Travel long distance to access health facilities
	Shakung	mobile	Monday & Wednesday	Sometimes not coming during rainy seasons
	Ditwebeleng	mobile	Tuesday	n/a
16	Kgopaneng	Mobile	Once a week	Scheduled days not followed
	Maakubu	Mobile	Once a week	Scheduled days not followed
	Mokgotho	None	None	There a need for clinic
	Malepe	None	None	Mobile/ clinic needed
	Moretlwaneng	Clinic	N/A	None
	Mamogolo	None	None	Mobile is needed

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Lefahla	None	None	Mobile needed
	Motshana	Clinic	N/A	None
	Moraba	None	None	Revive mobile clinic
	Penge	Hospital	N/A	Dysfunctional
17	Ga-selala	clinic	n/a	Shortage of staff and medications Operate during the day only
	Ga-mahlolkwane	mobile	Once a month	Community travel long distance to access clinic at Ga-selala
18	Burgersfort town	clinic	24hrs	A need for extension of the clinic
	Manoke Mobile	Mobile	Once per week	n/a
19	Riba moshate	Clinic	n/a	Need for a Doctor
20	Bothashoek	Clinic	n/a	Challenge of the structure only 2 cubicles Does not operate 24 hours
21	Makofane & Motlolo	Clinic	n/a	n/a
22	Taung	Clinic	n/a	Shortage of water

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Makotaseng	Mobile	Once a week	Sometimes fails to come
	Matokomane	Mobile	Once a week	Sometimes fails to come
	Motodi	Clinic	n/a	n/a
23	Mafarafara,	Mobile	Once a month	There is clinic needed in the ward as there is no clinic.
	Alverton	Mobile	Once a month	
	Kgotlopong	Mobile	Once a month	
	Mahlatsi	Mobile	Once a month	
	Motlailan	Mobile	Once a month	
24	Paeng & Makgopa	Mobile	Once a week	n/a
25	Mareseleng	None	None	There is a need for clinic in all the villages
26	Rutseng, Ga-Nkoana, Banareng, Ga-moraba, Lepelle A&B, Tswenyane, Matshokgeng & Phiring	Clinic		Old people had to wait for long hours to be assisted, request for intervention by the department
27	Malekane, Kutullo,	Mobile	Once a week	All villages need mobile
28	Ga-Rantho	clinic	none	Shortage of nurses
29	Maphopha	Mobile	Once a week	Scheduled days not followed

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Maepa	Mobile	Once a week	Scheduled days not followed
	Maseven	Mobile	Once a week	Scheduled days not followed
	Makua	None	Once a week	Mobile needed
	Ratau	None	Once a week	Mobile needed
30	Oak city, Vodaville, Mountain view, Town(kweledi), Extension 1(Airport), Extension 11(Showground), Mapareng(Mabocho), Thab akhulwane (Mabocho), Lekgwareng (Mokobola), Mokobola (Morulaneng)	None	None	There is a need for a clinic as people travel long distance to access health service at ward 13 Gamanyake and Penge
31	Dresten and Makgemeng village	Mobile	Once a week	Need for a clinic
32	Mangabane village	Mobile	Thursday	
	Shubushubung	Mobile	Once a week	n/a
	Rostock	Mobile	Once a week	n/a
	Mahlabeng	Mobile	Once a week	n/a
	Tjibeng	Mobile	Once a week	n/a

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Moosilyk	None	None	There is need for clinic and mobile and people travel long distances
	Ga-Mampa	None	n/a	There is a need for clinic or mobile as they access clinic at Ga-Phasha
	Seokodibeng	Mobile	n/a	There is a need for clinic or mobile at least twice a week
	Ledingwe	Mobile	n/a	n/a
33	Mogabane –shole		n/a	There is a need for clinic
	Selepe Moshate	Clinic	n/a	n/a
	Checkers	Clinic	n/a	n/a
	Swazi- mnyamane		n/a	There is a need for clinic
34	Mokgotho, Monametse, Sefateng, Mohlalalaneng, Bogalatladi, Mabulela, Maruping, Mogabane, Malomanye, Mphaaneng & Mashikwe	Mobile all villages Clinic at Sefateng	Once a week	People travel long distance to access clinic
35	Ga-Maisela	None	n/a	There is lack of medication in the clinics
	India	None		
	Pelangwe	None		

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Modimolle	None		
	Malogeng	None		
	Apel	Yes		
	Mapodi,	None		
	Maesela-Mahlabaphoko,	None		
	Mapulaneng,	None		
	Nkoana Moshate,	Yes		
	Matheba(majane)	None		
36	Mooiplaas	None	n/a	There is a need for mobile clinic
	Strydkraal	Masha clinic	n/a	Closed and night
	Nchabeleng health Clinic			There is a need for Nchabeleng health Clinic to be converted to a hospital
37	Sepakapakeng	Mobile	n/a	Mobile clinic no longer adhering to schedule
	Moagagamatala,	Mobile	n/a	Accommodation is challenges
	Moshate	None	N/A	There only use Mphanama clinic
	seleteng	None	N/A	
	Matamong	None	N/A	

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
38	Malaeneng	None	N/A	
	Mototolwaneng	None	N/A	
	Matebana	None	N/A	There is need for mobile clinic as they travel long distance
	Radingwana	None	N/a	There is a need for mobile clinic as they access clinic in Ikageng
	Ga-Mashabela	None	N/a	Mobile Clinic need
	Thanaseshu	Mobile	N/A	Mobile Clinic need
	Thobehlale	None	N/A	There is need clinic
	Ga-Matlala	None	N/A	There is need clinic and mobile
	Strydkraal B	None	N/A	There is a need for clinic or mobile
	Ga-Seroka	Clinic	N/A	There is cracks inside the container,
	Manoge	-	N/A	There is a need for clinic and mobile
	Mashilabele	Mobile	On Thursday	The schedule is not followed accordingly as its been 3months without mobile clinic
	Phageng	-	N/A	N/A
	Ga-Mmela	Clinic	N/A	N/A
	Phahlamanoge	Clinic	N/A	N/A

Ward	Village	Clinic/mobile	If mobile state frequency of visit	Challenges/comments
	Masehleng	-	N/A	There is a need for mobile clinic
39	Lerajane Ditlokwe	Clinic	N/A	There is a need for health service in all villages
	Mokhulwane Ditlokwe	Clinic	N/A	

APPENDIX Q: SERVICE BACKLOG EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Ward No		No.	Priority	Location
01		1	Water	Ramakgai, Makgalane, Mokutung, Newstands, Mokutung, Newstands, Malaeneng,
		2	Roads	Mokutung, Malaeneng, Makgalane, Mapareng
		3	Community hall	Leboeng police station
		4	Library	Leboeng Police station
		5	Access Bridge	Makgalane, Mokutung, Mapareng, Makopung
		6	RDP	All villages
02		1	Water	Longtil & Tukakgomo
		2	Primary Schools	Ga-ragopola & Mahlakwena
		3	Electricity	Phapong, Ga-ragopola & Mahlakwena
		4	Police station	Longtill
		5	Storm Water Control	Tukakgomo
		6	Extension of Mapodile Township	Longtill & other sections
03		1	Water	All village
		2	Bridges	Mohlaletse clinic to maroteng via river Thete to ga-phasha Tswereng to ga-mmakopa Taxi rank to mapulaneng
		3	Road	Mogohlwaneng Ga-phasha to ga-mmakopa Lerajane to tswereng Ga-mmakopa Taxi rank to thete high school

Ward No		No.	Priority	Location
				Maebe and sekateng
		4	Cemeteries	All ward
		5	Postal office	Ward 3
		6	Sports complex	Ward 3
04		1	Water,sanitation,road,bridges, electricity, access road,resevoir	All villages
		2	RDP Houses,Clinic,police station,community hall,street light, refuse removal, sports ground, training Centre, street name	
05		1	Paving main street from London to Crossong	London, Stasie,Mandela1&2,Mandela lepakeng & Crossong
		2		
		3	Access Bridges	Mandela Lepakeng and crossing
		4	Storm water drainage	London, Stasie,Mandela1&2,Mandela lepakeng & Crossong
		5	Apolo lights	
			Paving road at Madiseng main road	London, Pomping,Mandela 1&2,Crossong, Madiseng,Morewane
				Madiseng
06		1	Water	All villages
		2	Electricity	
		3	RDP houses	
		4	Library	
		5	Police station	
		6	Mobile clinic	
		7	Graveling	
		8	Tubatse F.M	

Ward No		No.	Priority	Location
		9	Sports ground	
07		1	Schools	All villages
		2	Access Bridges	
		3	RDP Houses	
		4	Water & sanitation	
		5	Electricity	
		6	Library	
		7	Job creation	
		8	Access Roads & Maintenance	
08		1	Tar road	The whole ward Between Diphale & Seuwe
		2	Yard water provision	
		3	RDP Houses	
		4	Electricity post connection	
		5	Employment, Learnerships, Bursaries & EPWP	
		6	Ward office & community hall	
09		1	Water	All villages
		2	VIP toilets	
		3	Road	
		4	RDP Houses	
		5	Waste Removal	
		6	Community Hall	
10		1	Electricity	Tjate, Tidintitsane, Ga-Mogatane, Maakgake, Dlthabaneng, Makgopa, S erafa, Madifahlane
		2	RDP	
		3	Water	
		4	Clinic	

Ward No		No.	Priority	Location
		5	High Mass Lights	
		6	Toilets	
11		1	Electricity	Garagopoal, Legabeng, Gamaroga, Morethe, Moeng, Molongwana, Digabane, Mooihoek, Sikiti, Moeng,
		2	Roads	
		3	Water & sanitation	
		4	RDP	
		5	Street Lights	
		6	Access bridges	
		7	Refuse Removal	
		10	High Mass Lights	
12		1	Water	Komane, Mamphahlane, Ga-Mampuru, Hwashi Balotsaneng, Ga-Mamphahlane, Mahubane, Matimatjatji, Sehlaku Komane, Pitsaneng, Suncity-Lekgwareng, Sokutu-Motomelane, Phutinare-Ga-Mabilu Mamphahlane, Swale, komana, molongwane, Balotsaneng, Difagate & Matimatjatji All villages
		2	Electrician	
		3	Roads	
		4	Bridges	
		5	High Mass Lights	
		6	RDP & VIP Toilets	
13		1	Old Age Hall	Next to the Clinic
		2	Water	
		3	Roads	
		4	Sewerage system	
		5	Library	
		6	Recreation centre	
14		1	Water	All villages
		2	Electricity	
		3	Access roads	

Ward No		No.	Priority	Location
		4	Sanitation	
		5	RDP house	
		6	Refuse removal	
15		1	Water /Sanitation	All villages
		2	Roads	
		3	RDP	
		4	Electricity	
		5	Community hall	
		6	Clinic	
16		1	Water	Penge,Moraba,Maakubu,Kgopaneng
		2	Sanitation	Maretlwaneng,Maakubu,Kgopaneng
		3	Sewerage	Penge
		4	Network	Mamogolo,Mokgotho,Lefahla
		5	Tarred Road	Maakubu-Kgopaneng
		6	RDP Houses	Penge,Mokgotho,Kgopaneng
		7	Apolo Lights	Motshana,Maakubu,Malepe
17		1	Electricity	Twatwa,Semae,Hlololo,Natlala,Manyaka
		2	Water	All villages
		3	Sanitation	All villages
		4	Roads	All villages
		5	CWP Project	Mahlokwane,Manyaka,Maaopea
		6	RDP Houses	All villages
18		1	Schools	Burgersfort, Ga-Manoke, Appiesdoring
		2	Tarred roads	
		3	Relocation of Informal settlement	
		4	Clinic	
		5	RDP Houses	

Ward No		No.	Priority	Location
		6	Water	
		7	Sports Facilities	
		8	Community hall	
		9	Streets & High Mass Lights	
19		1	Water,	All villages
		2	RDP Houses	
		3	High mast lights	
		4	Roads	
		5	Access bridge	
		6	sanitation	
20		1	Water	Whole village
		2	Electricity	Pologong Community hall
		3	Roads	
		4	Streetlights	
		5	RDP Houses	
		6	Toilets	
		7	High Mass Lights	
		8	Community hall	
21		1	Road	Phefong,Tareaneng,Pidima,Sekopung,Taung,
		2	Water & Sanitation	Montia,Moeding,Malaeneng,
		3	Schools	
		4	MPCC	
		5	Library	
		6	Reservoir	
		7	RDP Houses	

Ward No.	Priority	Location
22	Access roads and Maintenance	All villages
	Access bridge	All villages
	Tar road	Motodi to taung
	Fencing of cemeteries	Taung and motodi
	Grading sports grounds	All villages
	Electricity	Taung (old)
	Postconnections	Motodi Moshate, Morena section, Stasie, Mafogo Mabelane section
	Extension of piped water	Ga-Matokomane
	RDP	Matokomane and Makotaseng
23	Water	All villages
	Clinic	All villages
	Tar road	All villages
	RDP Houses	Alverton and motlailana
	Electricity	All villages
	Sports ground	All villages
	Street lights	All villages
	Sanitation	All villages
	Fencing of cemetery	All villages
	Paving of streets	All villages
	Schools	Nazareth section
24	Water	Majaditshukudu, paeng
	RDP House	Makgopa, lebalelo
	Roads	Paeng, makgwareng
	Electricity	Majaditshukudu, makgwareng
	Clinic	Majaditshukudu
	Community hall	Paeng, majaditshukudu

Ward No.	Priority	Location
25	Water, highmast lights, Internal Roads, RDP	B1
	Water, electricity ext 8, internal roads, high mast lights	Mashamthane
	Water, internal roads, school, access bridge, highmast lights,	Mareseleng
	Clinic, RDP, Police station, water, roads, highmast lights and electricity	Madiseng
	Water, internal roads, school	Mashifane park
26	Pavement	Rutseng, ga-moraba and ga-nkoana
	Fencing of cemeteries	Rutseng, ga-moraba and ga-nkoana, tswenyane, lepelle, banareng
	Water	Rutseng, ga-moraba and ga-nkoana, tswenyane, lepelle, banareng
	Sport facilities	Rutseng, ga-moraba and ga-nkoana, tswenyane, lepelle, banareng
	Street lights	Rutseng, ga-moraba and ga-nkoana, tswenyane, lepelle, banareng
	Transport	Rutseng, ga-moraba and ga-nkoana, tswenyane, lepelle, banareng
27	Street lights	All villages
	Network tower	Tsakane
	Library	Tsakane
	Pavement/ tar road	All villages
	Sanitation	All villages
	Post office	Ga-malekane
28	Electricity	Ga-rantho-mandela outline, ntswaneng section
		Ga-masha zone 5 and new stands outline
	Access roads	Ga-masha and ga-rantho
	Community hall and library	Ga-masha and ga-rantho

Ward No.	Priority	Location
	High mast lights	Ga-masha and ga-rantho
	Recreational centre	Ga-masha and ga-rantho
	Old age or orphanage centre	Ga-masha and ga-rantho
29	Electricity	New stand, matsosho, makgwale, makua, ntake, maepa
	Bridges	Mampharafara, sengange, ratau, motsetladi, makua, ntswaneng, ntake
	High mast lights	Maphopha, makua, ntake, ratau, maepa, maseven
	Community hall	Ratau, makua, ntake, maseven
	Water reticulation	New stand, ratau, matsosho, maseven, makua, ntake, maepa
	Sports facilities	Wall villages needs soccer fields
30	Water and sanitation	All villages
	Roads and storm water	
	Electricity	Extension 11, magabe park, vodaville, mapareng
	Job creation	All villages
	Education	
	Refuse removal	
31	Electricity	All villages
	Water	
	Roads	
	RDP Houses	
	Secondary school	
	High mast light	Mangabane, makgemeng, kopi, dresden
32	Water	All villages
	RDP houses	
	Electricity	

Ward No.	Priority	Location
	Sanitation	
	Community hall	
	Network tower	
	Roads	
33	Upgrade D4180 from gravel to tar	From sefateng to seelane swazi mnyamane
	Water supply	Mogabane to swazi mnyamane
	Extension of school laboratories and libraries	Lefakgomo and tlou-phuthi secondaries
	Re-gravell access roads	All villages
	High mast lights	All villages selected hot spots areas
	RDP houses	All villages
34	Water	All villages,Drilling of new boreholes at monametse and mokgotho Salty water at sefateng, bogatlatladi, mogolaneng and mohlalhaneng
	Sanitation	Bogatlatladi B
	Electricity	Mafeane extension
	Roads	Regravelling of roads in all villages
	RDP houses	All villages
	Community halls	Malomanye, bogatlatladi, mashikwe, mabulela, mohlalhaneng, mogolaneng
35	Water	Ga-maisela India, Malogeng, Modimolle
	High mast light	Makgaleng Apel, pelangwe, modimolle, Mapodi
	Construction of new school	Nkotsane Apel, Modimolle
	Access road	All villages
	Clinic	Ga-maisela India, Pelangwe, Modimolle
36	Water,Electricity,Roads,RDP	Ga-Nchabeleng, Strdykraal, Apel, Ga-Nkwana, Mooiplaas

Ward No.	Priority	Location
37	Access roads and internal streets	All villages
	Refuse removal	
	High mast and streets lights	
	Tourism	Matebane (Iepellane dam), Mototolwaneng (kutukubje cave)
	Sports centre	Malaeneng, magagamatala, matlala and strydkraal B
	Water	All villages
38	Water ,Roads & Bridges,Community Hall,Cemeteries,,Clinic, Sanitation,Housing	All villages
39	Bridge	Magotwaneng, Sekubeng
	Road	Ga-matsimela,Mokhulwane ss street Moshate to tjebane,Ditlokwe-mokhulwane Ga-manchidi to masehlaneng,Phutakwe high school
	water	Sekubeng, rite-new settlement, bofala/sekateng, lerajane, ditlokwe, magotwaneng, magabaneng,
	Regravelling of internal streets	All villages
	High mast lights	Lerajane bridge, sekubeng, makgaleng, lerajane-ditlokwe
	Clinic	In the ward

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

NONE

**APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER
MFMA s71**

NONE

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

FTLM Key Priority areas	FTLM Key Performance Area	FTLM (IDP) Development Objectives	Limpopo Development Plan (LDP) Key Pillars	National Development Plan (NDP) Key Pillars	Back to Basics Strategy Key Performance Areas	Municipal Regulations on Standard Chart of Accounts (mSCOA)
Access to Basic Services	Basic Services Delivery & Infrastructural Development	To facilitate basic services delivery and infrastructural development / investment	Infrastructure development	Building capabilities of the people and the state;	Basic Service: Creating Conditions for Decent Living	Improve measurement of the impact on service delivery and the community.
Job Creation	Local Economic Development	To promote economic development in the FTLM Municipal Area	Economic development and transformation	A developmental state capable of correcting historical inequalities and creating opportunities for more people while being professional, competent and responsive to the needs of all citizens;	Basic Service: Creating Conditions for Decent Living	Ensure alignment and implementation of the IDP as all expenditure, both capital and operating will be driven from a project.
Spatial Rationale	Spatial Rationale	To promote integrated	Integrated sustainable rural	South African leaders putting aside narrow	Basic Service: Creating	Improve quality of information for budgeting

FTLM Key Priority areas	FTLM Key Performance Area	FTLM (IDP) Development Objectives	Limpopo Development Plan (LDP) Key Pillars	National Development Plan (NDP) Key Pillars	Back to Basics Strategy Key Performance Areas	Municipal Regulations on Standard Chart of Accounts (mSCOA)
		human settlements.	development & sustainable human settlements	sectarian interests in favour of national interest and putting the country first.	Conditions for Decent Living	and management decision making
Organisational Development	Municipal Transformation & Organisational Development	To strengthen institutional efficiency and governance	Building a developmental and Capable State	Have South Africans be active citizens in their community and in the development of the country;	Building Capable Institutions and Administrations	Improve oversight functions by council as the required information will be tabled for policy decisions, tariff modelling and monitoring.
Financial Viability	Financial Viability	To improve overall municipal financial management	Building a developmental and Capable State	A growing and inclusive economy with higher investment, better skills, rising savings and greater	Sound financial management	Accurate recording of transactions therefore reducing material misstatements

FTLM Key Priority areas	FTLM Key Performance Area	FTLM (IDP) Development Objectives	Limpopo Development Plan (LDP) Key Pillars	National Development Plan (NDP) Key Pillars	Back to Basics Strategy Key Performance Areas	Municipal Regulations on Standard Chart of Accounts (mSCOA)
Good Governance	Good Governance & Public Participation	To enhance good governance and public participation	Social cohesion and transformation	levels of competitiveness; Unite all South Africans around a common programme to fight poverty and inequality and promote social cohesion;	Public Participation & Putting people first	Reduce the month/year end reconciliation processes and journals processed

ANNUAL FINANCIAL STATEMENT



Fetakgomo Tubatse Local Municipality
Annual Financial Statements
for the year ended 30 June 2022
Auditor General South Africa

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Municipality
Councillors list	EXECUTIVE COMMITTEE
The Mayor	Cllr Maile EE
The Chief Whip	Cllr Shoba MV
	MEMBERS OF EXCO
	Cllr Moeng QM
	Cllr Mashego RM
	Cllr Mphethi RD
	Cllr Mashego OT
	Cllr Mabelane MM
	Cllr Radingwana MR
	Cllr Makofane IT
	Cllr Mengwai LD
	Cllr Malepe KP
	SPEAKER
	Cllr Pholwane MB
	MPAC CHAIRPERSON
	Cllr Mojalefa HL
	OTHER COUNCILLORS
	Cllr Moopane MK
	Cllr Nkosi MD
	Cllr Magagula TB
	Cllr Malapane OT
	Cllr Magane I P
	Cllr Magaba AM
	Cllr Modipa FM
	Cllr Thobejane LM
	Cllr Mashabela VM
	Cllr Tjie MR
	Cllr Sebopela MM
	Cllr Nchabeleng NC
	Cllr Makofane T
	Cllr Mampa DM
	Cllr Mokgotho K
	Cllr Mokoena MS
	Cllr Ngwatla TJ
	Cllr Tjie TM
	Cllr Lekgau AK
	Cllr Mokgotho LL
	Cllr Ratshoshi LM
	Cllr Mokoena DF
	Cllr Kswete MP
	Cllr Makutu TS
	Cllr Hlase ST
	Cllr Mabowa SI
	Cllr Tshehla MS
	Cllr Mmushi MJ
	Cllr Magabe MS

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Cllr Mohlala TH
Cllr Phasha MA
Cllr Mathipa MP
Cllr Thobela KML
Cllr Phasha MM
Cllr Matheba AM
Cllr Matlakaneng MM
Cllr Mamphekgo TL
Cllr Tlape MM
Cllr Mojalefa IH
Cllr Maepa ML
Cllr Makofane NN
Cllr Mokome KL
Cllr Rantho LJ
Cllr Mgiba NP
Cllr Motene PP
Cllr Thamaga ST
Cllr Kupa SM
Cllr Molapo TI
Cllr Kupa RB
Cllr Mohuba MS
Cllr Mabelane JM
Cllr Shai ML
Cllr Sekgala SM
Cllr Thobejane ME
Cllr Ngwatle MP
Cllr Komana WT
Cllr Mogashoa ML
Cllr Molapo WS
Cllr Mogoane MK
Cllr Masha MM
Cllr Mola N
Cllr Madalane ET
Cllr Ngwatle AD
Cllr Nkele JT
Cllr Bothma C

Grading of local authority

Grade 4

Chief Finance Officer (CFO)

Makgata MJ

Accounting Officer

Phala NW
Mathebula MA

Registered office

Fetakgomo Tubatse Local Municipality
1 Kastania Street
Burgersfort

Business address

1 Kastania Street
Burgersfort
1150

Postal address

P. O. Box 206

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Bankers

Burgersfort
1150

Auditors

Standard Bank
Burgersfort

Attorneys

Auditor General South Africa

Noko Maimela Incorporated
Verveen Attorneys
Mphokane Attorneys
Machaba Inc
ML Matema Inc
Kgolisa a Mamabolo
Kgororeadira Mudau
Mmakola Attorneys
Rachoene Attorneys
Mahowa Inc

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Index

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

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has adequate resources or access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 8.

The annual financial statements set out on pages 12 to 110, which have been prepared on the going concern basis, were approved accounting officer on 31 August 2022 and were signed on its behalf by:

Mathebula MA
Municipal Manager (Acting)

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Audit Committee Report

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Audit Committee Report



Report of the Auditor General

To the Provincial Legislature of Fetakgomo Tubatse Local Municipality

Auditor General South Africa

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Report

The accounting officer submit their report for the year ended 30 June 2022.

1. Review of activities

Main business and operations

The Municipality is engaged in local service delivery as enshrined in the Constitution of the Republic of South Africa with its core functions and primary revenue sources being collection of property rates and taxes and refuse collection. It operates principally in Burgersfort, South Africa.

Net surplus of the municipality was R 72 118 302 (2021: surplus R 164 233 876).

2. 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 ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality

3. Subsequent events

Refer to the Events After Balance Sheet note.

4. Accounting policies

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

5. Accounting Officer

The Accounting Officer of the municipality during the 12 months and to the date of this report is as follows:

Name	Nationality	Changes
Phala NW	RSA	Appointed on 01 August 2020
Mathebula MA	RSA	Appointed on 22 August 2022

Council placed the Municipal Manager, Mr NW Phala, on leave of absence with effect from 18 August 2022 to 31 October 2022 as per Council Resolution number SC03/2022 dated 22 August 2022. Council appointed Mr MA Mathebula as the acting Municipal Manager with effect from 22 August 2022 to 31 October 2022 in terms of the same resolution.

Accounting Officer's Report

6. Corporate governance

General

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

Councillors

The Council:

- retains full control over the municipality, its plans and strategy;
 - acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
 - is of a unitary structure comprising:
 - Mayor
 - Speaker
 - Chief Whip
- Councillors.

Mayor and Municipal Manager

The roles of the Mayor and Municipal Manager are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Council and Mayor perform their oversight role and duties in terms of the prescribed legislation and delegated authorities.

Audit Committee meetings

The Audit Committee has met on 12 separate occasions during the financial year. The Audit Committee schedules to meet at least 4 times per annum.

Audit committee

During the period the audit committee was composed as follows:

1. MR. N Marobane (Chairperson - appointed from 1 August 2021)
2. MS. M Ramutsheli (appointed from 1 August 2021)
3. MS. J Mabuza (appointed from 01 August 2021)
4. Mr Suren Maharaj (appointed from 1 April 2021)
5. Mr Mpaku Goodwill Mathabathe (appointed from 1 April 2021).

Internal audit

The municipality had its own internal audit function for the financial year under review. The internal audit operates under section 165 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

7. Bankers

The municipality banks primarily with Standard Bank.

8. Auditors

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

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Report

Mathebula MA
Municipal Manager (Acting)

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets	9	45 321 952	45 103 802
Inventories	10	871 696	92 806
Receivables from exchange transactions	11	1 536 339	17 568 880
Receivables from non-exchange transactions	12	44 962 461	26 125 334
VAT receivable	8	1 050 000	4 745 758
Prepayments	13&14	14 025 013	13 214 983
Consumer debtors from exchange transactions	13&14	58 182 438	36 103 632
Consumer debtors from non exchange transactions	15	186 220 182	299 134 269
Cash and cash equivalents		352 170 081	442 089 464
Non-Current Assets	3	60 150 000	58 684 000
Investment property	4	2 462 235 673	2 389 449 763
Property, plant and equipment	5	332 313	171 568
Intangible assets	6	1 068 300	1 068 300
Heritage assets		2 523 786 286	2 449 373 631
		2 875 956 367	2 891 463 095
Total Assets			
Liabilities			
Current Liabilities	16	49 818 724	30 429 919
Finance lease obligation	19	111 696 654	111 496 542
Payables from exchange transactions	7	1 760 981	1 877 096
Employee benefit obligation	17	14 819 947	77 213 638
Unspent conditional grants and receipts	18	19 987 169	19 949 288
Provisions		198 083 475	240 966 483
Non-Current Liabilities	16	-	49 818 724
Finance lease obligation	7	34 769 417	29 934 477
Employee benefit obligation	18	10 175 596	9 933 839
Provisions		44 945 014	89 687 040
		243 028 489	330 653 523
Total Liabilities			
		2 632 927 878	2 560 809 572
Net Assets			
		2 632 927 878	2 560 809 571
Accumulated surplus			

* See Note 50 & 49

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand

	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	21 117 504	22 878 460
Rental of community offices and facilities	21	438 538	248 090
Interest charged	23	3 726 839	6 211 388
Agency services	24	6 074 508	4 544 051
Licences and permits	25	5 968 561	4 854 984
Fees earned	27	781 571	400 572
Discount received	27	-	122 083
Other income	28	98 473	16 357 368
Interest received - investment	29	9 394 517	7 098 623
Total revenue from exchange transactions		47 600 511	62 715 619
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	30	104 915 566	109 905 103
Property rates - interest on outstanding debtors	30	10 745 040	14 515 726
Transfer revenue			
Government grants & subsidies	32	620 244 568	661 508 575
Public contributions and donations	33	82 800	5 028 779
Traffic fines	22	1 045 250	624 450
Other Revenue			
Fair value adjustments	42	1 466 000	27 028 400
Total revenue from non-exchange transactions		1 466 000	27 028 400
Total revenue		738 499 224	818 611 033
Expenditure		786 099 735	881 326 652
Employee related costs	34	(201 012 845)	(194 773 965)
Remuneration of councillors	35	(35 396 629)	(33 603 065)
Depreciation and amortisation	36	(86 308 893)	(102 177 400)
Impairment losses/reversal of impairment	37	(2 749 308)	(12 504 072)
Finance costs	38	(4 653 414)	(3 963 495)
Lease rentals on operating lease	26	(1 710 635)	(14 669 114)
Debt Impairment / (Reversal of Impairment)	39	(23 595 651)	(77 629 681)
Contracted services	40	(237 257 043)	(163 956 498)
Transfers and Subsidies	31	(5 908 650)	(8 069 078)
Loss on disposal of assets		(551 790)	(3 220 808)
General Expenses	41	(114 836 575)	(102 525 600)
Total expenditure		(713 981 433)	(717 092 776)
Operating surplus		72 118 302	164 233 876

The accounting policies on pages 20 to 48 and the notes on pages 50 to 110 form an integral part of the annual financial statements.

* See Note 50 & 49

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Figures in Rand		
Opening balance as previously reported	2 386 539 573	2 386 539 573
Adjustments	10 036 122	10 036 122
Correction of errors (Refer to Notes 49 and 50)	2 396 575 695	2 396 575 695
Balance at July 1, 2020 as restated*		
Changes in net assets	164 233 876	164 233 876
Surplus for the year	164 233 876	164 233 876
Total changes	2 560 809 576	2 560 809 576
Restated* Balance at July 1, 2021		
Changes in net assets	72 118 302	72 118 302
Surplus for the year	72 118 302	72 118 302
Total changes	2 632 927 878	2 632 927 878
Balance at June 30, 2022		
Note(s)		

* See Note 50 & 49

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand

	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		154 911 852	164 440 191
Government Grant and subsidies		576 826 000	641 939 000
Interest income		9 394 517	7 098 623
		741 132 369	813 477 814
Payments			
Employee costs		(236 409 471)	(228 400 595)
Suppliers		(417 368 560)	(322 251 555)
Finance costs		-	(1 021 277)
		(653 778 031)	(551 673 427)
Net cash flows from operating activities	44	87 354 339	261 804 385
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(163 254 458)	(122 480 411)
Proceeds from sale of Property, plant and equipment	4	-	-
Purchase of other intangible assets	5	(220 000)	(92 500)
		(163 474 458)	(122 572 911)
Net cash flows from investing activities			
Cash flows from financing activities			
Repayment of other financial liabilities		-	(10 467 934)
Finance lease payments-Capital portion		(30 429 919)	(14 436 785)
Finance lease payments-Interest portion		(4 653 414)	(3 104 882)
Operating lease repayments		(1 710 634)	(25 477 824)
		(36 793 968)	(53 487 425)
Net cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		(112 914 087)	85 744 049
Cash and cash equivalents at the end of the year	15	299 134 269	213 390 220
		186 220 182	299 134 269

* See Note 50 & 49

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Comparison of Budget and Actual Amounts						
Revenue						
Revenue						
Service charges	25 921 000	-	25 921 000	21 117 504	(4 803 496)	N1
Rental of community offices and facilities	281 000	-	281 000	438 538	157 538	N2
Interest received (trading)	34 929 000	-	34 929 000	3 726 839	(31 202 161)	N3
Fees earned	4 981 000	-	4 981 000	781 571	(4 199 429)	N4
Licences and permits and Agency fees	16 529 000	-	16 529 000	12 043 069	(4 485 931)	N5
Other income	18 742 000	16 000 000	34 742 000	98 473	(34 643 527)	N6
Interest received - investment	7 285 000	-	7 285 000	9 394 517	2 109 517	N7
Total revenue from exchange transactions	108 668 000	16 000 000	124 668 000	47 600 511	(77 067 489)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	139 269 000	-	139 269 000	104 915 566	(34 353 434)	N8
Property rates - interest on outstanding debtors	-	-	-	10 745 040	10 745 040	N9
Transfer revenue						
Government grants & subsidies	601 925 000	12 490 000	614 415 000	620 244 568	5 829 568	N10
Public contributions and donations	3 000	-	3 000	82 800	79 800	N11
Fines, Penalties and Forfeits	3 419 000	-	3 419 000	1 045 250	(2 373 750)	N12
Fair value adjustments	-	-	-	1 466 000	1 466 000	N12
Total revenue from non-exchange transactions	744 616 000	12 490 000	757 106 000	738 499 224	(18 606 776)	
Total revenue	853 284 000	28 490 000	881 774 000	786 099 735	(95 674 265)	
Expenditure						
Employee related costs	(201 658 000)	(23 616 000)	(225 274 000)	(201 012 845)	24 261 155	N13
Remuneration of councillors	(35 685 000)	138 000	(35 547 000)	(35 396 629)	150 371	Immaterial (less than 10%)
Depreciation and amortisation	(101 582 000)	5 187 000	(96 395 000)	(86 308 893)	10 086 107	N14
Impairment loss/ Reversal of impairments	-	-	-	(2 749 308)	(2 749 308)	N15
Finance costs	(20 000)	-	(20 000)	(4 653 414)	(4 633 414)	N16
Lease rentals on operating lease	-	-	-	(1 710 635)	(1 710 635)	N17
Debt impairment	(41 781 000)	4 987 000	(36 794 000)	(23 595 651)	13 198 349	N18
Contracted Services	(221 152 000)	(42 909 000)	(264 061 000)	(237 257 043)	26 803 957	Immaterial (less than 10%)
Transfers and subsidies	(1 330 000)	(809 000)	(2 139 000)	(5 908 650)	(3 769 650)	N19
General expenses	(172 311 000)	(2 784 000)	(175 095 000)	(114 836 575)	60 258 425	N21
Total expenditure	(775 519 000)	(59 806 000)	(835 325 000)	(713 429 643)	121 895 357	
Operating surplus	77 765 000	(31 316 000)	46 449 000	72 670 092	26 221 092	

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Loss on disposal of assets	-	-	-	(551 790)	(551 790)	N22
Surplus	77 765 000	(31 316 000)	46 449 000	72 118 302	25 669 302	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	77 765 000	(31 316 000)	46 449 000	72 118 302	25 669 302	

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

N1 - Service Charges

Included in Service charges refuse are properties which were earmarked for collection for the 2022 financial year but were not billed as anticipated, the budget in this regard was overstated.

N2 - Rental of facilities and equipment

Restriction on COVID 19 was adjusted resulting in utilisation of these facilities

N3 - Interest charged

Interest charges were based on the projections of service charges projected above. The non billing of those properties earmarked for collection resulted in low collection.

N4 - Fees earned

Fees earned were overstated as compared to the current year collection

N5 - Licences and permits

Licences and Permits underperformed because of the (PRODIBA) licence issuers which were put on hold as a result of their facilities not working properly. Renewal of licence cards and new issue were put on hold because of the licence card machine breakdown

N6 - Other Income

Included in Other income is sale of stands which was anticipated to be sold in the 2022 financial year. Sale of stands was not done because of other land development issues underway.

N7 - Interest Received-Investment

The interest received over performed as a result of access funds invested in call accounts and earned high interest during the year.

N8 - Property rates.

Property Rates revenue was overstated during the current year

N9 - Property rates - Interest on outstanding debtors

Interest on outstanding debtors was also overstated as per the property rates above.

N10 - Government grants and subsidies

The allocation for MIG was reduced by R 25 million as a result of non spending on the conditional grant. The total allocation was then revised by National Treasury. The rollover balance was not included correctly in the budget thus making an upward adjustment to R 12 490 000 to correct the error.

N11 - Public contributions and donations

Line items were under budgeted during budget compilation processes.

N12 - Fines, penalties and forfeits

The Traffic fine revenue underperformed due to over projection of this revenue stream.

N13 - Employee related costs

Savings were realised due to other posts not filled during the 2022 financial year

N14 - Depreciation and amortisation

Variance was due to over budgeting for non cash items

N15 - Impairment loss/Reversal of impairments

Line item was not budgeted for in the current year

N16 - Finance Costs

overspending was due to interest incurred on overdue accounts

N17 - Lease rentals on operating lease.

Savings were realised as a result of lease of transport assets not implemented during the year.

N18 - Debt impairment

Overspending due to correction of billing to exclude non rateable properties

N19 - Transfers and subsidies

Savings were realised on free basic electricity as other beneficiaries were removed from the register as a result of not qualifying as indigents

N20 - Loss on disposal of assets

Line item was not budgeted for in the current year

N21 - General Expenses

Savings were realised as a result of cost containment measures and financial management

N22 - Loss on disposal of assets

This line item was not budgeted for.

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reasons for Adjustments to the Approved Budget	Approved budget	Adjustments	Final budget		Reason for adjustment	
Other income	18 742 000	16 000 000	34 742 000			Other Income was adjusted upward to accommodate refund received from VBS.
Government grants & subsidies - capital (monetary allocations)	601 928 000	12 490 000	614 418 000			The allocation for MIG was reduced by R1 million as a result of non spending on the conditional grant. The total allocation was then revised by National Treasury. Furthermore, the R37m MIG and DMTG opening balances had been erroneously omitted in the initial budget hence the net R12m adjustment.
Expenditure						
Employee related costs	(201 658 000)	(23 616 000)	(225 274 000)			Employee costs were understated during compilation of budget, adjustment was done to accommodate expenditure on employee costs. Increase as per CPIX was not correctly budgeted in this regard an adjustment was necessary to accommodate the under projection.
Remuneration of councillors	(35 685 000)	138 000	(35 547 000)			Adjustment was done to take into account the upper limits as gazetted.
Debt impairment	(41 781 000)	4 987 000	(36 794 000)			Collection rate increased during the financial year in this regard debt impairment was adjusted.
Depreciation and asset impairment	(101 582 000)	5 187 000	(96 396 000)			Depreciation was decreased as it was overstated in the current year.
Contracted services	(221 152 000)	(42 909 000)	(264 061 000)			Contracted services was adjusted to cater for security services which was understated as per current PSIRA rates.
Transfers and subsidies	(1 330 000)	(809 000)	(2 139 000)			Included in Transfers and subsidies are Burial of the needy budget which was understated as were encountered high volume of pauper funerals.
General expenditure (Inventory consumed)	(172 311 000)	(2 784 000)	(175 095 000)			1. Inventory consumed (R1,638,000 upward adjustment) Included in Inventory consumed are asset votes which were incorrectly classified which pertain to Asst management, The segment was corrected and reanferred to the correct segment
Subtotal	(154 829 000)	(31 316 000)	(186 146 000)			2. Other expenditure ((1,146,000 upward adjustment) Included in other expenditure are expenses which were understated during the budget compilation. Travel and Subsistence was increased due to high volume of travel costs
	(154 829 000)	(31 316 000)	(186 146 000)			

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Traffic Debtors

The traffic fines will be impaired when the probability of collecting the outstanding amount is uncertain. The traffic fine shall be assessed "in each reporting period" individually to determine the recoverability rate of the amount collected and thereafter determine percentage for provision to be made based on the calculation recoverability rate. The provision for doubtful debts on traffic fines will be informed by the recoverability rate.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment of Consumer and other receivables

The calculation in respect of the impairment of debtors is based on the municipality's approved policy on calculation of doubtful debts. In accordance with GRAP 104 (Financial Instruments), an objective assessment of financial assets is made at year end to determine possible impairment. Impairment loss is recognised as an expense in the Statement of Financial Performance. The determination of the impairment loss is guided by the following principles as per GRAP 104. The municipality assesses financial assets individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. (Individual Debtors' balances that constitute at least 5 percent of the total debtors book are considered to be individually significant by the municipality).

Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), the municipality includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment. As soon as information becomes available that specifically identifies losses on individually impaired assets in a group (that are collectively assessed for impairment), those assets are removed from the group and assessed individually for impairment.

For collective assessment of impairment, as indicated above, assets with similar credit risk characteristics are grouped together. The credit risk characteristics should be indicative of the debtors' ability to pay all amounts due according to the contractual terms.

The method used in determining the group of assets to be assessed for impairment, is a grading process that considers the:

- Debtor type
- Industry
- Past due status (e.g. days/months that the accounts are in arrears)

Consumer debtors are evaluated at the end of the reporting date and impaired as follows:

a) Timing of Assessment

The Municipality will assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivable accounts is impaired.

b) Evidence of Impairment

Any one of the following events is considered to provide objective evidence that a receivable account or group of receivable accounts could be impaired:

- Indigent accounts;
- Inactive accounts;
- Accounts handed over to debt collectors and/or power of attorney, and not yet recovered at byear-end.
- All accounts with balances outstanding 270 days and longer as these accounts are considered to be past due.

c) Calculation and Recognition of Impairment Loss

1. The impairment loss is calculated as the difference between the carrying value at reporting date less the present value of expected future cash flows:

Carrying Amount at reporting Date - Present Value of Future Expected Cashflows = Impairment Loss

2. The carrying amount (Expected Future Cash Flows) at reporting date is calculated as follows:

Gross carrying amount Less debtors to be impaired 100% (Indigent debtors, Handed over Debtors, Debtors with balances 270 days and longer)

) The Discount Rate used is derived from the policy (prime plus 1%), average for the financial year.

4) The Expected Repayment Term is 30 days (derived from the policy).

Fetakgomo Tubatse Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

The cost of defined benefit pension contribution plans and other employment medical benefits is determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Additional information is disclosed in note 7.

Classification as investment property

The municipality has reviewed its property portfolio and determined which items of land and buildings are held to earn rental revenue or for capital appreciation. Land and buildings fulfilling these requirements have been classified as investment property, whilst the remainder of the portfolio has either been classified as property, plant and equipment or inventory depending on management's intention in dealing with these properties.

Depreciation and carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgment. Management considers the impact of technology, availability of capital funding, service requirements, and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgment whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) 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.

Accounting Policies

1.3 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

1.4 Property, plant and equipment

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

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.

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

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

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

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	2-40 years
Infrastructure Assets	Straight line	2-150 years
Community Assets	Straight line	3-80 years
Computer Equipment	Straight line	3-25 years
Other property, plant and equipment	Straight line	3-50 years
Office Equipment	Straight line	3-50 years
Furniture and Fittings	Straight line	4-40 years
Plant and Equipment	Straight line	2-40 years
Landfill site assets	Straight line	20-100 years
Motor Vehicles	Straight line	5-25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life, (Depreciation per day).

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.

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Accounting Policies

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows (calculated on a daily basis):

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3-25 years

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

Accounting Policies

1.5 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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

1.6 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

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.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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.

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.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note).

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

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.

Accounting Policies

1.6 Heritage assets (continued)

Initial measurement

Heritage assets are measured at 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

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

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 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).

1.7 Financial instruments

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

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

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

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

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

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

Accounting Policies

1.7 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.

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.

Accounting Policies

1.7 Financial instruments (continued)

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

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

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

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

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

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

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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

Class

Cash and cash equivalents
Receivables from exchange transactions
Receivables from non-exchange transactions
Consumer debtors from exchange transactions
Consumer debtors from non-exchange transactions

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

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

Class

Finance lease obligation

Category

Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

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Accounting Policies

1.7 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Accounting Policies

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Accounting Policies

1.7 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.8 Statutory receivables

Identification

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

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

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

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

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

Recognition

The 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.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Accounting Policies

1.8 Statutory receivables (continued)

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.

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 (where levied).
- 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, a 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 and rewards of ownership of the receivable; or
- 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.

1.9 Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to the short period to maturity. Cash and cash equivalents comprise cash at bank, cash on hand and short-term investments."

Accounting Policies

1.10 Leases

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

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

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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 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.

1.11 Inventories

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.

Inventories are subsequently 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.

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.

Accounting Policies

1.11 Inventories (continued)

The cost of inventories is assigned using the first-in, first-out (FIFO) 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 Value-Added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the Value-Added Tax Act No.89 of 1991.

The municipality recognises VAT on the accrual basis and declares it to SARS on a cash basis.

Revenue, expenses and assets are recognised net of the amounts of value added tax (VAT) measured in terms of the VAT Act except:

- Where the VAT incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables that are stated with the amount VAT included.

Where recoverable VAT amount (input VAT) exceeds payable VAT amount (output VAT), the municipality recognises VAT receivable. In case where output VAT exceeds input VAT, the municipality recognises VAT payable.

VAT receivable is an asset and creates a statutory receivable as defined in GRAP 108 - Statutory receivables.

1.13 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.

Fetakgomo Tubatse Local Municipality

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Accounting Policies

1.14 Impairment of non-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.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

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 a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Accounting Policies

1.15 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The cost for each employee is computed at each reporting date based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death. On determining this liability due allowance is made for future salary increases. Actuarial gains and losses are recognised in full in the year they are incurred.

1.16 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.

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.

Accounting Policies

1.16 Provisions and contingencies (continued)

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 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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47.

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.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

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

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

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

Accounting Policies

1.16 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.17 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.

1.18 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.

Accounting Policies

1.18 Revenue from exchange transactions (continued)

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.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (noncontractual) arrangement (see the accounting policy on Statutory Receivables).

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.

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 charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Accounting Policies

1.18 Revenue from exchange transactions (continued)

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest is recognised, in surplus or deficit, using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables.

Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Payments received from third parties like insurance refunds are recognised as revenue.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

All unclaimed deposits are initially recognised as a liability. All unclaimed deposits that are more than one year old are transferred to the accumulated surplus.

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Property Rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Transfers (Including grants)

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect.

Gifts and donations

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Accounting Policies

1.20 Investment income

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

1.21 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.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.24 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.

1.25 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Accounting Policies

1.26 Investments

Where the carrying amount of an investment 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

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.28 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.29 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 7/1/2021 to 6/30/2022.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.30 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.

Accounting Policies

1.30 Related parties (continued)

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.

1.31 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.

1.32 Prior period error

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

Fetakgomo Tubatse Local Municipality

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Accounting Policies

1.33 Accounting by Principals and Agents

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Principal-agent arrangement

The Constitution of the Republic of South Africa, 1996 (the Constitution), sets out the various responsibilities of government, and assigns activities to various spheres of government or to particular types of entities. Supporting legislation within each sphere of government sets out the mandate, authority, roles and responsibilities of specific entities in undertaking the activities outlined in the Constitution. In many cases, this legislation results in the establishment of separate entities to undertake these activities. It is however not feasible to establish separate entities in all instances, and it may be more efficient and effective to utilise other entities to undertake certain activities. As a result, entities frequently have certain activities executed by another entity, or undertake activities on behalf of other entities. The ultimate responsibility, however, for the various activities still rests with the entities identified in legislation.

Where these arrangements exist, it is important to identify which entity should account for the transactions arising from these activities, and what resulting revenue, expenses, assets and/or liabilities should be recognised. Examples of typical arrangements where one entity undertakes activities on behalf of another entity in the public sector may include:

- The collection of revenue, including taxes, fees and other charges from specific parties, e.g. motor vehicle licence fees collected by municipalities for the provincial government, and taxes collected by the Revenue Authority for the national government.
 - The construction of assets, e.g. houses built for beneficiaries of the reconstruction and development programme, for national and/or provincial housing departments and organisations.
 - The provision of goods and services to recipients, e.g. the provision of water to specific communities by municipalities on behalf of water service authorities.
- Property management services, which may include the maintenance of properties and collection of revenue, for the Department of Public Works and/or municipalities.

Service concession arrangements may be an example of a principal-agent arrangement as one party (the operator, which is usually a private sector entity) carries out certain activities on behalf of the other entity (the grantor, which is usually a public sector entity) in relation to third parties (the public). An entity should assess whether a principal-agent arrangement exists, and whether it is a principal or an agent in such an arrangement using this Standard.

When an entity directs another entity to undertake an activity on its behalf, it must consider whether it is a party to a principal-agent arrangement. The definition of a principal-agent arrangement refers to an entity acting on behalf of another entity in relation to transactions with third parties. In the absence of transactions with third parties, the arrangement is not a principal-agent arrangement, and the entity then acts in another capacity rather than as an agent. This type of assessment may be particularly relevant to the following two scenarios that are often encountered in the public sector:

(a) Entities, particularly national and provincial departments, are often asked to collect money from public entities or other agencies and to subsequently deposit the money into the relevant revenue fund. In these arrangements, although the departments seemingly undertake activities on behalf of the revenue fund, there is no specific direction given by the revenue fund in relation to the transactions with third parties. As a result, such arrangements may not meet the definition of a principal-agent arrangement.

(b) The structure and operation of the public sector means that entities frequently control other entities in accordance with the Standard of GRAP on Consolidated Financial Statements (GRAP 35). Although these control relationships mean that the controlling entity is able to direct the activities of an entity so that it benefits from those activities, these relationships by themselves do not indicate the existence of a principal-agent arrangement. Only where a controlling entity specifically directs a controlled entity to undertake transactions with third parties for its benefit will a principal-agent arrangement exist. In control relationships, it is possible for one or more principal-agent arrangements to exist within the context of a control relationship.

"Transactions with third parties" in the context of this Standard includes the execution of a specific transaction with a third party, e.g. a sale or purchase transaction, but it also includes interactions with third parties, e.g. when an agent is able to negotiate with third parties on the principal's behalf. The nature of the transactions with third parties is linked to the type of activities carried out by the agent in accordance with the binding arrangement. These activities could include the agent

Accounting Policies

1.33 Accounting by Principals and Agents (continued)

transacting with third parties for the procurement or disposal of resources, or the receipt resources from a third party on behalf of the principal.

Principal-agent arrangements usually exist as a result of a binding arrangement between the parties to the arrangement. It is unlikely that an entity would undertake activities on behalf of another entity in the absence of a binding arrangement as the arrangement imposes rights and obligations on the parties to perform in a particular manner.

Where no binding arrangement exists, it is assumed that the entity is acting for itself, rather than on behalf of another entity. As a result, no principal-agent arrangement exists in the absence of a binding arrangement.

Presentation

Where assets and liabilities are recognised, in accordance with other Standards of GRAP by an agent in respect of those transactions that it undertakes on behalf of its principal, it is inappropriate to offset the assets and liabilities recognised, unless another Standard of GRAP permits the offsetting of such amounts.

Disclosure

An entity that is a party to a principal-agent arrangement shall disclose:

- (a) a description of the arrangement, including the transactions undertaken;
- (b) whether the entity is the principal or agent and any significant judgement applied in making this assessment;
- (c) significant terms and conditions of the arrangements and whether any changes occurred during the reporting period; and
- (d) an explanation of the purpose of the principal-agent relationship and any significant risks (including any risk mitigation strategies) and benefits associated with the relationship.

Disclosure by agents

An entity that is the agent in a principal-agent arrangement shall disclose the following in the notes to the financial statements:

- (a) a description of any resources (including the carrying value and description of any assets recognised) that are held on behalf of a principal, but recognised in the agent's own financial statements. Such disclosure shall include:
 - (i) the remittance of any resources during the period, as well as the expected timing of remittance of any remaining resources to the principal; and
 - (ii) risks that are transferred from the principal to the agent (if any), including risks flowing to the entity as a result of its custodianship over the resources held on behalf of a principal;
- (b) the aggregate amount of revenue that the entity recognises as compensation for the transactions carried out on behalf of the principal; and
- (c) a description of any liabilities incurred on behalf of a principal that have been recognised by the entity, as well as any corresponding rights of reimbursement that have been recognised as assets.

An agent shall disclose information in the notes to the financial statements about the revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement. An agent shall disclose:

- (a) The category of revenue received or to be received, as well as the category of expenses paid or accrued on behalf of the principal.
- (b) The amount of revenue received or to be received, as well as the amount of expenses paid or accrued on behalf of the principal during the reporting period per category of revenue or expense.

Fetakgomo Tubatse Local Municipality

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality did not identify any standards and interpretations that became effective for the current financial year and that are relevant to its operations:

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	April 1, 2099	Unlikely there will be a material impact
• GRAP 25 (as revised 2021): Employee Benefits	April 1, 2099	Unlikely there will be a material impact
• iGRAP 7 (as revised 2021): Limit on defined benefit asset, minimum funding requirements and their interaction	April 1, 2099	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	April 1, 2099	Unlikely there will be a material impact
• GRAP 104 (amended): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

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3. Investment property

	2022		2021	
Investment property	Fair value	Accumulated impairment	Fair value less impairment	Accumulated Fair value less impairment
	60 150 000	-	60 150 000	58 684 000
Reconciliation of investment property - 2022				
		-	58 684 000	- 58 684 000

Investment property

	Opening balance	Fair value adjustments	Total
	58 684 000	1 466 000	60 150 000

Reconciliation of investment property - 2021

Investment property

	Opening balance	Transfers	Prior period error	Fair value adjustments	Total
	61 650 000	(8 550 000)	434 000	5 150 000	58 684 000

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.

Fetakgomo Tubatse Local Municipality

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3. Investment property (continued)

The fair values of investment property as measured or disclosed in the financial statements are based on a valuation by Stefan Rudman, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. He is a member of the Institute of Valuers of South Africa, Registration number 3693/05.

The determination of fair values was supported by market evidence, the location, type and condition of the property (land). The type of property, the zoning of the property, the location of the property, the highest and best use of the property and the size of the property are some of the factors that were taken into consideration when deciding on a correct valuation method. These are 2 basic valuation methods that were used in the valuation:

1) Direct Sales Comparison Approach

With this approach, consideration is made for sales of similar properties and related market data by comparing therecent sales information.

2) Income Capitalization Approach

This method entails the determination of the Net Annual Income for the subject property, which is then capitalized at an appropriate market related capitalization rate.

General industry practice is considered because of the nature of certain properties or lack of comparable market data.

Investment Property transferred to Land Inventory

Farm Portion KT 443 valued at R8 550 000 was transferred to Land Inventory following council resolution to rallocate the land for business/residential purposes.

Fetakgomo Tubatse Local Municipality
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4. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	222 091 635	-	222 091 635	222 091 635	-	222 091 635
Buildings	184 194 710	(33 345 649)	150 849 061	184 032 831	(26 701 048)	157 331 783
Plant and machinery	51 436 563	(28 911 392)	22 525 171	30 586 808	(4 455 451)	26 131 357
Furniture and fixtures	11 453 584	(6 554 629)	4 898 955	10 140 398	(5 825 136)	4 315 262
Motor vehicles	12 597 010	(7 548 686)	5 048 324	10 424 947	(6 651 058)	3 773 889
Office equipment	7 287 406	(4 033 473)	3 253 933	3 087 671	(755 247)	2 332 424
IT equipment	22 130 429	(9 961 004)	12 169 425	12 048 410	(8 097 583)	3 950 827
Infrastructure	2 570 296 824	(887 672 293)	1 682 624 531	2 518 318 440	(826 762 289)	1 691 556 151
Community	226 750 181	(45 918 743)	180 831 438	190 389 734	(36 648 354)	153 741 380
Work In Progress	174 524 105	(1 441 499)	173 082 606	118 586 172	-	118 586 172
Land - landfill site	4 940 925	(1 445 371)	3 495 554	5 192 428	(1 224 956)	3 967 472
Other assets	3 008 856	(1 643 816)	1 365 040	1 988 792	(317 381)	1 671 411
Total	3 490 712 228	(1 028 476 555)	2 462 235 673	3 306 888 266	(917 438 503)	2 389 449 763

Fetakomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Changes in landfill Provision	Disposals	Transfers	Asset gains	Transfers to expenses	Depreciation	Impairment loss	Total
Land	222 091 635	-	-	-	-	-	-	-	-	222 091 635
Buildings	157 331 783	146 787	-	-	-	-	-	(6 629 509)	-	150 849 061
Plant and machinery	26 131 357	557 615	-	-	-	-	-	(4 163 801)	-	22 525 171
Furniture and fittings	4 315 262	1 306 954	-	-	25 000	-	-	(748 261)	-	4 898 955
Motor vehicles	3 773 889	2 650 547	-	(96 443)	-	-	-	(1 279 669)	-	5 048 324
Office equipment	2 332 424	1 138 278	-	-	415 000	-	-	(631 769)	-	3 253 933
Computer equipment	3 950 827	3 710 091	-	(455 331)	7 808 724	33 693	-	(2 878 579)	-	12 169 425
Infrastructure	1 691 556 151	7 452 171	-	(17)	45 059 904	-	-	(60 329 970)	(1 113 708)	1 682 624 531
Community assets	153 741 380	2 283 565	-	-	-	-	-	(9 061 294)	(194 101)	180 831 438
Work in progress	118 586 172	144 008 449	-	-	34 061 888	-	(700 000)	-	(1 441 499)	173 082 606
Land - Landfill site	3 967 472	-	(251 503)	-	(87 370 516)	-	-	(220 415)	-	3 495 554
Other assets	1 671 411	-	-	-	-	-	-	(306 371)	-	1 365 040
	2 389 449 763	163 254 457	(251 503)	(551 791)	-	33 693	(700 000)	(86 249 638)	(2 749 308)	2 462 235 673

Fetakgomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Changes in Landfill provision	Transfers	Transfers to expenses	Prior Year Adjustments	Depreciation	Impairment loss	Reclassification	Total
Land	231 791 952	2 280 000	-	(2 722 367)	(11 745 210)	-	2 487 260	-	-	-	222 091 635
Buildings	38 017 730	125 272 179	-	-	-	-	332 523	(4 645 416)	-	(1 645 233)	157 331 783
Plant and machinery	25 044 370	5 569 186	-	-	-	-	(29 849)	(4 452 350)	-	-	26 131 357
Furniture and fittings	4 334 160	493 005	-	-	-	-	137 016	(648 919)	-	-	4 315 262
Motor vehicles	5 038 432	-	-	-	-	-	-	-	-	-	-
Office equipment	2 231 911	460 282	-	-	-	-	-	(1 264 543)	-	-	3 773 889
Computer equipment	4 985 311	560 161	-	-	-	-	102 900	(462 669)	-	-	2 332 424
Infrastructure	1 747 217 117	2 549 836	(3 220 808)	-	39 185 685	-	77 454	(1 672 099)	-	-	3 950 827
Community assets	120 696 864	47 321	-	-	38 204 230	-	186 527	(81 671 607)	(12 504 072)	-	1 691 556 151
Work in progress	131 581 407	97 364 346	-	-	(77 389 915)	(34 655 780)	1 686 114	(7 038 795)	-	1 645 233	153 741 380
Land - Landfill site	-	-	-	-	-	-	3 967 472	-	-	-	118 586 172
Other assets	1 597 877	302 491	-	-	-	-	53 340	(282 297)	-	-	3 967 472
	2 312 537 131	234 898 807	(3 220 808)	(2 722 367)	(11 745 210)	(34 655 780)	9 000 757	(102 138 695)	(12 504 072)	-	- 2 389 449 763

Fetakgomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

Determination of the Fair Value of the Office Civic Centre

Included in Buildings is the Office Civic Centre.

Basis of the Valuation

GRAP 13 Leases:

At the inception of the lease the present value of the minimum lease payments amounts is at least substantially all of the fair value of the leased asset;

At the beginning of the lease term, i.e. commencement date, the lessee should recognise the leased asset as an asset and the lease commitment as a liability in the statement of financial position. The leased asset should be recognised at lower of:

- the fair value of the leased property; and
- the present value of the future minimum lease payments.

The present value of the future minimum lease payments is discounted at the interest rate implicit in the lease, which can usually be calculated from the information provided in the contract. If it is not possible to calculate the rate implicit in the lease, then the entity uses its incremental borrowing rate (i.e. entity / government lending rate)

Interest Rate Used

The municipality used the government lending rate of 7% per Annum, as it is not possible to calculate the rate implicit in the lease.

Present value of minimum lease payments(As per finance lease Amortisation Schedule)

R125 561 263

R136 000 000

Fair value(Independent Valuer Report)

The present value of the future minimum lease payments is lower than the Fair Value of the Leased Property, therefore the property is recognised at the Value of R125 561 262.73 in the Financial Statements

Commencement date

The commencement date is the same as the inception date as the municipality was already using the property at inception date.

The commencement date is the date the Deeds of Sale Agreement was signed off: 10 December 2020

Land transferred to Land inventory

Farm Portion KT with the value of R7 450 000 and other land valued at R459 338 was transferred to Land Inventory following Council Resolution to change the use of land for residential purposes and business purposes.

Fetakgomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

Details of properties

Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	IT Equipment	Total
Opening balance	66 240 482	44 554 423	7 791 264	118 586 169
Additions/capital expenditure	105 195 234	36 957 131	1 856 087	144 008 452
Transfers to PPE	(45 059 904)	(34 061 888)	(8 248 724)	(87 370 516)
Transferred to expenses	-	-	(700 000)	(700 000)
Impairment	-	(1 441 499)	-	(1 441 499)
	126 375 812	46 008 167	698 627	173 082 606

Reconciliation of Work-in-Progress 2021

	Included within Infrastructure	Included within Community	IT Equipment	Total
Opening balance	87 388 568	73 196 065	-	160 584 633
Additions/capital expenditure	73 418 129	18 799 715	5 146 500	97 364 344
Transfers to PPE	(39 185 685)	(47 441 357)	-	(86 627 042)
Transferred to expenses	(54 421 880)	-	-	(54 421 880)
Prior Year Adjustment	(958 650)	-	2 644 764	1 686 114
	66 240 482	44 554 423	7 791 264	118 586 169

Fetakgomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

WIP projects temporarily stopped or taking long to complete

Included in the Work in Progress are projects that are taking significantly longer period to complete than expected with a carrying value of R33,030,533 (2021: R28,815,505) The delays in completion were due to non-availability of adequate funding however these projects are not impaired.

Projects delayed in completion

	Carrying Value at 30 June 2022	Carrying Value at 30 June 2021
Makua Library (Community Assets-Building) - The appointment of contractor was delayed until this year due to unavailability of funds. Construction is in progress and the project is not impaired	3 557 570	1 026 428
Praktiseer Library(Community Assets)- No movement in 2020/21 and delayed completion	2 207 314	1 073 403
Construction of Burgersfort Landfill Site- Project is at design stage	1 132 047	582 071
	6 896 931	2 681 902

Projects Temporarily Halted

	Carrying Value at 30 June 2022	Carrying Value at 30 June 2021
Makgakala Access Bridge and Access Road Phase 2 (Infrastructure) - Temporarily stopped as there is dispute between contractor and the municipality. The matter is under litigation. The project is not impaired.	5 302 553	5 302 553
Construction Mashung Internal Street (Infrastructure) - The project design is completed. No impairment is required as funds will be made available in the next financial year for construction	5 085 964	5 085 964
Highmast Phase 2 (Infrastructure) - Temporarily stopped as there is dispute between contractor and the municipality. The matter is under litigation. The project is not impaired.	15 745 086	15 745 086
	26 133 603	26 133 603

Fetakgomo Tubatse Local Municipality

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4. Property, plant and equipment (continued)

Details of properties

IGRAP 18 DISCLOSURE ON LAND NOT RECOGNISED BY THE MUNICIPALITY

Municipalities shared and continue to share responsibility with provinces for the release of land for housing development, land use planning, and land use and building control. In terms of this responsibility, the Department of Human Settlement identified and repatriated land owned by the municipality to fulfil its mandate with respect to the delivery of houses. The location of the land is mainly farms in the following suburbs: Burgersfort in Mecklenburg, Burgersfort, Steel-port, Prakteseer Ohrigstad and Apel. Whilst the municipality has legal title to the land, it does not recognise the land because from the date of repatriation, the Department of Human Settlements is responsible for the subdivision, planning and urban development and the subsequent allocation of the built houses to beneficiaries. The Municipality has no right to control the land and is not involved in key decision making with respect to the use of this land.

In addition, several stands owned by the municipality in Mecklenburg, Burgersfort, Steel-port, Prakteseer, Ohrigstad and Apel has been illegally occupied and permanent structures put up by the invaders. Although the land is legally owned by the municipality, the municipality has no right to control as it cannot (a) directly use the land's future economic benefits or service potential to provide services to beneficiaries; (b) exchange, dispose of, or transfer the land; and/or (c) use the land in any other way to generate future economic benefits or service potential. The municipality therefore does not recognize such land in its financial statements as it does not have control over it.

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.

Land which Municipality has no control

Land with the value of R26,485,460 at 30 June 2022 were not included in the Land Register since the Municipality has no control.

Private residents have built their houses on the land and steps are being undertaken by the Municipality to alienate the land. Alienation in Fetakgomo will be undertaken once bulk services have been provided. Mecklenburg formalisation is yet to be undertaken.

Area	Cost R
Mecklenburg A	14,523,000
Mecklenburg B	10,390,000
Fetakgomo ext3	187,404
Fetakgomo ext4	102,596
Fetakgomo ext5	1,134,959
Fetakgomo ext7	147,501
TOTAL	26,485,460

Properties which Municipality has no Control

Burgersfort Properties R14,370,000

Properties with the fair value of R14,370,000 at 30 June 2021 were not included in the register because the municipality has no control.

Fetakgomo Tubatse Local Municipality
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5. Intangible assets

	2022		2021	
	Cost / Valuation	Accumulated Carrying value amortisation and accumulated impairment	Cost / Valuation	Accumulated Carrying value amortisation and accumulated impairment
Intangible assets	568 493	(236 180)	332 313	348 493
				(176 925)
				171 568

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Intangible assets	171 568	220 000	(59 255)	332 313

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Intangible assets	117 419	92 500	(38 351)	171 568

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6. Heritage assets

	2022		2021	
	Cost / Valuation	Accumulated impairment losses	Cost / Valuation	Accumulated impairment losses
Heritage Assets	1 068 300	-	1 068 300	-
Reconciliation of heritage assets 2022				
			1 068 300	1 068 300

Art Collections, antiquities and exhibits

Opening balance	1 068 300
Total	1 068 300

Reconciliation of heritage assets 2021

Art Collections, antiquities and exhibits

Opening balance	1 068 300
Total	1 068 300

Heritage assets consist of the mayoral chains from the former Fetakgomo and former Tubatse Local Municipalities, and are carried at deemed cost.

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7. Employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value - Post Retirement Health care Benefits		
Present value of the defined benefit obligation-wholly unfunded	(20 650 363)	(18 408 198)
Current Service Cost	(1 901 619)	(1 614 868)
Interest Cost	(2 538 382)	(2 672 874)
Benefits paid	193 311	176 593
Actuarial gains	410 921	1 868 984
	(24 486 132)	(20 650 363)
Non-current liabilities	(24 134 512)	(20 461 040)
Current liabilities	(351 620)	(189 323)
	(24 486 132)	(20 650 363)
Net expense recognised in the statement of financial performance		
Current service cost	1 901 619	1 614 868
Interest cost	2 538 382	2 672 874
Actuarial gains	(410 921)	(1 868 984)
	4 029 080	2 418 758
Calculation of actuarial gains and losses		
Actuarial gains – Obligation	(410 921)	(1 868 984)
LONG SERVICE AWARDS		
Present value of the defined benefit obligation-wholly unfunded	(11 161 211)	(8 664 825)
Current service cost	(912 218)	(662 676)
Interest cost	(827 499)	(669 882)
Benefit paid	1 687 773	991 065
Actuarial losses	(831 111)	(2 154 893)
	(12 044 266)	(11 161 211)
Net expense recognised in the statement of financial performance		
Service cost	912 218	662 676
Interest cost	827 499	669 882
Actuarial losses	831 111	2 154 893
	2 570 828	3 487 451
Calculation of actuarial gains and losses		
Actuarial losses – Obligation	(831 111)	(2 154 893)
Non-current liabilities	(10 634 905)	(9 473 438)
Current liabilities	(1 409 361)	(1 687 773)
	(12 044 266)	(11 161 211)

Fetakgomo Tubatse Local Municipality

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7. Employee benefit obligations (continued)

Defined benefit plan

The actuarial valuation determined that the retirement plan was in a sound financial position.

The plan is a post employment medical benefit plan.

Post retirement medical aid plan

The employer's post-employment health care liability consists of a commitment to pay a portion of the pensioners' post-employment medical scheme contributions. This liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member.

Fetakgomo is committed to paying subsidies broadly as follows:

- All new continuation pensioners (that are currently still in service) and their dependants will receive a 60% subsidy subject to the maximum (CAP) amount of R5,007 (per month per member) for the financial period from 1 July 2022
- All existing continuation pensioners and their dependants will continue to receive a 60% subsidy subject to the maximum (CAP) amount of R5,007 (per month per member) from 1 July 2022. That said, there are two continuation pensioners who receive a 100% subsidy.
- We have assumed that the subsidy would increase by 50% of long term CPI.

Fetakgomo Tubatse Local Municipality

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7. Employee benefit obligations (continued)

Key assumptions used

POST RETIREMENT MEDICAL AID PLAN

Valuation method

In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's post-employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25:

Assumptions used at the reporting date:

	13.12 %	12.35 %
Discount rates used	8.61 %	7.58 %
	10.11 %	9.08 %
	2.73 %	3.00 %

It is the relative levels of the discount rate and health care cost inflation to one another that is important, rather than the nominal values. The assumption regarding the relative levels of these two rates is our expectation of the long-term average.

GRAP25 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the obligation. The methodology of setting financial assumptions has been updated to be more duration specific. The discount rate was set by taking the average yields from the zero-coupon SA Government bond curve with a duration of between 17.33 years. At this duration, the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2022 is 13.12% per annum, and the yield on the inflation-linked bonds of a similar term was about 4.15% per annum, implying an underlying expectation of inflation of 8.61% per annum $([1 + 13.12\%] / [1 + 4.15\%] - 1)$.

A healthcare cost inflation rate of 10.11% was assumed. This is 1.50% in excess of the expected inflation over the expected term of the liability, consistent with the previous actuary.

However, it is the relative levels of the discount rate and salary inflation to one another that is important, rather than the nominal values. We have thus assumed a net discount factor of 2.03% per annum $([1 + 10.41\%] / [1 + 8.21\%] - 1)$. This year's valuation basis is, therefore, stronger than the previous year's basis from a discount rate perspective..

The demographic and decrement assumptions were consistent in the previous and current valuation period, and are as follows:

Assumption	Active employees	Pensioners
Normal retirement age	65	-
Fully accrued age (to take account for ill-health and early retirement decrements)	63	-
Employment age used for past service period	Actual service entry ages	Actual service entry ages
	5 years	Actual ages used
Age difference between spouses	90% assumed married at retirement	Actual marital status
Proportion married	SA85-90 (Normal)	PA (90)
Mortality		

Withdrawal rates

Fetakgomo Tubatse Local Municipality
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7. Employee benefit obligations (continued)

We used the same withdrawal rates assumption used by the previous actuary to be consistent between valuations.

Age

	Withdrawal rates
20	12.0%
30	10.9%
40	5.8%
50	2.9%
55+	0%

Fetakgomo Tubatse Local Municipality

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7. Employee benefit obligations (continued)

Continuation percentages

We have assumed a continuation of the post-employment health care subsidy would be at 100% of active employees, or their surviving dependants.

LONG SERVICE AWARDS

Fetakgomo Tubatse Local Municipality offers bonuses for every 5 years of completed service from 10 years to 45 years. Below are the benefits awarded to qualifying employees.

Completed service (Years)	Long Service Bonus Awards (% of Annual Salary)
10	4.0%
15	8.0%
20,25, 30, 35, 40, 45	12.0%

NB: A day of accumulated leave is worth 1/250 of the annual salary.

Long service accumulated leave must be taken within one year of receiving such leave or may be wholly or partially cashed. FTLM advised that in most cases, employees choose to exercise the option to wholly convert their accumulative leave bonus days into cash.

Valuation method

In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in the future based on service accrued to the valuation date and awards projected to the retirement date. In determining these liabilities, due allowance has been made for future award increases.

The valuation has been made with reference to the Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25.

VALUATION ASSUMPTIONS

Net discount rate

The key assumptions used in the valuation, with the prior years' assumptions shown for comparison, are summarised below:

Assumption	30-Jun-2021	30-Jun-2022
Discount rate	8.2%	10.41%
CPI	5.0%	7.21%
Salary increase rate	6.02%	8.21%
Net Discount Rate	1.89%	2.03%

GRAP 25 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the obligation.

The methodology for setting the financial assumptions has been updated to be more duration specific. At the previous valuation report, 30 June 2022 the duration of liabilities was 5.97 years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2022 is 10.41% per annum, and the yield on inflation-linked bonds of a similar term was about 2.98% per annum. This implies an underlying expectation of inflation of 7.21% per annum $([1 + 10.41\%] / [1 + 2.98\%] - 1)$.

We have assumed that salary inflation would exceed general inflation by 1.00% per annum, i.e. 8.21% per annum.

However, it is the relative levels of the discount rate and salary inflation to one another that is important, rather than the nominal values. We have thus assumed a net discount factor of 2.03% per annum $([1 + 10.41\%] / [1 + 8.21\%] - 1)$.

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2022 2021

7. Employee benefit obligations (continued)

8. Prepayments

Prepayments

1 050 000 4 745 758

Prior year prepayments comprise of the following:

SALGA annual membership fees for the 2021-22 financial year	-	2 441 661
Caseware software licence	-	29 098
Munsoft software licence	-	700 000
LCS Technology software licence	1 050 000	1 575 000
	1 050 000	4 745 759

9. Inventories

Consumables
Land inventory

3 148 341 2 930 191
42 173 611 42 173 611
45 321 952 45 103 802

Inventories 2022

	Opening balance	Purchases during the year	Expensed during the year	Transfers (land)	Fair Value	Total
Consumables	2 930 191	1 639 911	(142 147)	-	-	3 148 341
Land Inventory	42 173 611	-	-	-	-	42 173 611
Subtotal	45 103 802	1 639 911	(142 147)	-	-	45 321 952
	45 103 802	1 639 911	(142 147)	-	-	45 321 952

Inventories 2021

	Opening balance	Purchases during the year	Expensed during the year	Transfers (land)	Fair Value	Total
Consumables	725 143	961 609	(642 161)	-	-	1 044 591
Land Inventory	-	-	-	20 295 211	21 878 400	42 173 611
Subtotal	725 143	961 609	(642 161)	20 295 211	21 878 400	43 218 202
Prior year adjustment (Consumables-Skip bins)	1 885 600	-	-	-	-	1 885 600
	2 610 743	961 609	(642 161)	20 295 211	21 878 400	45 103 802

Prior Period Error - Skip Bins

A prior period error adjustment of R1,885,600 was processed in respect of consumables (skip bins) that were previously unrecorded in prior years.

10. Receivables from exchange transactions

Other receivables

Staff debtors

Accrued interest on investment

57 994 57 994
331 647 34 812
482 055 -
871 696 92 806

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

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10. Receivables from exchange transactions (continued)

11. Receivables from non-exchange transactions

	383 344	399 707
Traffic Fines	1 152 995	17 169 173
Other receivables	1 536 339	17 568 880

Receivables from non-exchange transactions pledged as security

None of the Receivables from non-exchange transactions were pledged as security.

Statutory receivables non-exchange transactions (Traffic fines)

The two types of traffic fines that are issued are:

- Fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO Act).
- Fines issued in terms of the Criminal Procedures Act.

Traffic fines are issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

Fines issued in terms of the Criminal Procedures Act are usually issued by way of notice to offenders, and can (a) indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or (b) indicate that the offender must appear in Court on a specified date (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

Age analysis (Traffic fines)	123 350	27 450
Previous - 30 days	135 800	64 100
31-60 DAYS	100 050	24 700
61-90 DAYS	72 350	48 050
91-120 DAYS	504 900	368 850
121-365 DAYS	971 357	376 257
>365 DAYS	(1 524 463)	(509 700)
Less: Allowance for impairment	383 344	399 707

Collectability of Traffic fines recognised at the reporting date

	1 912 507	881 957
Amounts past due	(1 524 463)	(509 700)
Amounts impaired	388 044	372 257

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	2022	2021
11. Receivables from non-exchange transactions (continued)		
Impairment of Traffic Fines Debtors		
Opening Balance - Gross	1 907 807	909 407
less contribution to allowance	(1 524 463)	(509 700)
	383 344	399 707

Indicators and assumptions in assessment of Impairment of Traffic Fines Debtors

The municipality considers events and circumstances such as discounts, tickets withdrawn or cancelled and tickets paid to determine the impairment loss on traffic receivables at year end. Amounts that are past due after taking into account these events and circumstances are considered to be impaired.

Assessment of Impairment of Traffic Fines Debtors

In assessing and calculating whether traffic fines were impaired during the reporting period, the municipality considers any discounts, tickets withdrawn or cancelled and tickets paid to determine the amount outstanding at year-end. The impairment loss is based on the calculated recoverability rate at year end.

All traffic fines that were past due at year end were impaired.

Impairment of Other Receivables

Opening Balance - Gross	1 064 001	1 069 173
	1 064 001	1 069 173
	-	-

Reconciliation of allowance for impairment

Opening Balance - Gross		
Utilised (Council write-off)-Other receivables	(2 334 725)	(1 947 093)
Contribution to allowance-Traffi fines debtors	-	122 068
	(1 524 463)	(509 700)
	(3 859 188)	(2 334 725)

12. VAT receivable

VAT	44 962 461	26 125 334
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Fetakgomo Tubatse Local Municipality

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	2022	2021
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13. Consumer debtors		
Gross balances	262 388 951	234 254 901
Rates	49 359 142	47 293 454
Refuse	117 684 667	100 684 020
Other	429 432 760	382 232 375
Less: Allowance for impairment	(215 735 990)	(210 832 097)
Rates	(35 334 129)	(34 078 473)
Refuse	(106 155 201)	(88 003 193)
Other	(357 225 320)	(332 913 763)
Net balance	46 652 961	23 422 804
Rates	14 025 013	13 214 983
Refuse	11 529 466	12 680 828
Other	72 207 440	49 318 615
Included in above is Consumer debtors from exchange transactions	14 025 013	13 214 983
Refuse		
Included in above is Consumer debtors from non-exchange transactions (rates and taxes)	46 652 961	23 422 804
Rates	11 529 466	12 680 828
Other	58 182 427	36 103 632
Net balance	72 207 440	49 318 615
Rates	15 473 634	13 370 047
Current (0 -30 days)	3 669 567	4 881 124
31 - 60 days	3 586 532	4 507 480
61 - 90 days	3 070 729	3 889 482
91 - 120 days	22 891 235	36 501 640
121 - 360 days	213 697 254	171 105 128
> 360 days	262 388 951	234 254 901
Refuse	5 579 955	3 683 875
Current (0 -30 days)	1 960 169	1 500 339
31 - 60 days	1 901 861	1 482 414
61 - 90 days	1 824 131	1 468 299
91 - 120 days	12 298 323	11 178 926
121 - 360 days	25 794 703	27 979 601
> 360 days	49 359 142	47 293 454

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13. Consumer debtors (continued)		
Other		
Current (0 -30 days)		
31 - 60 days	5 213 831	4 644 059
61 - 90 days	2 258 197	2 056 891
91 - 120 days	2 376 936	2 148 790
121 - 360 days	1 830 643	2 133 251
> 360 days	11 581 267	18 081 704
	94 423 793	71 619 325
	117 684 667	100 684 020
Reconciliation of allowance for impairment		
Balance at beginning of the year		
Contributions to allowance	(332 913 763)	(313 220 316)
Debt impairment written off against allowance	(24 311 557)	(78 927 057)
	-	59 233 610
	(357 225 320)	(332 913 763)
Consumer debtors pledged as security		
None of the consumer debtors were pledged as security.		
14. Consumer debtors by customer group		
Gross balances		
Consumer debtors - Government	99 718 741	91 996 871
Consumer debtors - Farms	27 098 469	26 659 495
Consumer debtors - Domestic	172 851 982	145 795 042
Consumer debtors - Churches	82 895	74 883
Consumer debtors - Business	125 754 801	114 774 870
Consumer debtors - Sundry	3 925 872	2 931 214
	429 432 760	382 232 375
Government		
Current (0 -30 days)		
31 - 60 days	2 031 010	2 343 850
61 - 90 days	867 628	946 690
91 - 120 days	841 596	730 455
121 - 360 days	690 603	692 515
> 360 days	6 087 269	18 091 886
	89 200 635	69 191 476
	99 718 741	91 996 872
Farms		
Current (0 -30 days)		
31 - 60 days	319 982	401 901
61 - 90 days	118 973	208 965
91 - 120 days	113 220	196 782
121 - 360 days	113 043	197 056
> 360 days	2 522 371	2 971 487
	23 910 880	22 683 305
	27 098 469	26 659 496

Fetakgomo Tubatse Local Municipality

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14. Consumer debtors by customer group (continued)		
Domestic	13 839 370	8 666 761
Current (0 -30 days)	5 036 803	3 838 340
31 - 60 days	4 831 928	3 656 798
61 - 90 days	4 327 150	3 554 142
91 - 120 days	28 620 283	25 625 817
121 - 360 days	116 196 448	100 453 184
> 360 days	172 851 982	145 795 042
Churches	2 846	2 949
Current (0 -30 days)	847	1 059
31 - 60 days	816	1 055
61 - 90 days	813	1 050
91 - 120 days	5 585	5 920
121 - 360 days	71 988	62 850
> 360 days	82 895	74 883
Business	9 688 542	10 004 060
Current (0 -30 days)	1 653 246	3 409 771
31 - 60 days	1 544 509	3 474 897
61 - 90 days	1 500 285	2 943 981
91 - 120 days	9 168 804	18 534 037
121 - 360 days	102 199 415	76 408 124
> 360 days	125 754 801	114 774 870
Sundry	385 668	278 462
Current (0 -30 days)	210 436	33 529
31 - 60 days	533 260	78 698
61 - 90 days	93 608	102 287
91 - 120 days	366 517	533 121
121 - 360 days	2 336 383	1 905 117
> 360 days	3 925 872	2 931 214
Reconciliation of allowance for impairment	(332 913 763)	(313 220 316)
Balance at beginning of the year	(24 311 557)	(78 927 057)
Contributions to allowance	-	59 233 610
Debt impairment written off against allowance	(357 225 320)	(332 913 763)

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	82 702 746	77 709 090
Short-term investments (Call accounts)	103 517 436	221 425 179
	186 220 182	299 134 269

Fetakgomo Tubatse Local Municipality
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15. Cash and cash equivalents (continued)

Additional Disclosure

FNB Main Bank Account #565-500-22466

1. Details of Pledged/Ceded balances are as follows:
PLEDGES/NOTICES/AUTHS R757,211.99 -

2. Collateral (Security) Description:
Cession of FirstRand Deposit/ Credit Balances - Amount: R65,400.60 - Date: 20-February-2014

3. Details of the total facility:
CONTINGENT BALANCE R59,400.60-

Standard Bank Account # 38578492001

1. Details of the facility

The municipality has a FLEET CARD amounting to R1 325 000.00.

Fetakgomo Tubatse Local Municipality

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15. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FNB BANK - CHEQUE ACCOUNT - 565-500-22466	34 547 237	24 072 191	34 554 216	23 127 692
FNB BANK - CALL ACCOUNT - 616-55000887	82 891	82 399	82 888	82 396
STANDARD BANK - CALL ACCOUNT - 38578492001	24 670 674	206 410 802	24 670 674	206 410 802
STANDARD BANK - CURRENT ACCOUNT - 330062891000	12 448 609	47 785 723	12 437 475	48 677 232
STANDARD BANK - CURRENT ACCOUNT - 30144841000	35 711 055	5 904 166	35 711 054	5 904 166
STANDARD BANK - CALL ACCOUNT - 38578492003	38 763 875	14 931 981	38 763 875	14 931 981
STANDARD BANK - FIXED DEPOSIT - 038578492 004	40 000 000	-	40 000 000	-
Total	186 224 341	299 187 262	186 220 182	299 134 269

	2022	2021
VBS Investments	227 156 998	227 156 998
Balance of VBS investments	(227 156 998)	(227 156 998)
less impairment of investments	-	-
Net Balance of VBS investments at year-end	-	-

Reconciliation	Opening balance	Amount recoverable - Transferred to Other Debtors	Amount recoverable - Provision utilised	Closing balance
Balance of VBS investments	227 156 998	-	-	227 156 998
Impairment of VBS investments	(227 156 998)	-	-	(227 156 998)
	-	-	-	-

Impairment of VBS Investments

Full provision was made for the investments in VBS due to the bank being put under curatorship on 11 March 2018 and the subsequent liquidation of the bank, which made the recoverability of the amounts invested highly unlikely at the time. The municipality appointed Verveen Attorneys to recover the VBS investments from the Liquidator.

The municipality assessed at the reporting date whether there is any indication that the impairment loss may no longer exist or may have decreased. The municipality was allocated R16,100,000 by the Liquidator in the First Liquidation and Distribution Account which is a portion of R 158 563 495.51, which is the free residue the of the total Estate which the liquidator has been able to recover from the liquidated VBS Bank to date. This amount was recognised as a receivable and the provision for Impairment of VBS investments was reduced with the recoverable amount of R16,100,000.

Should the municipality recover additional amounts of the investments from the legal action, the impairment loss recognised will be reversed with the value of the amount recovered.

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	2022	2021
16. Finance lease obligation		
Minimum lease payments due		
- within one year		
- in second to fifth year inclusive	52 625 000	35 083 333
	-	52 625 000
less: future finance charges	52 625 000	87 708 333
	(2 806 276)	(7 459 691)
Present value of minimum lease payments	49 818 724	80 248 642
Present value of minimum lease payments due		
- within one year		
- in second to fifth year inclusive	49 818 724	30 429 919
	-	49 818 724
	49 818 724	80 248 643

The Municipality entered into a purchase agreement with Tubatse Properties (Pty) Ltd to acquire Portion 76(A portion of portion 11) Farm Mooifontein 313 KT. The Municipality paid a deposit of R50,000,000 and the remaining amount is payable over a period of 36 months effective 07 January 2021. By implication this purchase is a finance lease as per the provisions of GRAP 13 (Leases)

The minimum monthly fixed instalments is R2,923,611.11. Due to the nature of the municipality's Statement of Financial Position, an average rate of 7% per Annum, was used to calculate the rate implicit in the lease.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note

Full settlement of the finance lease liability balance

The finance lease liability balance of R52,625,000 in respect of the municipal building was repaid in full on (R17,541,666.66 on 28 July 2022, R20,000,000 on 07 November 2022 and R15,083,333.36 on 07 November 2022), and therefore the amount outstanding as at 30 June 2022 of R17,189,023 that would have been the long-term portion of the liability is disclosed as current.

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant		
Integrated National Electrification Programme	-	21 529 238
Distressed Mining Town Grant	4 508 558	39 493 953
	10 311 389	16 190 447
	14 819 947	77 213 638

See note 32 for reconciliation of grants from National/Provincial Government.

These amounts are ring-fenced.

Unapproved 2021/22 MIG unspent conditional grant balance to be set off against Equitable Share

The unspent conditional grant liability as at 30 June 2022 was R33,795,068 but the MIG unspent conditional grant balance of R18,975,121 for the 2021/22 financial year was not approved for roll-over, leaving the net unspent conditional grant liability as at 30 June 2022 at R14,819,947. The MIG amount not approved for rollover will be set off against the Equitable Share.

Fetakgomo Tubatse Local Municipality

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18. Provisions

Reconciliation of provisions - 2022

	Opening Balance	movement	Utilised during the year	Change in discount factor	Total
Landfill site rehabilitation	9 933 839	(251 503)	(29 900)	523 160	10 175 596
Leave accrual	19 949 288	37 881	-	-	19 987 169
	29 883 127	(213 622)	(29 900)	523 160	30 162 765

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Landfill site rehabilitation	12 115 990	-	(56 690)	596 905	(2 722 366)	9 933 839
Leave accrual	17 241 256	2 708 032	-	-	-	19 949 288
	29 357 246	2 708 032	(56 690)	596 905	(2 722 366)	29 883 127
Non-current liabilities					10 175 596	9 933 839
Current liabilities					19 987 169	19 949 288
					30 162 765	29 883 127

Landfill site rehabilitation provision

The municipality has an obligation to rehabilitate its Burgersfort and Malogeng landfill sites in terms of the closure license referenced 12/4/10/8-A/14/S10 issued by the provincial Department of Economic Development, Environment & Tourism on 26 June 2019, and the permit referenced 12/9/11/P67 issued by the national Department of Environmental Affairs & Tourism on 14 January 2009, respectively.

The final decommissioning and rehabilitation of the landfill represents a present legal obligation as a result of past events (opening and operation of the landfills) and will certainly result in an outflow of economic resources (final decommissioning and rehabilitation costs).

The Fetakgomo Tubatse Municipality landfill site was closed in 2019 as it was full. R579,875 (2021 - 56,690) was spent towards the landfill rehabilitation and closure costs and the provision was utilised for this purpose. The closure cost provision is R3,974,767 (2021 -R4,004,667).

The Malogeng landfill site was donated by the Sekhukhune District Municipality to Fetakgomo Tubatse Municipality with the effective transfer date being 01 July 2018. The remaining useful life of the Landfil site is 17,9 years. The landfill rehabilitation and closure cost provision for this landfill site was determined by the actuaries to be R6,200,829 (2021 - R5,929,172) as at 30 June 2022.

The amount of the discounted landfill closure provision of R6,200,829 represents an increase of R271,657 over the provision of R5,929,172 in the previous financial statements. The composition of this change is interest charge as result of passage of time and change in landfill closure provision due to changes in CPI..

The landfill closure provision is calculated as the net present value of future cash flows.

The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year.

Assumptions Used

Unit costs

Unit costs for each of the cost elements are obtained annually by means of a commercial quotation.

Fetakgomo Tubatse Local Municipality

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18. Provisions (continued)

Consumer Price Index

The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last three months amounted to 4.8235%.

Discount Rate

As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used.

For this landfill the rate associated with the maximum period of 10 years was used, i.e. 4% above CPI.

Effective Rate.

Assumption

	2022
CPI	6.6085%
Discount Rate	10.6085%
Net Effective Rate	4%

The estimated value of the rehabilitation cost of landfill sites has been determined as at 30 June 2022 by an independent expert, Mr Seakle Godschalk Pr Sci Nat, GIMFO. Mr Godschalk is a registered professional environmental scientist with the South African Council for Natural Scientific Professions (SACNASP) as well as the Southern African Institute of Ecologists and Environmental Scientists (SAIE&ES). He holds a Master's degree in Science as well as a Master's degree in Accounting. He is also a member of the Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO). Seakle is a member of the Institute of Directors.

The contributing factors resulting in interest charge are passage of time and the contributing factors for change in landfill closure provision are change in CPI.

Leave Provision

This is in respect of leave days for employees that accrues at a rate of 2 days per month. At year-end any days accrued but not yet taken are provided for, as the municipality has an obligation to pay the value of the leave days should an employee leave the municipality.

While the value of the leave days due at year-end can be calculated, the timing of any outflows is uncertain as it is impossible to ascertain when an employee will leave the municipality in future.

There is no expected reimbursement, or any amount of any asset that has been recognised for any expected reimbursement in respect of the leave provision.

19. Payables from exchange transactions

Trade payables		
Unallocated receipts	26 386 990	50 674 481
Accrued bonus	2 204 252	1 601 758
Retention creditors	4 290 937	4 363 158
Other payables	34 663 318	24 564 750
Consumer debtors in credit	36 891 004	23 475 677
	7 260 153	6 816 718
	111 696 654	111 496 542

Fetakgomo Tubatse Local Municipality

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20. Service charges		
Refuse removal - Own collection	18 776 375	20 949 256
Refuse removal - Private refuse removal	2 341 129	1 929 204
	21 117 504	22 878 460

Fetakgomo Tubatse Local Municipality
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21. Rental of community offices and facilities

Premises
Premises

438 538 248 090

22. Traffic Fines

Municipal Traffic Fines

1 045 250 624 450

23. Interest charged

Interest charged

3 726 839 6 211 388

Interest from service charges is calculated as a variable interest rate based on annual prime plus 1%.

24. Agency services

Department of Roads and Transport

6 074 508 4 544 051

Accounting by principals and agents

The municipality is a party to a principal-agent arrangement.

The municipality is a party to an agreement between the municipality and the Department of Roads and Transport to collect revenue licensing and permits. The municipality is entitled to 20% of the revenue collected.

The municipality is the agent.

Municipality as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R6,074,5087 (2021: R4,544,051).

Liability at year-end

The balance owed to the Department of Roads and Transport in respect of the principal-agent relationship as at 30 June 2022 was R1,274,239 (2021: R1,105,128).

25. Licences and permits (exchange)

Roads and Transport

5 968 561 4 854 984

26. Lease rentals on operating lease

Lease rentals on operating lease
Contractual amounts

1 710 635 14 669 114

Included in the lease expenses are costs arising from lease agreements for:

1. Office equipment leased from 1 October 2019 for a period of 3 years at R142,552 (excl VAT) per month plus additional costs that vary upon usage of the equipment.

2. Lease of the office building from March 2018 for a period of 10 years. The contract expired on 30 June 2020 and the municipality leased the building on a month to month basis for 6 months until 31 December 2020. The month to month rental amount was R1,815,619,74 excl VAT.

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

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27. Other revenue

	781 571	400 572
Fees earned	-	122 083
Discount received	781 571	522 655

Included in fees earned are fees from valuation services, issuing of clearance certificates, cemetery and burial and plan printing.

The Discount Received is in respect of the 5% discount for early payment of the 2021/22 SALGA membership fees.

28. Other income

	98 473	257 368
Sundry Income	-	16 100 000
Recoverable VBS Investment	98 473	16 357 368

Included in Other Income is R16,100,000 that the municipality was allocated by the Liquidator in the First Liquidation and Distribution Account which is a portion of R158 563 495.51, which is the free residue the of the total Estate which the liquidator has been able to recover from the liquidated VBS Bank to date.

29. Investment revenue

	9 394 517	7 098 623
Interest revenue		
Bank		

Fetakgomo Tubatse Local Municipality
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	2022	2021
30. Property rates		
Rates levied		
Property rates		
Business and Commercial	32 731 373	31 595 231
State and parastatals	32 842 246	32 292 813
Small holdings and farms	883 115	1 157 751
Formal and informal settlements	4 488 855	4 098 018
Industrial properties	717 008	-
Mining properties	5 938 544	5 366 244
Less: Income forgone	30 377 592	38 947 097
	(3 063 167)	(3 552 051)
Property rates - interest on outstanding debtors	104 915 566	109 905 103
	10 745 040	14 515 726
	115 660 606	124 420 829
Valuations		
Residential	3 569 463 000	3 357 725 000
Commercial	1 692 760 000	1 725 285 000
Government	398 791 000	1 388 190 000
Municipal	196 713 600	174 085 200
Small holdings and farms	2 996 577 000	1 725 535 000
Schools	74 550 000	51 580 000
Mines	193 730 000	933 710 000
Churches	14 600 000	22 760 000
	9 137 184 600	9 378 870 200

The current valuation roll contractual period ended on 30 June 2021. The Municipality has requested the approval of the MEC to extend the validity period for the current valuation roll with two financial years up to 30th June 2023. The extended period will be from 1 July 2021 up to and including 30 June 2023.

The approval was granted by MEC of Cooperative Governance, Human Settlement and Traditional Affairs on the 14th June 2021. The request was made in terms of Section 32(2)(b) of the Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended, which section allows a municipality to seek an extension of validity of valuation roll, under exceptional circumstances.

The Municipality has currently appointed a service provider for the maintenance of supplementary valuation on as and when basis in compliance with sect 38 Municipal Property Rates Act, 2004.

31. Transfers and subsidies

Other subsidies

Indigent Relief

5 908 650 8 069 078

The municipality supports the registered indigents through the Equitable Share and is paid directly to Eskom or Solar Vision.

Fetakgomo Tubatse Local Municipality
Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022	2021
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Figures in Rand

32. Government grants and subsidies

Operating grants	478 498 000	557 280 000
Equitable share	1 688 000	1 052 000
Expanded Public Works Program Grant	2 400 000	2 500 000
Finance Management Grant	482 586 000	560 832 000

Capital grants	76 794 116	66 953 028
Municipal Infrastructure Grant	54 985 394	14 102 396
Integrated National Electrification Programme	5 879 058	19 621 151
Distressed Mining Town Grant	137 658 568	100 676 575

Equitable Share

In terms of the Constitution, a portion of this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly 100% subsidy which is funded from the grant.

Finance Management Grant

Current-year receipts	2 400 000	2 500 000
Conditions met - transferred to revenue	(2 400 000)	(2 500 000)
	-	-

Expanded Public Works Program Grant

Current-year receipts	1 688 000	1 052 000
Conditions met - transferred to revenue	(1 688 000)	(1 052 000)
	-	-

Municipal Infrastructure Grant

Balance unspent at beginning of year	21 529 237	29 775 265
Returned to National Treasury	-	(22 400 000)
Current-year receipts	74 240 000	81 107 000
Conditions met - transferred to revenue	(76 794 116)	(66 953 028)
To be set off against Equitable Share	(18 975 121)	-
	-	21 529 237

Conditions still to be met - remain liabilities (see note 17).

Unapproved 2021/22 MIG unspent conditional grant balance to be set off against Equitable Share

The MIG unspent conditional grant balance of R18,975,121 for the 2021/22 financial year was not approved for roll-over, and this amount will be set off against the Equitable Share).

Integrated National Electrification Programme

Balance unspent at beginning of year	39 493 953	53 596 349
Current-year receipts	20 000 000	-
Conditions met - transferred to revenue	(15 491 442)	-
Contribution to lost INEG Grant	(39 493 953)	(14 102 396)
	4 508 558	39 493 953

Fetakgomo Tubatse Local Municipality

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32. Government grants and subsidies (continued)		
The balance of the INEG grant lost in the VBS issue of R39,493,953 was cleared through for electrification projects contributions from internally generated funds during the year under review..		
Conditions still to be met - remain liabilities (see note 17).		
Distressed Mining Town Grant		
Balance unspent at beginning of year	16 190 447	35 811 598
Conditions met - transferred to revenue	(5 879 058)	(19 621 151)
	10 311 389	16 190 447
Conditions still to be met - remain liabilities (see note 17).		
33. Public contributions and donations		
Public contributions and donations	82 800	5 028 779
Public contributions and donations of R82,800 are in respect of 100 worksuits, safety boots and safety goggles donated by Glencore Eastern Chrome Mines in support of waste and environmental management programmes.		

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34. Employee related costs		
	119 193 810	114 984 425
Basic	9 592 512	9 183 672
Medical aid - company contributions	597 957	541 097
UIF	35 688	35 736
SDL	1 450 473	1 218 829
Skills development levy	1 446 441	3 749 862
Leave pay provision charge	21 520 953	21 855 097
Defined contribution plans	1 377 159	1 564 305
Travel, motor car, accommodation, subsistence and other allowances	7 166 245	4 341 781
Overtime payments	576 968	1 111 325
Long-service bonus provision	8 954 337	8 774 285
13th Cheques	167 101	518 820
Acting allowances	19 318 748	17 379 395
Car allowance	2 143 638	2 090 590
Housing benefits and allowances	2 247 529	2 167 951
Telephone allowance	976 596	804 153
Standby allowance	4 246 690	4 452 642
Post Employment Health Care Benefit Current Cost	201 012 845	194 773 965
Remuneration of Municipal Manager		
	978 951	897 371
Annual Remuneration	1 177	-
Subsistence Allowance	18 128	-
Travel Allowance	180 000	165 000
Car Allowance	32 885	30 145
Telephone Allowance	46 433	42 564
Remote Allowance	1 257 574	1 135 080
Remuneration of Chief Finance Officer		
	744 650	744 650
Annual Remuneration	-	4 270
Acting Allowance	29 400	29 400
Telephone Allowance	226 102	226 101
Car Allowance	50 595	32
Performance bonus	38 906	38 906
Remote Allowance	1 089 653	1 043 359
Director Regional Office		
	671 057	671 057
Annual Remuneration	180 000	180 000
Car Allowance	63 774	63 774
Housing Allowance	50 095	49 407
Travel Claim	29 400	29 400
Telephone Allowance	38 905	38 906
Remote Allowance	55 921	55 921
Bonus	-	556
Subsistence Allowance	1 089 152	1 089 021

Fetakgomo Tubatse Local Municipality

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34. Employee related costs (continued)

Remuneration of Acting Corporate and Human Resources (Corporate Services)

Acting Allowance

101 052

Remuneration of Community Services

Annual Remuneration

Telephone Allowance

Bonus

Car Allowance

Housing Allowance

Travel Claim

Subsistence Allowance

Remote Allowance

Travel Claim (Taxable)

631 566	631 566
29 400	29 400
52 631	52 631
226 555	226 555
60 000	60 000
63 052	26 734
278	-
38 905	38 906
-	4 739

1 102 387 1 070 531

Remuneration of Acting Director Technical Services

Annual Remuneration

Housing Allowance

Car Allowance

Leave

Remote Allowance

Bonus

Actin Allowance

Telephone

-	211 024
-	19 909
-	19 909
-	179 074
-	10 758
-	75 882
68 469	-
-	8 130

68 469 524 686

The Technical Director resigned in November 2020 and Council appointed the Manager Technical Services to act in the position.

Remuneration of Director Economic and Planning

Annual Remuneration

Car Allowance

Telephone Allowance

Travel Claim

Housing Allowance

Bonus

Subsistence Allowance

Remote Allowance

583 589	583 589
243 162	243 162
29 400	29 400
37 673	4 632
95 368	95 368
48 632	48 632
2 493	-
38 906	38 906

1 079 223 1 043 689

Remuneration of Director Development and Planning

Annual Remuneration

Car Allowance

Telephone Allowance

Housing Allowance

Travel Claim

Bonus

Remote Allowance

Subsistence Allowance

Acting Allowance

720 000	720 000
90 752	90 752
29 400	29 400
100 000	100 000
17 458	5 289
60 000	60 000
38 906	38 905
115	-
-	16 390

Fetakgomo Tubatse Local Municipality

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34. Employee related costs (continued)

	1 056 631	1 060 736
Remuneration of S 56 and 57 Managers		
Municipal Manager	1 257 574	1 135 080
Chief Financial Officer	1 089 653	1 043 327
Director Regional Office	1 089 152	1 089 021
Director Community Services	1 102 387	1 070 531
Director Technical Services	-	524 686
Director Economic and Planning	1 079 223	1 043 689
Director Development and Planning	1 056 631	1 060 736
Acting Director Technical Services	68 469	-
Acting Director Corporate and Human Resources (Corporate Services)	101 052	-
	6 844 141	6 967 070

35. Remuneration of councillors

	1 004 386	947 551
Mayor	919 910	801 124
Speaker	820 689	726 203
Chief Whip	6 635 660	5 177 367
Mayoral Committee Members	26 015 984	25 950 820
Councillors	35 396 629	33 603 065

In-kind benefits

The Mayor, Speaker and Chief Whip are full time and provided with office space and secretarial support at the cost of the Council.

The executive committee consists of full time and part time members.

The Mayor has the right of use of a municipal vehicle including a driver.

Fetakgomo Tubatse Local Municipality

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35. Remuneration of councillors (continued)

Remuneration of Mayor

Car Allowance		
Cellphone Allowance	228 268	223 463
Salary	41 677	40 800
Data Allowance	684 805	670 388
	17 161	12 900
	971 911	947 551

Remuneration of Speaker

Car Allowance		
Cellphone Allowance	182 614	178 770
Travel Claim	41 677	40 800
Salary	149 261	76 694
Data Allowance	547 842	536 309
	17 161	12 900
	938 555	845 473

Remuneration of Chief Whip

Car Allowance		
Cellphone Allowance	167 597	167 597
Travel Claim	40 800	40 800
Salary	75 884	31 786
Data Allowance	502 790	502 790
	16 800	12 900
	803 871	755 873

Remuneration of Councillors including EXCO Members

Car Allowance		
Cellphone Allowance	5 932 430	5 854 102
Travel Claim	3 004 928	2 985 200
Salary and Allowances	4 706 579	3 642 411
Data Allowance	17 786 388	17 561 209
	1 257 267	981 000
	32 687 592	31 023 922

Councillors' remuneration is paid in line with the upper limits.

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36. Depreciation and amortisation		
Property, plant and equipment	86 249 639	102 139 048
Intangible assets	59 254	38 352
	86 308 893	102 177 400
37. Impairment losses/reversal of impairment		
Impairments	2 749 308	12 504 072
Property, plant and equipment	2 749 308	12 504 072
38. Finance costs		
Finance leases	4 653 414	2 952 050
Current borrowings	-	1 011 445
	4 653 414	3 963 495
39. Debt impairment		
Debt impairment - Consumer debtors	22 580 828	77 119 981
Debt impairment - Traffic debtors	1 014 823	509 700
	23 595 651	77 629 681
40. Contracted services		
Security and Other Contractors	236 579 257	163 614 409
Catering Services	695 786	342 089
	237 275 043	163 956 498

Fetakgomo Tubatse Local Municipality

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40. Contracted services (continued)

Contracted services

Consultants and professional services

Contractors

Outsourced services

103 060 042 64 451 121

54 253 737 31 365 030

79 961 264 68 140 347

237 275 043 163 956 498

Consultants and Professional Services - Business Advisory Services

Business and Advisory:Project Management

Business and Advisory:Accounting and Auditing

Business and Advisory:Board Member

Business and Advisory:Business and Financial Management

Business and Advisory:Commissions and Committees

Business and Advisory:Forensic Investigators

Business and Advisory:Human Resources

Business and Advisory:Occupational Health and Safety

Business and Advisory:Research and Advisory

10 069 222 8 934 867

23 618 081 25 413 903

2 183 323 381 699

10 610 849 7 963 280

40 093 46 053

4 109 270 -

6 416 210 742

976 543 472 355

6 758 407 143 802

58 372 204 43 566 701

Consultants and Professional Services - Trading Services

Engineering:Electrical

Infrastructure and Planning:Agriculture

Infrastructure and Planning:Land and Quantity Surveyors

Infrastructure and Planning:Town Planner

4 896 913 8 170 480

658 581 -

220 000 -

4 168 709 1 500 035

9 944 203 9 670 515

Consultants and Professional Services - Legal Services

Legal Cost:Collection

Legal Cost:Legal Advice and Litigation

2 207 953 1 900 185

32 535 682 9 313 720

34 743 635 11 213 905

Contractors - maintenance services

Contractors:Maintenance of Buildings and Facilities

Contractors:Maintenance of Equipment

Contractors:Maintenance of Unspecified Assets

7 082 766 2 703 328

5 958 054 7 982 517

22 108 258 17 339 519

35 149 078 28 025 364

Contractors - General Services

Contractors:Electrical

Contractors:Employee Wellness

Contractors:Inspection Fees

Contractors:Pest Control and Fumigation

Contractors:Preservation/Restoration/Dismantling/Cleaning Services

Contractors:Traffic and Street Lights

2 555 072 514 565

1 696 035 -

11 233 -

821 756 679 707

1 186 672 -

12 815 891 2 145 394

19 086 659 3 339 666

Outsourced services - general services

Communication:Postage/Stamps/Franking Machines

Outsourced Services:Cleaning Services

Outsourced Services:Security Services

Outsourced Services:Personnel and Labour

Outsourced Services:Clearing and Grass Cutting Services

Outsourced Services:Professional Staff

Outsourced Services:Catering Services

1 170 677 692 340

3 311 131 2 932 195

47 964 589 42 906 488

104 000 28 110

3 303 600 -

1 271 862 1 463 433

695 786 342 089

Fetakgomo Tubatse Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
40. Contracted services (continued)	57 821 645	48 364 655
Outsourced services - Business and Advisory Services		
Business and Advisory:Valuer	2 325 400	3 008 872
Outsourced services - Trading services		
Outsourced Services:Refuse Removal	19 814 219	16 766 821

Fetakgomo Tubatse Local Municipality

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	2022	2021
41. General expenses		
Allowances traditional leaders		
Advertisements	-	32 609
Auditors remuneration	4 954 485	1 090 641
Bank charges	8 471 418	7 679 600
Consulting and professional fees	711 688	186 443
Assets Donations	2 275 598	5 092 650
Entertainment	-	35 355 780
Hire	11 696	9 263
Insurance	11 250 446	1 020 394
IT management	4 579 073	4 742 297
Promotions and sponsorships	22 077 985	9 559 348
Magazines, books and periodicals	8 158	117 074
Fuel and oil	626 039	149 751
Printing and stationery	3 540 758	2 598 282
Protective clothing	722 150	258 404
Repairs and maintenance	1 219 126	591 373
Royalties and licence fees	-	1 465 748
Subscriptions and membership fees	350 000	441 585
Telephone and fax	3 451 902	2 781 190
Training	2 122 641	2 540 426
Travel - local	2 240 272	1 084 241
Skills development program	6 483 504	3 759 785
Special programs	-	3 589
Ward committee	1 843 382	2 481 378
Hawker's fees	8 195 501	6 815 760
Other expenses	82 800	-
	29 617 953	12 667 989
	114 836 575	102 525 600

Unexplained debit orders

Included in Other Expenses are Unexplained debit orders amounting to R4,610,442 (R4,4,603,309 which were debited from the Standard Bank Main Account and R7,133 from the FNB main account; 2021: R263,272 from Standard Bank). The municipality requested the banks to provide a report as to who was responsible for these payments and to whom the payments were made before a case of fraud is opened with the SAPS.

42. Fair value adjustments

Investment property (Fair value model)	1 466 000	5 150 000
Land Inventory	-	21 878 400
	1 466 000	27 028 400

Investment property (Fair value model)

These are fair value adjustments (gains) from the fair valuation of the municipality's Investment Property in line with the municipality's accounting policy and GRAP 16 paragraphs 46 to 70.

Land Inventory

Farm Mooifontein kt 313 portion (Burgersfort Ext 93) was subdivided into residential Ervens with the total value of R25,738,400. The fair value of the ervens was determined by an independent appraisor.

43. Auditors' remuneration

Fees	8 471 418	7 679 600
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Fetakgomo Tubatse Local Municipality

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Figures in Rand	2022	2021
44. Cash generated from operations		
Surplus	72 118 302	164 233 876
Adjustments for:		
Depreciation and amortisation	86 308 893	102 177 401
Landfill site provision	241 757	-
Fair value adjustments-investment property	(1 466 000)	(27 028 400)
Loss on disposal of assets	551 790	3 220 808
Donations in kind	(82 800)	-
Impairment deficit	2 749 308	12 504 072
Debt impairment / (Reversal of Impairment)	23 595 651	77 629 681
Leave provision	37 881	2 708 032
Bonus Accrual	(72 222)	157 828
Employee benefits obligation movements	4 718 823	4 738 551
Accrued interest	(482 055)	-
Non-cash items-Revenue	(15 676 700)	-
Reversal of invalid debtors	-	12 153 497
Changes in working capital:		
Inventories	(218 150)	(44 378 659)
Receivables from exchange transactions	(720 896)	79 200
Consumer debtors	(22 888 842)	18 178 861
Other receivables from non-exchange transactions	16 032 541	(16 041 608)
Prepayments	3 695 758	(4 745 758)
Payables from exchange transactions	142 118	14 029 192
VAT	(18 837 127)	(15 842 615)
Unspent conditional grants and receipts	(62 393 691)	(41 969 574)
	87 354 339	261 804 385

45. Awards to persons or close family members of persons in the service of the state

1. The Chief Audit Executive declared an interest in Bauba Marumo, one of the Municipality's service providers for refuse collection, which is owned by her mother. During the period under review payments amounting to R12,533,372 were paid to the company.
2. The Municipal Councillor, Nokuthula Peaceful, is a Director of Mambonile Projects which was appointed for catering and transport hire. During the period under review payments amounting to R30,000 were paid to the company
3. MC Mothiba, who is in the service of the state, is an owner/member of Farloserve, which was appointed for maintenance of community hall. During the period under review payments amounting to R177,850 were paid to the company."
4. The Municipal Councillor, Josias Mokgwadi Molopo, is a Director of Khutso Division Mphogo Projects which is a business partner/associate of VMB Manufacture and Projects Pty Ltd, which was appointed for transport hire and supply of stationery. During the period under review payments amounting to R14,983 were paid to the company.

Fetakgomo Tubatse Local Municipality

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	2022	2021
46. Commitments		
Authorised capital expenditure not completed		
Already contracted for but not provided for		
• Property, plant and equipment	332 116 582	220 230 777
Capital commitments - Prior period errors		
• Capital Commitments as per 2021 audited AFS	-	236 698 184
• Payments omitted in the 2021 audited balance	-	(16 467 407)
Restated balance as at 30 June 2021	-	220 230 777
Total capital commitments		
Already contracted for but not provided for	332 116 582	220 230 777
Authorised operational expenditure		
Already contracted for but not provided for		
• Expenditure	218 815 900	116 748 234
Operational commitments - Prior period errors		
• Operational Commitments as per 2021 audited AFS	-	109 750 826
• Understatement of operational commitments	-	6 997 408
	-	116 748 234
Total operational commitments		
Already contracted for but not provided for	218 815 900	116 748 234
Total commitments		
Total commitments		
Authorised capital expenditure	332 116 582	220 230 777
Authorised operational expenditure	218 815 900	116 748 234
	550 932 482	336 979 011

This committed expenditure relates to plant and equipment as well as operational expenditure budgeted for in the Medium Term Revenue and Expenditure Framework and it will be financed out of existing cash as well as future anticipated revenue to be collected as per Section 18 of the MFMA.

The Municipality does not have any commitment which is regulated in terms of Section 33 and 120 of the MFMA.

All commitments are inclusive of VAT.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	491 807	1 967 230
- in second to fifth year inclusive	-	491 807
	491 807	2 459 037

The lease agreement is for office equipment leased from Anaka Group for a period of 3 years from 1 October 2019.

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47. Contingent Assets and Liabilities		
Contingent assets		
Description	2022	2021
1. SIU vs.Mphaphuli Consulting//GTM - The municipality has taken legal action and is in the process of seeking to recover money that was paid to Mphaphuli Consulting (Pty) Ltd regarding the electrification of villages.Per the SIU proclamation number R52 of 2014 SIU has taken over the case and summons have been issued to Mphaphuli Consulting (Pty) Ltd. The possible financial exposure is R76 462 807.89	76 462 807	76 462 807
2. FTM/TT Property consultants TT Property Consultants was appointed in 2014 for the compilation of valuation and supplementary rolls for the former GTM for a period of 4 years (July 2015 to June 2019) for a total cost of R2 960 000. They received payments from the year 2015 to date on the contract amounting to R11 743 248, 54 whereas the contract amount was R2 960 000 with the overpayment amount being R8 783 248, 54.	8 783 249	8 783 249
3. FTM/Murathi IncMurathi Inc was erroneously paid twice by FTM.	453 720	453 720
4. FTM/Gracious Lodge and others Respondent developed and erected further building without prior approval of the municipality. Cost to be tendered by the third defendants	200 000	200 000
5. FTM/Naheeda Property and others Respondent developed a social hall which extended to the adjacent property without the consolidation of both contiguous properties and prior approval from the municipality. Respondents to pay wasted costs.	-	200 000
	85 899 776	86 099 776

Contingent liabilities

The following are the Contingent liabilities assumed:

Description	2022	2021
1. Edward Baleni Property Consultants vs FLM. The service provider failed to complete valuation roll in terms of the contract with the then Fetakgomo local municipality. The plaintiff sued the municipality sum of R2 591 350,00. The potential financial exposure is R2,591,350. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	2 591 350	2 591 350
2. Bernard Nchabeleng vs FLM. The plaintiff was evicted from the municipality land. He plaintiff alleges that he was allocated the land by the traditional authority. Further alleges that he suffered damages in the amount of R590 000, 00 as result of their eviction. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	590 000	590 000
3. Harlequinne Duck Properties vs. FTLM. The Plaintiff is suing the Municipality for delictual damages allegedly suffered as result of Municipal failure to comply with the agreement to exchange properties entered into around 2009 for the amount of R 29 ,303,469,63. R478,321.47 was also claimed for loss of income. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	11 000 000	29 781 791
4. Puladitsela Consulting v GTM. The consultant was appointed by the GTM for planning, design and implementation of electrification on several villages within the GTM. They claim that the Municipality is using their designs for implementation of Operation Mabone. The claim amount is R95m. The possible exposure is R95,000,000. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	95 000 000	95 000 000
	-	-

Fetakgomo Tubatse Local Municipality

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47. Contingent Assets and Liabilities (continued)		
5. Mogodi RR & others vs FTLM. The employees are challenging the municipality for unfair labour practices as a result of placement of former GTM employees. The arbitration is on favour of the employees and the employer is bound to comply with the award. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	5 969 493	700 000
6. Edward Ntala Mafane & 3 Others / Fetakgomo-Greater Tubatse Local Municipality These matters relate to contract of employment which contract was aligned to the term of office of the Executive Mayor. Upon expiry of the term of office of the Executive Mayor the contracts of those employees automatically lapsed and/or ended by effluxion of time. Now these employees' contracts ended upon resignation of the Mayor. Soon thereafter they launched an action in the Labour Court, Braamfontein claiming unfair dismissal. We have since replied to their statement of claim indicating that it is not an unfair dismissal but that their contracts have ended. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
7. MPHAPHULI VS FTLM// SIU The municipality received combined summons on the 15th June 2020 where Mphaphuli Consulting is the plaintiff claiming to have suffered Patrimonial loss, contractual and consequential damages. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	506 463 014	506 713 014
8. MPHAPHULI VS FTLM// ESKOM The municipality received summons from the complainant where they claim that the municipality is owing them monies. The municipality lost the Mphaphuli case and a judgement of R14,349,490 (including interest) was granted in favour of the Plaintiff. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	9 763 851
9. Evidence Malesa & 182 others Former employees whose contracts were not renewed by the municipality initiated arbitration processes against the municipality, arguing that their contracts should have been renewed. The commissioner ruled in their favour however the municipality is appealing the ruling. The possible financial exposure cannot be determined. The potential financial exposure is R4,000,000. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	4 000 000	5 000 000
10. Tubatse Waste Management Consortium Vs Fetakgomo/ Greater Tubatse Local Municipality & 02 Others The Plaintiff issued summon in respect of alleged damages incurred due to the cancellation of a tender. The plaintiff amended their summons and we have amended and filed our plea to their amended papers. We will proceed to file our discovery notices and discovery affidavit to have the matter move forward. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	138 000 000	138 000 000
11. FTM/Mapale Distributors CC Mapale was awarded a contract to construct a fence for a cemetery. The job was done and they were paid in full, Mapale now sues the municipality for the entire contract amount less amount paid, being R175,392.80. The municipality lost the Maphale case and a judgement of R175,393 was granted in favour of the Plaintiff. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	175 393
12. FTM/Sekoko Mametja Inc This is a legality review of a decision to appoint Sekoko Mametja to panel of debt collectors of the municipality. The court granted the order but the respondent filed for an application to leave. The potential financial exposure is R150,000. Taxation underway and bill of costs to be taxed on 3rd October 2022 for fees due to the Municipality. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	436 250
13. FM Maluleke Inc// FTLM The plaintiff launched an action against the municipality for a defamation of character and claims for reputational damages. The potential financial exposure is R 4 000 0000. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	4 000 000	4 000 000

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47. Contingent Assets and Liabilities (continued)		
14. Loge Construction vs FTM & Mulalo		
Application awarded in favour of plaintiff but review application to be heard on 11 August 2021. The High Court rendered a judgement in favour of the plaintiff on 11 August 2022 and ordered the municipality to pay the cost of the application. provision will be raised once the amount can be reliably quantified. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
15. Baatshuma (Pty) Ltd vs FTM		
Requesting that appointment of REA be set aside. The potential financial exposure cannot be ascertained at this stage. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
16. Phadime AM vs FTLM		
The applicant sought relief at the labour court for an order requesting implementation of salary parity. The Municipality defends the matter on the basis that the salary is based on a task graded system. The matter is in pleading stages and the potential financial exposure is R1,500,000. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
17. Ml Phasha		
Attorneys were given instructions on 14/11/2019 to institute review proceedings to set aside the appointment of Mr Phasha as Director Corporate. The potential financial exposure cannot be ascertained at this stage. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
18. Mashabane, Thabang and 51 others - (Thamaga case)	3 500 000	3 500 000
Review of arbitration award. The potential financial exposure is R 3,500 0000. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
19. NA Koko	3 040 766	3 040 766
Following on from the Reinstatement order Mr Koko brought an application in the Labour Court for payment of wages between the 7th March 2014 to the 31st December 2020. A subpoena requesting Mr Koko's bank statements and tax records for the period has been issued. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
20. TT PROPERTIES (PTY) LTD VS FTLM	2 060 550	-
The municipality was served with summons on the 11th August 2021 by the service provider claiming an outstanding amount of the project undertaken as a result of the service level agreement. The Municipality is defending the matter as the service provider was over paid and claim for recovery of over payment has been lodged. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-
21. Baroka ba Nkwana VS the Minister of Agriculture, Land Reform and Rural Development / Regional Land Claims Commissioner: Limpopo Province: Registrar of Deeds, Limpopo Province, Fetakgomo Tubatse Municipality/Ratsoma Property Administrators (Pty) Ltd /Baroka Bankwana core Royal Family, Baroka Bankwana Tribal authority/Tau ma Kotsane Tribal Authority/ AU Nchabeleng Tribal Authority /Manalala Stephen Phasha 3.1 The decision by the Minister of Agriculture Land Reform and Rural Development the decision of having transferred portions 5, 6 and 7 of the farm Hoeraroep 515 KS to Fetakgomo Greater Tubatse Local Municipality, 3.2 The decision by the Regional Land Claims Commissioner, Limpopo Province to recommend to the Minister of Agriculture, Land Reform and Rural Development to have the portions of 5, 6 and 7 Hoeraroep 515 KS transferred to Fetakgomo Greater Tubatse Local Municipality. 3.3 To have declared as invalid and of no legal force and effect, the action of the Registrar of Deeds, Limpopo Province for having registered and transferred:1 portions 5, 6 and 7 of the farm Hoeraroep 515 KS to Fetakgomo Tubatse Greater Local Municipality. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.	-	-

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47. Contingent Assets and Liabilities (continued)		
21. Mosoma/ Fetakgomo Tubatse Local Municipality	959 861	-
The employee has been reinstated after the ruling by the Labour Appeal Court and currently in service of the Municipality since January 2021. Municipality deducted an amount which was paid to him by Department of Education from his payment salary for a period when he was dismissed. There are disputes by the employee on how the settlement was calculated and effected and the employee took the matter to the Labour court. The timing of any outflow or the possibility of any reimbursement from this case cannot be ascertained at this stage.		
	777 175 034	799 292 415

Prior Period Error - Contingent Assets and Liabilities

Adjustments were made to correct the following errors identified:

Contingent Liabilities

	Amount previously reported	prior period error	prior period error	Restated amount
Amount as per 2020 audited AFS				
1. Tubatse Waste Management Consortium Vs Fetakgomo-	366 022 288	(227 722 288)	(300 000)	138 000 000
a. Greater Tubatse Local Municipality & 02 Others				
The attorneys erroneously overstated the estimated financial exposure in prior years (Confirmed R366,022,288 instead of R138,300,000).				
b. Estimated legal costs of R300,000 were erroneously included in the contingent liability amount.				
2. Edward Baleni Property Consultants vs FLM. -	3 600 000	(1 008 650)	-	2 591 350
Estimated legal costs of R1,008,650 were erroneously included in the contingent liability amount.				
3. Edward Ntala Mafane & 3 Others / Fetakgomo- Greater Tubatse Local Municipality	600 000	(600 000)	-	-
Estimated legal costs of R600,000 were erroneously included in the contingent liability amount.				
4. Phadime AM vs FTLM (The applicant sought relief at the labour court for an order requesting implementation of salary parity. The Municipality defends the matter on the basis that the salary is based on a task graded system. The matter is in pleading stages and the potential financial exposure is unquantifiable.)	1 000 000	(1 000 000)	-	-
Estimated legal costs of R1,000,000 were erroneously included in the contingent liability amount.				
Restated Balance	371 222 288	(230 330 938)	(300 000)	140 591 350

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48. Related parties

Relationships

Accounting Officer

Councillors

Directors

Refer to accounting officer's report note

Refer to note 35

Refer to note 34

The Directors and Councillors are related parties and their transactions are included in note 34 and 35. The municipality has various processes in place to identify and note any related party transactions. These processes range from disclosure by bidders on the bid documents (MBD4) to maintenance of a conflict of interest register. For councillors, the disclosure register is kept in the Office of the Speaker whilst for other senior managers it is kept by the Corporate Services Directorate.

Councillors and Directors are related parties and their transactions are included in the notes to the financial statements.

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49. Prior period errors

1. Prior year supplier invoices amounting to R750,001 were not accrued for in the correct financial year, resulting in understatement of prior year creditors by R750,001 expenditure by R569,877, accumulated surplus by R137,618 and Input VAT by R42,505..
2. Receipts to the value of R32 300 were duplicated during the month of May 2021.
3. The Radingwana retention amount of R21 851 was accounted for twice on retention register resulting in overstatement of the retention liability and understatement of accumulated surplus by R21,851.
4. The Mamogolo Eleetrification retention of r298,005 was not accounted for in prior years resulting in understatement of the retention liability and overstatement of accumulated surplus by R21,851.
5. Staff debtors were understated by R23,565 due to incorrect workings, resulting in overstatement of payroll costs by R23,565 and understatement of Other debtors by R23,565.
6. 2021 supplier invoices amounting to R692,580 were not accrued for in the 2020-21 financial year, resulting in understatement of 2021 Payables by R692,580, Operational Expenditure by an amount of R 643 231.00 and Input VAT by R49,349.
7. Prior year Consumer debtors amounting to R59,233,611 were written off by Council and reversed against the debt impairment as they were irrecoverable as the municipality had been billing in non-rateable areas.
8. Airconditioners erroneously with a cost of R50,000.01 were omitted in the prior year and recorded under expenses resulting in understatement of PPE by R50,000, Accumuated depreciation by 301 and Accumulated surplus by R49,698.
- 9..The 2021 petty cash balance was overstated by R3,115 resulting in an adjustment to the petty cash balance and accumulated surplus of the same amount.
10. Boreholes
An adjustment of R958,650 was processed Work in progress against Buildings (R336,200), Community Assets(R188,250) and Investment Properties(R434,000) to recognise Boreholes that were erroneously recorded as Work in Progress in 2020-21 financial year. The recognition of the boreholes in Property, Plant and Equipment resulted in an adjustment of R5,600 in Accumulated surplus for depreciation charges.
11. Traffic Trailer
The Municipality received a donation a traffic trailer in the prior year. Office Equipment and Computer equipment that came with the trailer was erroneously banded with the fair value cost of the trailer. The unbundling of the trailer resulted in the reclassification of R18,569 to Office Equipment and R27,322 to Computer Equipment. The changes in classification consequently resulted in the chages of depreciation by R53 processed to accumulated surplus
12. ICT Infrastructure and Prepayment
The municipality embarked in the process of revamping the the ICT infrastructure in 2020-21 financial year. Certain payments were made as advance payments relating to Software Licences. An error was made in the calculation of the prepayments resulting in the understatement of Work in Progress and Overstatement of Prepayments by R900, 000. A reclassification was made from Prepayments to Work in Progress to correct the error.
Supplier invoice for ICT Infrastructure amounting to 1,744,764 was erroneously omitted and recognised under expenses in the prior year. The reclassification of the invoice to Work in Progress resulted in the adjustment of R1,744, 764 to Accumulated Surplus.
13. Malogeng Landfill Rehabilitation Asset
The Malogeng Landfill Site Rehabilitation Asset was previously not recognised in the financial statements. IGRAP 2(Changes in existing, decommissioning, restoration and liabilities of similar assets) requires recognition of the Rehabilitation of Landfill Rehabilitation Asset at inception. The Landfill provision for rehabilitation was restated in 2019, hence the municipality used the 2019 Provision for Landfill Rehabilitation report to initially recognise the Landfill Rehabilitation Asset.
The following prior year adjustments were made to recognise the Malogeng Landfill Site Rehabilitation Asset
(i) An adjustment of R7, 679,688 being the restated Provision for Landfill Liability was processed againts against accumulated surplus as intial recognition of the landfill Asset being present value of the decommissioning liability in 2019.

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49. Prior period errors (continued)

The Landfill useful life was estimated to be 19 years in 2019, hence depreciation adjustments amounting to R1,224,956 were also processed against accumulated surplus.

(ii) The movements in prior years provision for rehabilitation for Landfill site was previously recorded under Land. A reclassification of R2,487,260 from Land to Landfill Asset was made to recognise the movement against the Landfill site.

14. Prior year unexplained debit orders amounting to R263,272 were incorrectly recorded in bank suspense accounts and expenditure votes, resulting in understatement of Other Expenses by R263,272, understatement of Other payables by R132,851 and overstatement of expenses by R131,851.

15. The municipality acquired Skip bins in the prior years with the intention of selling to the residents. The bins were erroneously omitted in the financial statements. A prior year adjustment was posted to recognise inventory at fair value of R1,885,600.

16. Property, Plant and Equipment new discoveries of R291,215 were accounted for as prior period error adjustment against accumulated surplus.

17. Prior year bank suspense credit balance of R944,499 was incorrectly disclosed under Cash and cash equivalents, resulting in understatement of the Cash and cash equivalents and Other Payables balance by R944,499.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	-	1 885 600
Inventories	-	23 565
Receivables from exchange transactions	-	91 854
VAT Receivable	-	(900 000)
Prepayments	-	(48 395 591)
Consumer Debtors from exchange transactions (Refuse)	-	(10 838 020)
Consumer Debtors from non-exchange transactions (Interest)	-	59 233 611
Consumer debtors - Allowance for impairment	-	973 683
Cash and cash equivalents	-	434 000
Investment property	-	9 000 755
Property, plant and equipment	-	(2 793 653)
Payables from Exchange Transactions	-	(10 036 122)
Accumulated Surplus		
Statement of financial performance	-	(23 565)
Employee related costs	-	354
Depreciation and amortisation	-	(4 544 051)
Agency fees	-	4 544 051
Licences and permits	-	219 053
Contracted services	-	1 124 476
General expenses		

50. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position

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2021

50. Prior-year adjustments (continued)

2021

	Note	As previously reported	Correction of error	Restated
Inventories				
Receivables from exchange transactions	9	43 218 202	1 885 600	45 103 802
VAT receivable	10	69 241	23 565	92 806
Consumer debtor from exchange transactions	12	26 033 480	91 854	26 125 334
Consumer debtor from non-exchange transactions	13	95 689 045	(48 395 591)	47 293 454
Consumer debtors - Allowance for impairment (Refuse)	13	345 776 941	(10 838 020)	334 938 921
Consumer debtors - Allowance for impairment (Other)	13	(293 306 161)	48 395 591	(244 910 570)
Cash and cash equivalents		(98 841 213)	10 838 020	(88 003 193)
Prepayments	15	298 160 587	973 683	299 134 270
Investment property	8	5 645 758	(900 000)	4 745 758
Property, Plant and Equipment	3	58 250 000	434 000	58 684 000
Payables from exchange transactions	4	2 380 449 006	9 000 755	2 389 449 761
Accumulated surplus	19	(108 702 888)	(2 793 653)	(111 496 541)
		(2 552 093 772)	(8 715 804)	(2 560 809 576)
		200 348 226	-	200 348 226

Statement of financial performance

2021

	Note	As previously reported	Correction of error	Re-classification	Restated
Agency fees	24	-	-	4 544 051	4 544 051
Licences and permits	25	9 399 035	-	(4 544 051)	4 854 984
Employee related costs	34	194 797 530	(23 565)	-	194 773 965
Depreciation and amortisation	36	102 177 045	355	-	102 177 400
Contracted services	40	163 737 445	219 053	-	163 956 498
General expenses	41	101 401 119	1 124 476	-	102 525 595
Surplus for the year		571 512 174	1 320 319	-	572 832 493

Reclassifications

The following reclassification adjustments occurred:

1. Reclassifications from Buildings to Community Assets

Prefabricated office at Steelpoort Traffic Centre with the carrying value of R1 645 233 was reclassified from Buildings to Community Assets.

2. Reclassification from Licencing and permits to Agency fees

Agency fees of R4,544,051 were reclassified from Licencing and permits to enable more accurate disclosure.

51. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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51. Risk management (continued)

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 proper management of revenue.

Cash flow forecasts are prepared in line with the trend in order to manage revenue and expenditure.

Market Risk

Market risk is the risk to the municipality 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.

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 municipality is not exposed to currency risk as its operations are only in South Africa, and its financial transactions are primarily denominated in the South African Rand.

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. Consumer debtors are exposed to interest rate risk as the municipality levies interest at prime plus 1%. The municipality's investments are also affected by fluctuations in the market interest rates.

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). Changes in the CPI and the PPI could have an impact on the pricing of goods and services procured by the municipality. Similarly, the volatility in international markets and the seasonal fluctuations in fuel price and supply also present a price risk to the municipality.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents 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 receivable are assessed for recoverability in line with the municipality debt impairment policy which is aligned to the GRAP 104 paragraph 61 (Financial Instruments).

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2022	2021
Receivables from exchange transactions	871 696	92 806
Receivables from non-exchange transactions	1 536 339	17 568 880
Consumer debtors	72 207 451	49 318 615
Cash and cash equivalents	186 220 182	299 134 269

52. 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 municipality is constitutionally mandated to impose Rates and Taxes in terms of Section 229 of the Constitution and that ensures that it will continue to fund its operations.

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52. Going concern (continued)

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continues to procure funding for the ongoing operations for the municipality. This was made possible due to the following:

1. Grants have been appropriated in the DORA in favour of the municipality, which will ensure operational sustainability of the municipality. Both the operational and capital grants have been appropriated in the DORA in favour of the municipality as part of the Multi-Year Revenue and Expenditure Framework, which will ensure operational sustainability of the the municipality.
2. Funds have been ring-fenced for the unspent conditional grant liabilities and retention liability thus therefore the municipality will be able to discharge its financial obligations relating to these liabilities.
3. The case on the Preferential Procurement Policy Framework Act (PPFA) (Minister of Finance v Afribusiness NCP CCT279/20) resulted in delays in Service Delivery and under-achievement of performance targets, but did not affect the municipality's going concern.

53. Events after the reporting date

Adjusting events after the reporting date

1. Write off unauthorised irregular, fruitless and wasteful expenditure by Council

Council resolved to write off unauthorised irregular, fruitless and wasteful expenditure on 31 August 2022 and the disclosures were amended accordingly as per SC03/2022. Refer to Notes 54 (Unauthorised expenditure), 55 (Fruitless and wasteful expenditure) and 56 (Irregular Expenditure).

2. Judgement in favour of Mphaphuli Consulting (Pty) Ltd

The High Court awarded the plaintiff the claimed amount of R9,763,850.89 plus interest on that sum at the prime interest rate calculated from 20 December 2017 to date of payment. As at 30 June 2022 the calculated interest amount came to R4,585,639, and a total liability of R14,349,490 was recognised under Other Payables in note 19 (Payables from exchange transactions). A payment of R14,199,118.43 was made to the Sheriff on 23 September 2022. The interest amount to 30 June 2022 was also included in the 2022 Fruitless and Wasteful Expenditure disclosure note.

3. Full settlement of the finance lease liability balance

The finance lease liability balance of R35,083,333.36 in respect of the municipal building was repaid in full on (R20,000,000 on 04 November 2022 and R15,083,333.36 on 07 November 2022), and therefore the amount outstanding as at 30 June 2022 of R17,189,023 that would have been the long-term portion of the liability is disclosed as current.

4. Unapproved 2021/22 MIG unspent conditional grant balance to be set off against Equitable Share

The MIG unspent conditional grant balance of R18,975,121 for the 2021/22 financial year was not approved for roll-over per the letter from National Treasury dated 04 November 2022 and this amount will be set off against the Equitable Share).

Non-adjusting events after the reporting date

Loge Construction vs FTM & Mulalo

The High Court rendered a judgement in favour of the plaintiff on 11 August 2022 and ordered the municipality to pay the cost of the application. Provision will be raised once the amount can be reliably quantified.

54. Unauthorised expenditure

Opening balance as previously reported

Opening balance	97 403 215	131 710 084
Add: Expenditure identified - current	97 403 215	131 710 084
Less: written off by Council	13 414 797	94 300 362
Correction of prior period error	(74 705 967)	(129 468 790)
Closing balance	-	861 559
	36 112 045	97 403 215

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54. Unauthorised expenditure (continued)

The 2022 unauthorised expenditure consists of non-cash items (Impairment loss R2,749,308, Loss on disposal of assets R551,790) and cash items (Lease rentals on operating lease R1,710,635, Finance Cost R4,633,414 and Transfers and subsidies R5,908,650).

55. Fruitless and wasteful expenditure

Opening balance as previously reported	48 221 620	42 289 664
Opening balance	48 221 620	42 289 664
Add: Expenditure identified - current	9 751 760	5 668 684
Less: Amount written off - current	(422 829)	-
Less: Amount written off - prior period	(47 773 751)	-
Prior period error adjustment	-	263 272
Closing balance	9 776 800	48 221 620

Prior period error

Unauthorised bank withdrawals from the Standard Bank main account amounting to R263,272 were erroneously omitted in the 2021 Fruitless and Wasteful expenditure balance.

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55. Fruitless and wasteful expenditure (continued)			
Expenditure identified in the current year include those listed below:			
Civic Centre building	Disciplinary steps taken/criminal proceedings		
Mmamule Chidi Inc	Excessive amount for acquisition of the Civic Centre building - Written off	-	5 484 087
Sekhukhune Times	Payment in favour of Mmamule Chidi Attorneys in a case of Wonder Kgole and Lelo - Under investigation	-	6 509
Sheriff Tubatse (Praktiseer)	Readverts - Under investigations	-	17 312
Buthane Attorneys	Storage claim that accumulated due to delay in removal of a car - Under investigation	-	26 557
Telkom Account	Legal costs relating to a dispute Kgaogelo Kae-kae (Pty) Ltd and FTLM - Under investigation	-	134 219
Eskom Holdings	Interest on overdue account - Under investigation	128 218	-
Dept of labour	Interest on overdue account - Under investigation	4 435	-
Oosthuizen & Steyn	Penalties charged for COIDA - Under investigation	151 894	-
Albert Hibbert Attorneys	Interest on overdue account - Under investigation	9 727	-
Sekhukhune District AGSA	Interest on the Payment in favour of Mmamule Chidi Attorney in a case of Wonder Kgole and Lelo - Under investigation	132 850	-
Mahone Inc Attorney	Interest on late payment - Under investigation	1 711	-
Standard Bank	Interest on late payment - Under investigation	3 409	-
FNB Bank	The municipality did not oppose an appeal the case at supreme court, and as result the appellant won the case - Under investigation	123 435	-
Mphaphuli Consulting	Unauthorised bank withdrawals - Under investigation	4 603 309	263 272
	Unauthorised bank withdrawals - Under investigation	7 133	-
	Lost legal case (interest) on judgement against the municipality - Under investigation	4 585 639	-
		9 751 760	5 931 956

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Figures in Rand	2022	2021
56. Irregular expenditure		
Opening balance as previously reported	248 663 534	616 038 930
Opening balance as restated	248 663 534	616 038 930
Add: Irregular Expenditure - current	25 893 981	130 606 881
Less: Amount written off - current	(52 672 875)	(88 682 881)
Less: Amount written off - prior period	-	(409 299 396)
Closing balance	221 884 640	248 663 534

Current year Irregular Expenditure

Refer to **Final Annexure 1-Irregular Expenditure breakdown to 30 June 2022 Final** for a detailed breakdown of the irregular expenditure identified in the 2022 financial year and disclosure in terms of Section 125 (2)(d) of the MFMA.

57. In-kind donations and assistance

Municipal Technical Advisor from National Treasury

In the 2020 financial year a Municipal Technical Advisor from National Treasury's Government Technical Advisory Centre (GTAC) division, Mr Matome Chokoe, was seconded to the municipality in terms of the National Treasury's Municipal Finance Improvement Programme (MFIP IIIx) to provide technical assistance designed to build the financial management capacity of the municipality. The overall programme objectives of the MFIP programme are to incorporate the various dimensions of the municipal accountability cycle and to strengthen Institutional support, Supply Chain Management; Asset Management; Accounting & Audit Support, Budgeting and Revenue Management.

The Municipal Technical Advisor was placed by National Treasury at no cost to the municipality.

58. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Opening balance	2 013 230	9 399 456
Current year expenditure	6 106 595	-
Amount paid - current year	(8 119 825)	-
Amount paid - previous years	-	(7 386 226)
	-	2 013 230

SALGA Fees

Current year subscription / fee	-	2 319 578
Amount paid - current year	-	(2 319 578)
	-	-

PAYE, SDL and UIF

Current year expenditure	41 137 752	24 876 870
Amount paid - current year	(41 137 752)	(24 876 870)
	-	-

Pension and Medical Aid Deductions

Current year expenditure	32 029 328	31 263 228
Amount paid - current year	(32 029 328)	(31 263 228)
	-	-

Prior period error

The 2020 Pension and Medical Aid Deductions amount was overstated by R1,309,416.

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

VAT

VAT receivable

44 962 461

26 125 334

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding on June 30, 2022:

June 30, 2022

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
COUNCILLOR MAILA E	9 894	-	9 894

June 30, 2021

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
COUNCILLOR MAMEKOA RS	17 872	1 514	19 386
COUNCILLOR MAILA E	5 477	998	6 475
COUNCILLOR MAKINE MP	15 271	1 330	16 601
COUNCILLOR MAFOKANE IT	59 645	2 649	62 294
	98 265	6 491	104 756

Supply chain management regulations - Deviations

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 and includes a note to the annual financial statements.

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipality Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident

Emergency Expenditure

22 123

11 879

Sole Supplier

-

718 614

Exceptional Expenditure

-

67 074

22 123

797 567

A detailed breakdown of the Deviations from supply chain management regulations is contained in Annexure 2 - Deviations from supply chain management regulations.

59. Segment information

General information

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59. Segment information (continued)

Identification of segments

The municipality is organised and reports to council on the basis of eight (8) major functional areas: community services, corporate services, executive council, finance, technical service administration, local economic development, development planning and municipal manager. The segments are organised around the departments which assist the municipality in service delivery. Council uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes..

Information reported about these segments is used by Council as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates in the Sekhukhune District area of the Limpopo province. Since all the segments are located in one geographical area, segment results were aggregated on the basis of services departments..

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment

Community services

Finance

Other

Goods and/or services

Removal and disposal of waste, traffic safety, municipal by-laws and security. Provision of libraries, pounds, public parks and cemeteries

Ensure proper management of municipal finances to improve financial viability, revenue, budget control, expenditure and free basic services. It also administers supply chain, fleet and asset management services.

Technical services, Corporate services, Executive Council, Development Planning, Local Economic Development, Municipal Manager.

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59. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2022

	Community Services	Finance	Other	Total
Revenue				
Revenue from non-exchange transactions	1 044 650	725 110 894	12 343 680	738 499 224
Revenue from exchange transactions	41 350 324	5 633 072	617 117	47 600 513
Total segment revenue	42 394 974	730 743 966	12 960 797	786 099 737
Entity's revenue				786 099 737
Expenditure				
Employee related costs	52 264 416	104 514 517	44 233 909	201 012 842
Remuneration of Councillors	-	-	35 396 629	35 396 629
Depreciation and amortisation	-	86 308 893	-	86 308 893
Impairment loss/reversal of impairment	-	1 635 600	1 113 708	2 749 308
Finance costs	-	4 653 416	-	4 653 416
Lease rentals on operating lease	-	1 710 634	-	1 710 634
Debt impairment/reversal of impairment	-	23 594 447	-	23 595 650
Contracted services	1 203	106 224 152	99 696 425	237 257 043
Transfers and subsidies	31 336 466	5 908 650	-	5 908 650
General expenses	4 266 498	75 607 617	34 962 461	114 836 576
Loss on non current assets held for sale or disposal groups	-	551 773	17	551 790
Total segment expenditure	87 868 583	410 709 699	215 403 149	713 981 431
Total segmental surplus/(deficit)				72 118 306

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	Community Services	Finance	Other	Total
59. Segment information (continued)				
Assets				
Inventories	-	-	45 321 952	45 321 952
Receivables from exchange transactions	-	-	871 698	871 698
Receivables from non-exchange transactions	-	-	1 536 339	1 536 339
VAT receivable	-	-	44 962 461	44 962 461
Prepayments	-	-	1 050 000	1 050 000
Consumer debtors from exchange transactions	-	-	14 025 013	14 025 013
Consumer debtors from non-exchange transactions	-	-	58 182 438	58 182 438
Cash and cash equivalents	-	-	186 220 182	186 220 182
Investment property	-	-	60 150 000	60 150 000
Property, Plant and Equipment	-	-	2 281 404 234	2 281 404 234
Community Assets	180 831 437	-	-	180 831 437
Intangible assets	-	-	332 313	332 313
Heritage Assets	-	-	1 068 300	1 068 300
Total segment assets	180 831 437		- 2 695 124 930	2 875 956 367
Total assets as per Statement of financial Position				2 875 956 367
Liabilities				
Finance lease obligation	-	49 818 724	-	49 818 724
Payables from exchange transactions	-	-	111 696 654	111 696 654
Employee benefit obligation	-	-	36 530 398	36 530 398
Unspent conditional grants and receipts	-	-	14 819 948	14 819 948
Provisions (Leave provision)	-	-	19 987 169	19 987 169
Provisions (Landfill Site rehabilitation)	10 175 596	-	-	10 175 596
Total segment liabilities	10 175 596	49 818 724	183 034 169	243 028 489
Total liabilities as per Statement of financial Position				243 028 489

Information about geographical areas

The municipality's operations are in its demarcated area in the Sekhukhune District in Limpopo Province.

Fetakgomo Tubatse Local Municipality

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* See Note 50 & 49

111
The supplementary information presented does not form part of the annual financial statements and is unaudited

AUDIT GENERAL REPORT

Report of the auditor-general to Limpopo Provincial Legislature and Council on Fetakgomo-Tubatse Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Fetakgomo-Tubatse Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Fetakgomo-Tubatse Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 9 of 2021 (DoRA).

Basis for qualified opinion

Commitments

3. The municipality did not have an adequate system in place to account for commitments. I identified material differences of R61 610 093 between the commitments amounts and my recalculations. Consequently, I was unable to determine whether any adjustments were necessary to the commitments stated at R550 932 482 (2021: R336 979 011) in note 46 to the financial statements.

Irregular expenditure

4. The municipality did not include all irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to expenditure incurred in contravention of the supply chain management (SCM) requirements, which resulted in irregular expenditure being understated by R25 381 221.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

6. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of comparative figures

9. As disclosed in note 49 and 50 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Uncertainty relating to the future outcome of litigation

10. We reference to note 47 to the financial statements, the municipality is the defendant in various litigation. The municipality is opposing these claims as it believes there are reasonable grounds to defend each claim. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Underspending of the conditional grants

11. As disclosed in note 17 to the financial statements, conditional grants were unspent by R33 795 069, significant underspending was noted under Municipal Infrastructure Grant (MIG) by R18 975 122 due to litigations on the projects, Distressed Mining Town Grant by R10 311 389 and Integrated National Electrification Programme by R4 508 558.

Material impairment- trade debtors

12. As disclosed in note 39 to the financial statements, material losses of R23 595 651 was incurred as a result of non-payment by consumers.

Other matters

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

Unaudited supplementary schedules

14. The supplementary schedule set out on pages xx to xx does not form part of the financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirements did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of Generally Recognised Accounting Principles and the requirements of the Municipal Finance Management Act, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning

documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Development priority	Pages in the annual performance report
KPA 3 – Basic service delivery and infrastructure	x – x

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:

- Basic service delivery and Infrastructure

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic service delivery of development priority. Management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information

Report on the audit of compliance with legislation

Introduction and scope

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

28. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

30. Material misstatements of non-current assets, current assets, liabilities, disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements and resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

31. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements reasons for the limitations where the tender documents were not submitted within the agreed upon timelines. As a result of these limitations, the findings reported in the rest of this section may not reflect the true extent of irregularities and SCM weaknesses.

32. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).

33. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.

34. Awards were made to providers who are in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Expenditure management

35. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

36. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as

indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by awarding contracts in contravention with SCM regulation.

37. Withdrawals were made from the municipality's bank accounts without the approval of the accounting officer, the chief financial officer or a properly authorised official, as required by section 11(1) of the MFMA.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R9 751 760, as disclosed in note 55 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The disclosed fruitless and wasteful expenditure was caused by unexplained withdrawals from municipality's bank account, loss of case and interest on late payments.

Consequence management

39. Some of the losses resulting from fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

40. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
41. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
42. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

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

44. The accounting officer did not adequately review the annual performance report and financial statements prior to submission for audit resulting in material misstatements which were identified during the audit
45. The accounting officer did not adequately review and monitor compliance with applicable procurement legislation and the MFMA. Supply chain management processes were inadequate resulting in material irregular expenditure for the municipality.
46. The accounting officer did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
47. The accounting officer did not take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.
48. The accounting officer did not take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.
49. The accounting officer together with senior management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
50. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls within the current financial year.

Material irregularities

51. In accordance with the PAA and the material irregularity regulations, I have a responsibility to report on the status of the material irregularities reported in the previous year's auditor's report

Status of previously reported material irregularities

Prohibited Investment with a Mutual Bank

52. The municipality invested a total of R230 million with the Venda Building Society Mutual Bank (VBS). On the Investments made the municipality, interest amounting to R15 146 857 was accrued. The municipality did not comply with the municipal investment regulations as VBS is not registered in terms of the Banks Act 94 of 1990 (Bank Act). The non-compliance is likely to result in a financial loss of R245 146 632 for the municipality if the amount invested is not recovered in full from the estate of VBS.
53. The accounting officer was notified of the material irregularity on 25 November 2021 and invited him to make a written submission on the actions taken and that will be taken to address the material irregularity. The following actions have been taken to address the material irregularity:

- On 15 November 2018, the municipal council resolved to place both the former accounting officer and the chief financial officer on suspension. The chief financial officer resigned on 31 July 2018 and the accounting officer subsequently resigned on 30 September 2019.
- On 13 December 2018, the municipal council approved to initiate disciplinary processes against the municipal manager and the chief financial officer. Council approved the appointment of an independent service provider to commence with internal disciplinary proceedings and prefer charges against the afore-mentioned suspended officials. Council further approved that civil recovery measures be instituted against all who are implicated in the financial misconduct of irregular investments with VBS.
- On 11 April 2019, the municipal council further resolved that the accounting officer instruct the attorney of municipality to lodge and process the claim for the repayment of investments deposits made against the appointed VBS liquidator.
- The municipality received R16 100 000 from VBS curator on 4 February 2022. No further recoveries have been made since.

54. I will follow up on progress made during my next audit.

Auditor-General

Polokwane

30 November 2022



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Fetakgomo-Tubatse Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.

AG ACTION PLAN

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Monthly/Weekly Progress Report Done? Yes/No	Action Plan Description
1	ISS.1-COMAF 01 - Review of policies During the review of municipality's policies, it was noted that the municipality did not review the following policies in the current financial year under audit and were all in draft during the year	Other important matters	Corporate	Recurring	Management did not ensure that the policies are reviewed annually as per the requirements of such policies.	Yes	Yes	The policies were developed, reviewed and rationalised, and approved in terms of Council Resolution SC41/2021
2	ISS.33-COMAF 47 - Overstatement of leave accrual provision During the audit of leave accrual provision, a difference between the financial statements and the recalculated auditor's amount was noted. Management used an incorrect leave balance in calculation of the leave accrual. The result of the incorrect leave balance is due to the difference in leave days as per leave register and the approved leave forms. Hence, this affected the accuracy of financial statements and the reliability of supporting information or calculations as evidenced by the identified misstatement.	Other important matters	Corporate	Recurring	Management incorrectly calculated the leave days of municipal officials which resulted in incorrect leave balances being used for the leave accrual provision calculation. Management did not manage leave properly and adequately which resulted in incorrect leave accrual provision	Yes	Yes	The municipality has started using the ESS leave application system which will solve the problem of incorrect leave balances. Leave forms will be updated and filed promptly to ensure the accuracy of employee leave balances
3	ISS.61-COMAF 75: Misstatement of employee benefit obligation. During the audit of employee benefit obligation for long service benefit, we identified a difference between the number of officials eligible for long service per actuarial report and number of eligible employees determine by the auditor.	Administrative matters	Corporate	Recurring	Consequently, the employee benefit obligation has been overstated with projected misstatement amounting to R385 759.40 (which was determined by 9/281 x R12 044 266.00).	No	No	Resolved during audit

4	<p>ISS.89-COMAF 80-Misstatement of allowance During the audit of employee related costs: travel allowance, we identified a misstatement between the travel allowance paid as per payroll report and the recalculated travel allowance paid.</p> <p>During the audit of employee related cost: car allowance, we have identified misstatement between the car allowance paid as per the 12 months payroll report and recalculation performed by the auditor.</p>	Other important matters	Budget and Treasury Office	Recurring	The Accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Yes		
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No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Monthly/Weekly Progress Report Done? Yes/No	Action Plan Description
2	ISS.8-COMAF 14 - Non-compliance - Risk management committee During the review of the risk management committee, we noted that the acting chairperson of the committee is an employee of the municipality. After further enquiry, it was noted that that the position was re-advertised. The chairperson's position was advertised and the closing date was on the 24th June 2022. The shortlisting's were held on the 11th July 2022 and interviews were conducted on the 18th July 2022 and currently waiting for appointment	Other important matters	Risk management unit	Recurring	Management did not ensure that they perform the chairperson recruitment process timeously			

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed?	Weekly Progress Report Done?	Action Plan Description
1	ISS.24-COMAF 34: Assets purchased by the municipality not used for intended purpose In accordance with section 74 (1) of the MFMA - The accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required. In terms of paragraph, 66 of the Engagement Letter, management has three (3) working days to submit the information requested from the date the request was issued. Contrary to the above, we requested employees to come for physical verification as per RFI no 36, Moswana G.P (with employee no CS057) did not avail for physical verification. The finding results in a possible material misstatement and limitation of scope.	Other important matters	Community services	Recurring	No root cause noted			The trucks were purchased for extension of waste collection to rural areas and eradication of illegal dumping of waste. The delay in the utilization of trucks was caused by lack of operators within the Unit with code 14 - EC. operators have since. The trucks are currently utilized in rendering in-house waste collection at Praksiseer Ext 2 and Lerajane Village for cleared waste.

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed?	Weekly Progress Report Done?	Action Plan Description
1.	ISS.38-Final statement not finalized It was noted that the two projects under review i.e. Motodi Sports Complex and Mogotswane access road have not finalized the final statements. The projects' liability periods had lapsed as detailed on the table below. This indicated that the municipality was in contravention with the provisions of contract i.e. GCC, as clause 6.10.9 requires that within 14 days of the date of final approval as stated in the final certificate, the contractor to deliver to the employer's agent a final statement claiming final statement of all monies due to him (save in respect of matters in dispute, in terms of clauses 10.3 – 10.11, and not yet resolved). The employer's agent is then required, within 14 days, to issue to the employer and the contractor a final payment certificate. The amount on this payment certificate is required to be paid to the contractor within 28 days, after which no further payments shall be due to the contractor (save in respect of matters in dispute, in terms of clauses 10.3 – 10.11, and not yet resolved).	Other important matters	Technical unit	Recurring	Management did not adequately supervise the finalization of the project as they did not ensure that the requirements of the GCC were applied.			The project will be closed out and final account will be settled.
2	ISS.24-COMAF 34: Assets purchased by the municipality not used for intended purpose In accordance with section 74 (1) of the MFMA - The accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required. In terms of paragraph, 66 of the Engagement Letter, management has three (3) working days to submit the information requested from the date the request was issued. Contrary to the above, we requested employees to come for physical verification as per RFI no.36, Moswana G.P (with employee no CS067) did not avail for physical verification. The finding results in a possible material misstatement and limitation of scope.	Other important matters	Community services	Recurring	No root cause noted			The trucks were purchased for extension of waste collection to rural areas and eradication of illegal dumping of waste. The delay in the utilization of trucks was caused by lack of operators within the Unit with code 14 - EC, operators have since. The trucks are currently utilized in rendering in-house waste collection at Praktiseer Ext. 2 and Lerajane Village for cleared waste.

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Monthly/Weekly Progress Report Done? Yes/No	Action Plan Description
1.	ISS-9-COMAF 15: External quality assurance not performed Contrary to the above, we noted that there is no external assessment that has been conducted by a qualified, independent assessor or an assessment team from outside the municipality for the internal audit function of the municipality. An external quality assessment ensures that the work of the internal audit functions in line with the requirement of IIA and in compliance with the requirement set by the institution. Non compliance with Standard 1312 – External Assessments of Institute of Internal Auditors and will result in inclusion in the management report	Other important matters	Internal audit	Recurring	Lack of review and monitoring compliance with applicable laws and regulations.	yes	no	The municipality to engage National Treasury for quality assurance readiness assessment

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Monthly/Weekly Progress Report Done? Yes/No	Action Plan Description
1	ISS 85-COMAF 58 of 2022 - AFS - Cash and cash equivalents - Non-compliance Contrary to the above, we noted through bank confirmations that the accounting officer or chief financial officer was not a signatory to the below bank accounts	Other important matters	Budget and Treasury Office	New	Review and monitor compliance with applicable laws and regulations. Management did not ensure compliance with section 10(1) (a) of the MFMA.	Yes		The Accounting Officer and the Chief Financial Officer will be added as signatories on all municipal bank accounts. Alternatively the bank accounts of the former Tubatse to be closed and funds deposited into
2	ISS 70-Resolved : COMAF 44 of 2022 - Cash and cash equivalents Contrary to the above, during our audit of cash and cash equivalents we noted that in note 49 (Prior period errors) that the correction of the error(s) adjustments on the Statement of Financial position included cash and cash equivalents adjustment amounting to R944 494, however there was no explanatory notes to provide guidance or clarity on the occurrence of the prior period error. The above results in the disclosure of prior period errors (note 49 of the Financial Statements) not being complete	Other important matters	Financial reporting unit	Recurring	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. The accounting officer did not ensure completeness of the explanatory notes in note 49 - prior period errors of the financial statements.	No		AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS to ensure compliance with GRAP standards
3	ISS 30-COMAF 37: Cash flow statement Contrary to the above, during our audit and recalculation of the amounts as disclosed in the cash flow statement together with the supporting note,	Other important matters	Financial reporting unit	Recurring	Managers and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained errors relating to the cash flow statement that were overlooked, detected and rectified prior to submission of the financial statements for audit purposes.	Yes		AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the cash flow statement.
4	ISS 85-COMAF 74-Overstatement of overtime payment During the audit of overtime payments, we identified misstatement between the overtime paid as per payroll report and the recalculated overtime payments	Other important matters	Expenditure - Liabilities	Recurring	The Accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Yes		Manual calculations will be reviewed prior to payment processing.
5	ISS 40-COMAF 45 - Misstatements in Non-exchange Receivables During the audit of receivables from non-exchange transactions, it was noted that the bank accounts of the municipality had been reduced with the following "unexplained" transactions consisting of debit order, cash withdrawals and electronic funds transfers. The transactions are "unexplainable" as the transactions have not been authorised for payment or debit order by the municipality. No funds were recovered within the financial year. The transactions do not meet the definition of a financial asset as there is no contractual right from any party to return the cash to the municipality until an investigation from the bank concludes that the transactions were erroneous on the side of the bank. Management also accounted for input VAT on the transactions whereas there is no supply of goods and/or services as required by section 71(1a) of the VAT Act. The municipality is also not in possession of a valid tax invoice to enable it to claim input VAT in line with section 162(a) of the VAT Act.	Other important matters	Budget and Treasury Office	Recurring	Proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting was not implemented. Management did not design and implement controls to ensure that the information presented for receivables from non-exchange transactions expenditure fairly presents the underlying transaction.	Yes		Transactions used in the VAT calculations should be reviewed and reconciled with the bank statements and workings are in line with the VAT Act and GRAP
6	ISS 39-COMAF 35 - Expenditure management - "Unexplained" withdrawals from the municipal bank account During the audit of receivables from non-exchange transactions, it was noted that the bank accounts of FelekgomoTubatse Local Municipality had been reduced with the following "unexplained" transactions consisting of debit order, cash withdrawals and electronic funds transfers. The transactions are "unexplainable" as it has not been authorised for payment or debit order by the municipality	Other important matters	Budget and Treasury Office	Recurring	Leadership Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls. The accounting officer did not exercise oversight to ensure that the resources of the municipality were used efficiently and economically. The accounting officer did not design and implement appropriate and linear internal controls to ensure that all withdrawals from the municipal bank accounts are appropriately authorised. The accounting authority did not design and implement controls to avoid fruitless and wasteful expenditure. Financial and performance management Compliance with applicable laws and regulations was not reviewed and monitored. Management did not review and monitor compliance with laws and regulations as management did not follow up on all unauthorised withdrawals and payments from the municipal bank accounts.	Yes		The municipality's bank statements will be reviewed and updated on a timely basis and unauthorised debit orders can be noted and reported to the bank on a timely manner. In the 2023 financial year to date, most of the debits that were reported in the 2022 financial year have been recovered.
7	ISS 41-COMAF 42: Expenditure (Payment not made within 30 days) Contrary to the above requirements, during the audit on the line items of expenditure, we have noted that the following invoices were not paid within 30 days of receiving the invoice	Other important matters	Expenditure - Liabilities	Recurring	The Accounting officer did not exercise proper control over all invoices to ensure payment complies with the 30 days period as required by section 115 of the MFMA			Triple receipt book for invoices received implemented implementation of a monthly review of triple receipt book to note invoices which are due for payment.
8	ISS 82-COMAF 10: Expenditure - Misclassification of contracted service expenses. Contrary to the above, when performing our audit on general expenditure, we noted that expenditure relating to contracted service which were incorrectly recorded under general expenses in the general ledger and financial statements. The finding results in overstatement of general expenses and understatement of contracted services	Other important matters	Expenditure - Liabilities	Recurring	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Yes		Resolved during audit 1. Scrutinise the monthly GL and process reallocation adjustments for any misposted transactions identified 2. Budget Reporting to ensure that all projects are correctly classified to the correct MSCoA vote to avoid misposts of payments

10	<p>ISS.54-COMAF 71: Expenditure - FBE paid to deceased an individual who are employed on another state or organisation.</p> <p>Contrary to the above requirements, during the audit of transfers and subsidies under expenditure, we have identified beneficiaries that are deceased in the list of beneficiaries receiving the Free Basic Electricity and those who are employed on one or another government department or organisation.. The attached Annexure A indicates the beneficiaries that are deceased on the list and those who are employed on one or another government department or organisation. We have decreased the list through running it against the National population database and confirmed their deceased and employment status.</p> <ul style="list-style-type: none"> • Non-compliance with the Section 62 and 65 of the MFMA • Material financial losses may be incurred and continue to be incurred by the Municipality due to lack of effective and operating controls. 	Other important matters	Expenditure - Liabilities	Recurring	<p>Management did not assure that the list of beneficiaries that are granted the Free Basic Electricity benefit is reviewed constantly and updated to detect that they the beneficiaries are deceased and employed on another state or organisation.</p> <p>Lack of effective controls to identify and prevent invalid payments</p> <p>Lack of proper access controls - deceased employees' login details could be used to process claims for payment.</p>	Yes	<p>The Indigent register is to be updated with Revenue Unit and Technical department coordinating to ensure that FBE is available only to valid and deserving beneficiaries. Furthermore a new rating system will be employed to verify whether indigent applicant are legitimate.</p>
11	<p>ISS.19-RESOLVED - COMAF 22: Payables from exchange transaction - Differences between the AFS amounts and supporting schedules</p> <p>Contrary to the above, when auditing note 19 - Payables from exchange transactions as disclosed in the annual financial statements we noted that the figures in the financial statements of the municipality do not agree with the figures as per the trial balance and subsequently to the general ledger.</p> <p>The following misstatements/discrepancies below were noted in relation to the following:</p> <p>A difference of R 257 099,10 was noted between the amount of payable from exchange transactions as per the financial statements, the trial balance and payable listings.</p> <p>The finding results in overstatement of payables from exchange transactions with an amount of R257 099.</p>	Other important matters	Financial reporting unit	Recurring	<p>Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained misstatements that were not prevented, identified and rectified prior to submission of the financial statements for audit purposes.</p>	No	Resolved during audit

No	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed?	Weekly Progress Report Done?	Action Plan Description
1	ISS 3-COMAF 62 - High Level AFS Review The following issues and/or matters came to our attention during the high level review of the financial statements submitted for audit on the 31 August 2022: 1 The financial year end is indicated as June 30, 2022. The correct date format for AFS presentation is 30 June 2022. 2 This applies to all pages in the submitted financial statements. 3 Page 10: Audit Committee Meetings: The discussion under this heading speaks to the accounting officer instead of the audit committee. 4 Page 13: Transfer revenue: A line item named, 'Other Revenue' is included in the Statement of Financial Performance. However, there are no amounts for this line item. 5 All numbers presented in the financial statements should not contain commas as thousands separators. Therefore, commas should be removed and space separator be used as thousands separators. 6 Page 54: Note 3- Investment property: The reconciliation includes an amount of R1 406 000 (indicated as "Difference", no proper valid explanation is given in this regard). 7 Page 57: Note 4- Property, plant and equipment: The reconciliation includes an amount of R9 739 653 (indicated as "Difference" (both negative & positive), no proper valid explanation is given in this regard). 8 Page 58: Note 4- Property, plant and equipment: The reconciliation includes an amount of R11 745 210 under Transfers column. This amount is also shown as the balance for Transfers column. It is not clear where this amount was meant to be transferred. 9 Page 70: Note 9- Inventories: The note includes an amount of R1 885 600 for both current & prior year indicated as "Undefined Difference", there is no clear proper explanation with regards to this difference. 10 Page 81: Note 10- Other receivables: The note includes an amount of R98 898 agree to the face of the Statement of Financial Performance. 11 Page 83: Note 11- Other receivables: The note includes an amount of R21 117 564 and R2021 - R43 586 (R2 034 874 - R2 978 400). 12 Page 14: Note 12- Other receivables: The note includes an amount of R21 117 564 and R2021 - R43 586 (R2 034 874 - R2 978 400). 13 Page 16: Segment Reporting: This results to non-adherence to GRAP 16: Segment Reporting requirements. 14 Page 91: Note 4b- Contracted services: The note does not agree to the face of the Statement of Financial Performance. 2022 - R2 984 754 (231 257 698 - 230 271 144) and 2021 - R 17259 (163 958 248 - 163 958 489). The structure of this note should be re-looked at and the additions & totals. 15 Page 71: Note 13 - Consumer debtors includes reference to receivables, see the quoted statements: "included in above is receivables from exchange transactions", "included in above is receivables from non-exchange transactions (loans and advances)", "The reference to receivables in these statements is incorrect and it should be consumer debtors, (loans and advances)". 16 Page 73 - 74: Note 13 & 14: The Gross Balance for consumer debtors in note 13 does not agree with the Gross Balance for consumer debtors in note 14: 2022 R174 (505 686 225 - 505 612 151) and 2021 R51 088 356 (441 320 731 - 382 232 378). ISS 4-COMAF 64 - AFS - Misstatements Cash Flow Statement and Notes: • The amount disclosed for Net cash flows from operating activities does not agree to note 44 as it is referenced. Amount as per Cash flow Statement is R183 126 424 and the amount as per Note 44 is R97 721 436 resulting in a material difference of R85 404 988. • The prior year (2020-21) audited amount of R124 055 107 relating to the Purchase of property, plant and equipment does not agree with the current AFS comparative amount of R123 106 259 resulting in a difference of R9 848 848 which cannot be traced to the prior period error note. • The prior year (2020-21) audited amount of R1321 650 544 relating to the payments Suppliers does not agree with the current AFS comparative amount of R121 625 709 resulting in a difference of R124 835 which cannot be traced to the prior period error note. • The amounts as per Note 7 - Employee benefit obligation does not agree with what has been disclosed on the face of Statement of Financial Position	Other important matters	Financial reporting unit	Recurring	Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained numerous misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes	Yes		AFS preparation action plan to be implemented on a timely basis and the time for finalisation and review of the AFS to ensure compliance with GRAP standards for ensure complete and accurate AFS balances and disclosures
2	ISS 71-COMAF 66-Commitments - Nature of the prior period error not disclosed Contrary to the above requirement, we noted during the audit of the capital commitment and operational commitment that the nature of the prior period error was not disclosed as required by GRAP 3 for fair presentation Please refer to the note attached Non compliance with GRAP and MFMA	Other important matters	Financial reporting unit	Recurring	Management did not prepare regular, accurate and complete financial reports that are supported by reliable information.	Yes		AFS preparation action plan to be implemented on a timely basis and the time for finalisation and review of the AFS to ensure compliance with GRAP standards and ensure complete and accurate AFS balances and disclosures
3	ISS 59-Contingent 64 - Contingent asset incorrectly classified Contrary to the above requirement, we identified that the following matter does not meet the definition of a contingent asset as a judgement was passed in 2019 on this matter. Hence, this matter is no longer contingent and should not form part of the disclosure of contingent assets. The parties to the case/matter are as follows: * Lizaana Madira Vs Fetakgomo/Tubatse Local Municipality Consequently, the above results in non-compliance with GRAP requirements and misstatements in contingent assets disclosure in the financial statements.	Other important matters	Financial reporting unit	Recurring	Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained numerous misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes. Management incorrectly applied and/or misinterpreted the provisions and requirements of GRAP 19 in relation to contingent assets as the case that was entered the definition of contingent assets was disclosed as a contingent asset	No		Rechecked during audit

5	ISS 52-COMAF 55 of 2022 - Overstatement of contingent liabilities The audit of contingent liabilities revealed that management included legal fees amounting to R13 300 000 as part of financial exposure for contingent liabilities. These are expected or estimated legal fees or costs for all cases instituted against the municipality. These fees do not meet the definition of a contingent liability and as such should not form part of the estimated financial exposure of contingent liabilities. Consequently, the above results in non-adherence to GRAP requirements and overstatement of contingent liabilities disclosure note in the financial statements. Refer to the attached Annexure A to COMAF 55 of 2022 - Contingent Liabilities- Overstatement. Consequently, the above results in non-adherence to GRAP requirements and overstatement of contingent liabilities disclosure note in the financial statements	Other important matters	Financial reporting unit	Recurring	Management incorrectly applied and/or misinterpreted the provisions and requirements of GRAP 19 in relation to contingent liabilities as legal fees were included as contingent liabilities while they do not meet the definition of a contingent liability. Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes.	No	Resolved during audit
6	ISS 64-COMAF 73: Incorrect classification of employee benefit obligation. During the audit of employee benefit obligation, we identified a misstatement between the medical aid benefit and long service award when comparing the AFS and GL.	Other important matters	Financial reporting unit	Recurring	Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained numerous misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes.	No	Resolved during audit
7	ISS 60-COMAF 53 of 2022 - Risk management disclosure - Misstatement Contrary to the above, during the audit of Risk management, we identified the difference between the risk management note 51 and the relevant disclosure note. Hence, this affected the accuracy of financial statements as evidenced by the identified misstatement.	Other important matters	Financial reporting unit	Recurring	Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained numerous misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes.	Yes	AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS to ensure compliance with GRAP standards and ensure complete and accurate AFS balances and disclosures.
8	ISS 36-Prior year finding The findings that were raised in the prior year had not been addressed. It was noted that the action plan did not adequately provide remedial action on the process to address the findings raised, for example, how over payments that resulted in fruitless and wasteful expenditure would be investigated and/or recovered.	Other important matters	Financial reporting unit	Recurring	The municipality had not developed adequate corrective actions to ensure that prior year findings were addressed. There was also no consequence management implemented by the municipality to hold the officials accountable for inadequately managing and monitoring the work done on these projects	Yes	The 2022 action plan will be monitored on a monthly basis to ensure that all findings are addressed.
9	ISS 16-COMAF 21: Related parties - Narration Contrary to the above, during the audit of related parties as disclosed in the annual financial statements we noted that the narration to the note makes reference to note 36, which relates to Depreciation and amortisation instead of note 34 relating to employee related costs(Directors) The finding results in non-compliance with GRAP 1 requirements.	Other important matters	Financial reporting unit	Recurring	Measures and/or controls put in place for the preparation, review and approval of the financial statements were inadequate as the financial statements submitted for audit contained misstatements that were not prevented, detected and rectified prior to submission of the financial statements for audit purposes.	Yes	AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS to ensure compliance with GRAP standards and ensure complete and accurate AFS balances and disclosures.
10	ISS 62-COMAF 75:Incorrect classification of long service obligation movements in P/L (namely interest, actuarial loss and withdrawals) During the audit of employee benefit obligations, we reviewed journals posted for long service current cost, actuarial loss and interest incurred and identified that the transactions were accounted in P/L incorrectly as the transactions were posted in pension P/L items and not in long service award P/L items.	Administrative matters	Financial reporting unit	Recurring	The accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Yes	AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS to ensure compliance with GRAP standards and ensure complete and accurate AFS balances and disclosures.
11	ISS 25-COMAF 28:Debt impairment - Difference between AFS and recalculated amount Contrary to the above, during the audit of debt impairment, a difference between the financial statements and the recalculated auditor's amount was noted	Administrative matters	Financial reporting unit	Recurring	Management miscalculated the debt impairment due to the incorrect treatment and provision for certain debtors. Hence, this affected the accuracy of financial statements and the reliability of supporting information or calculations as evidenced by the identified misstatement.	Yes	AFS preparation action plan to be implemented on a timely basis and the set deadlines to be adhered to allow time for finalisation and review of the AFS to ensure compliance with GRAP standards and ensure complete and accurate AFS balances and disclosures.
12	ISS 26-COMAF 33: Debt impairment - Overstatement The application of Standards of GRAP with additional disclosures, when Contrary to the above, during the audit of prior period error note 50, we noted that the adjustment made for consumer debtors – allowance for impairment was exclusive of VAT which is not in accordance with the reporting framework Consequently, the debt impairment has been overstated by an amount of R6 148 082 and the VAT has been understated by the same amount.	Administrative matters	Financial reporting unit	Recurring	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. Management did not reverse the VAT portion in the allowance for impairment when accounting for debtors that are in a non-leaseable area.	Yes	The inputs in to debt impairment calculation will be reviewed on a monthly basis and the debt impairment calculation will be reviewed at year end.

13	ISS.35-COMAF 38- Revenue from non-exchange transactions (Market value Differences) Contrary to the above requirements, during the audit of revenue from non-exchange transactions, we identified differences between market values and the reported values of the annual financial statements and the market values as per the 30 June 2022 valuation roll submitted for audit as detailed below	Administrative matters	Financial reporting unit	Recurring	Figures regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information as the updated valuation roll market values were not taken into account in the disclosure in the financial statements	No		Resolved during audit
14	ISS.28-COMAF 46 - Understatement of landfill site rehabilitation provision Contrary to the above, during the audit of landfill site rehabilitation, a difference between the financial statements and the recalculated auditor's amount was noted. Management used an incorrect useful life of 18.5 years instead of 17.9 years as per the useful life assessment when determining the landfill site provision. Furthermore, management used incorrect unit costs in the determination of the provision. Hence, this affected the accuracy of financial statements and the reliability of supporting information or calculations as evidenced by the identified misstatement	Other important matters	Assets Management Unit	Recurring	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information as management did not properly review the landfill site rehabilitation report to ensure that the correct unit costs and useful life are used in the calculation of the provision	Yes		AFS preparation action plan to be implemented on a timely basis and the audit procedures to be adjusted to allow for the financial and revenue data to be reviewed and verified by the AFS to ensure compliance with GRIAP standards. Furthermore, management will be required to provide evidence of the occurrence of discrepancies with schedules and AFS.

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Weekly Progress Report Done? Yes/No	Action Plan Description
	COMAF 48 - Information technology vacant positions has not been filled If ICT structure is not fully capacitated, it may have an adverse impact on IT department's ability to meet the Municipality's goals and objectives.	Other Important matters	IT	Recurring	Information technology vacant positions has not been filled due to delays in internal HR recruitment processes and not been able to attract qualified and skilled candidate to occupy the position.	Yes		IT recruitment authorisation forms are filled and submitted to Human Resource Management unit for further processing
	COMAF 48 - Lack of security awareness training of municipal employees As previously reported, no security awareness training had taken place for Municipal employees. A lack of staff training on incident identification and reporting may lead to security issues going undetected which may lead to a compromised IT environment.	Other Important matters	IT	Recurring	Inadequate security awareness training of staff due to lack of prioritizing cyber security issues and provision of training aimed at enabling municipal employees to identify and report on security incidents.	Yes		IT unit will ensure that security awareness training is conducted for municipal employees.
	COMAF 48 - Inadequate firewall management processes Although the firewall rules configurations were obtained, the rules did not contain the date the rule was added and when the rule should expire, and also the name of the person who added the rule configurations The following password parameters configurations were not set: •Password age •Password history Furthermore, Log files were still not exported to SYSLOG or SIEM servers for analysis and sign off. Lack of adequately managed firewall processes might lead to the IT management not being able to have mechanisms in place to detect and monitor potential attacks on a real-time basis. Furthermore, unnecessary traffic and/or services permitted through the firewall could be utilised by a malicious user or attacker to bypass the firewall and obtain access to resources in an unauthorised manner.	Other Important matters	IT	Recurring	The weaknesses identified on the firewall were due to an over reliance on the service provider for managing the firewall network security system and there was not IT Manager to ensure that the firewall was adequately managed.	Yes		The IT manager has been appointed and the incumbent will then be authorised to have access and also ensure that the firewall is adequately managed.
	COMAF 48 - Lack of security incident and problem management policy and processes As reported previously the Security incident handling policy and the list of all security incidents that took place during the current financial period were not provided for audit testing Lack of proper incident and problem management processes could result in unavailability of systems due to inadequate diagnosis of problems and analysis of root causes.	Other Important matters	IT	Recurring	Lack of security incident and problem management and processes were due to unavailability of Help Desk System or Service Desk, where all Incident and Problems are managed and recorded.	Yes		The Incident Management policy will be drafted and submitted to council for approval. The Policy will outline the processes to follow to deal with security incidents.

	<p>COMAF 48 - The IT disaster recovery plan was not adequately designed</p> <p>The IT Disaster recovery plan had been updated and approved; however, the following aspects were not included in the document:</p> <ul style="list-style-type: none"> • Plan for IT disaster recovery (including DRP team role and responsibilities) • Disaster notification and plan activation • System and business unit recovery procedure • Primary site procedure • Re-establishment of normal operations • Plan maintenance and testing (including frequency of DRP tests) • Business impact analysis (BIA) should be in line with RTO and RPO, including daily procedures, if the system is down, what impact it has on service delivery. <p>Failure to design adequate IT DRP might lead to inconsistent processes being followed and implemented by the IT department when a disaster or disruption occurs, which may lead to significant financial loss and reputational damage#</p>	Other important matters	IT	Recurring	This IT Disaster Recovery Plan was not adequately designed due to a lack of understanding what the DRP entails and include the requirements into the policy documentation as there was not IT Manager.	Yes	<p>DRP will be reviewed to include the following aspects:</p> <ul style="list-style-type: none"> • Plan for IT disaster recovery (including DRP team roles and responsibilities) • Disaster notification and plan activation • System and business unit recovery procedure • Primary site procedure • Re-establishment of normal operations • Plan maintenance and testing (including frequency of DRP tests) • Business impact analysis (BIA) should be in line with RTO and RPO, including daily procedures, if the system is down, what impact it has on service delivery.
	<p>COMAF 48 - Inadequate backup policy and implementation of backup processes on Munsoft and Payday systems</p> <p>There was no approved backup policy during the year under review (01 July 2021-30 June 2022), however the policy was approved in July 2022. Furthermore, the approved policy did not include the following key aspects:</p> <ul style="list-style-type: none"> • Backup strategy • Roles and responsibilities • Retention period • Backup window (time available each day to complete backups) • Backup restoration process • On and off-site requirements • Archival requirements • Special media considerations <p>Failure to adequately design the Backup Policy might lead to inconsistent processes being followed in performing backup processes which could lead to data not being able to be recovered when required.</p>	Other important matters	IT	Recurring	Inadequate backup policy was due to a lack of IT Manager to design the adequate policy.	Yes	<p>Backup policy will be reviewed to include the following key aspects:</p> <ul style="list-style-type: none"> • Backup strategy • Roles and responsibilities • Retention period • Backup window (time available each day to complete backups) • Backup restoration process • On and off-site requirements • Archival requirements • Special media considerations
	<p>COMAF 48 - The user access management controls were not adequately designed and implemented on Active Directory</p> <p>The following weaknesses were identified in regard to user access maintenance on Active Directory:</p> <ul style="list-style-type: none"> • An approved user access policy was in place however, it did not cover the process to be followed when a user require to reset the password. • List of all Active directory users were provided, however it did not show the creation dates, termination dates, password reset dates and last login dates, hence the audit team could not verify if all user's access on the systems were authorised <p>Failure to manage user access on systems might result in unauthorised users gaining access to the system and unauthorised activities might be performed on application systems.</p>	Other important matters	IT	Recurring	The user access management controls were not adequately designed and implemented on Active Directory due to lack of adherence to the approved user access policy.	Yes	<p>User Access Management Policy will be reviewed to cover the process to be followed when a user require to reset the password. The policy will be fully implemented to ensure that compliance is adhered to.</p>

COMAF 48 - Inadequate logging of user access maintenance and lack of review of system administrator activities on Payday and Munsoft As previously reported, the following weaknesses around the system administrator controls were identified: • The list of Payday and Munsoft users were provided, however, it did not show the user creation dates, termination dates, password reset dates and last login dates, hence the audit team could not verify if all user's access on the systems were authorized. • The reviews of administrator activities were not being performed for Munsoft and Payday application systems. Inadequate logging of system administrator activities and the lack of review of those activities may lead to unauthorized changes being made to user accounts, which may lead to unauthorized transactions being performed on those accounts.	Other important matters	IT	Recurring	The Payday and Munsoft application systems did not log user maintenance activities due to lack of the system functionality required to produce audit trails of changes made on the system as a result, there are no maintenance records during user creation, modification, password reset and terminations.	Yes	IT unit will ensure that the Munsoft and Payday champion administrative activities are logged by the system and show the user creation dates, termination dates, password reset dates and last login dates.
COMAF 48 - User access rights were not reviewed on Munsoft application system The user access rights were not reviewed on Munsoft application system to ensure that access rights granted were in line with the user's job requirements. If appropriateness of users' access rights are not periodically reviewed, users might have access privileges, which are not in line with their actual job requirements, and this could lead to unauthorized access to system functions.	Other important matters	IT	Recurring	Poor management of user access rights for Munsoft system resulting in unrecorded user system audit trails and lack of training to internal staff to the dedicated systems within the municipality.	Yes	IT unit will ensure that access rights are periodically reviewed so that access rights granted are in line with the user's job requirements.
COMAF 48 - The activities of the System administrator on Active Directory were not adequately logged and monitored The activities of the System administrator on Active Directory were not adequately logged as the list provided was not complete, furthermore activities of the System administrator were not monitored. Inadequate logging of system administrator activities and non-monitoring of those activities may result in unauthorized changes being made to user accounts, which may lead to unauthorized transactions being performed on those accounts.	Other important matters	IT	Recurring	The activities of the System administrator on Active Directory were not adequately logged and monitored due to lack of IT Manager.	Yes	The IT unit will ensure that all administrator activities are logged on the Active Directory and periodic reviews of activities performed by administrator user accounts are done.
COMAF 48 - Program change management policy was still not approved Program change management policy was not approved by the council during the period under review. The policy was still in draft. If program change management policy is not approved, it will not be enforced and it may lead to inconsistent program change processes which may result in unauthorized changes made to the systems.	Other important matters	IT	Recurring	Program change management policy was still not approved due to lack of Municipal council meeting to approve the policy.	Yes	Change Management Policy will be developed and submitted to council for approval.

Audit Findings	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed?	Weekly Progress Report Done?	Action Plan Description
1. ISS 57-COMAF 41: PPE (WIP) - Misclassification of commitments and understatement of work-in-progress Contrary to the requirements above, the audit noted that the commitments included in the table below was incorrectly classified as operational commitment instead of capital commitment. Furthermore, the project is not recorded in the work in progress (WIP) register so that it can be capitalised in the asset register once it is completed	Matters affecting the auditor's report	SCM/Contracts management/ Assets management	Recurring	Management did not properly review the operational commitments register to ensure that all contracts recorded in such register are operational and not capital in nature. Management did not properly review the capital commitments register and work in progress register to ensure that all these registers are complete.	No	No	Resolved during audit.
2. ISS 78-RESOLVED: COMAF 51: ISS 78 : PPE - Lack of control of assets Contrary to the above, we noted that municipality does not have a title deed or letter of permission to occupy the land from the chief on which the municipal facilities such community halls are built. Therefore, the municipality lacks control of the land and the facilities built. Hence, these are not assets of the municipality as defined and therefore should not be recognised as PP&E items of the municipality.	Other important matters	Assets management	Recurring	Management did not implement controls to ensure that title deeds or permission to occupy the land on which municipal building structures are built in place to evidence control over such assets.	Yes		Partially Resolved During the audit however, management will continue engaging the chiefs to obtain PTO over land on which road reserves and community buildings are located.
3. ISS 55-COMAF 41: ISS 55 : PPE - Completed projects still in Work in progress During the audit of work in progress, we noted that the following projects are included in the WIP register. However, the projects are complete and the practical completion certificate has been issued.	Other important matters	Assets management	Recurring	Management did not implement controls over daily and monthly processing and recording of transactions to ensure that the completion certificates issued for completed projects are monitored to facilitate the transfer of completed project to the assets register.	No	No	Resolved during audit.
4. ISS 58-COMAF 43: ISS 58: PPE - Misclassification of repairs and maintenance Contrary to the requirements above, the audit of repairs and maintenance account disclosed in the financial statements under note 41 - General expenses revealed that the transactions included in this account are not repairs and maintenance. Therefore, they were incorrectly classified as repairs and maintenance.	Other important matters	Assets Management Unit	New	Management did not properly scrutinise expenditure to identify those expenditures that relates to repairs and maintenance of items of property, plant & equipment to ensure that these transactions are correctly disclosed in the financial statements in accordance with the requirements of GRAP 17.	No	No	Resolved during audit.
5. ISS 75-COMAF 32: ISS 75: Depreciation - inappropriate useful lives applied in the fixed asset register Contrary to the above, we noted that the useful lives of assets applied for the purpose of depreciating assets in the fixed asset register are not compliant with the approved useful lives as per the asset management policy as well as the useful lives disclosed in the annual financial statements.	Other important matters	Assets Management Unit	Recurring	Management did not properly review the asset register against the approved asset management policy to ensure that approved useful lives are used for the purpose of calculating the depreciation of assets as well as for disclosure purposes.	No	No	Management to engage External Treasury and provide evidence that the National Treasury (OAG) was approached and provided with a motivation for its agreement of the rates used by the municipality which are outside the required by the guideline.
7. ISS 76-COMAF 59: ISS 76: Difference between the prior period error reconciliation amount and PP&E note 4 Contrary to the above requirements, we noted the difference between the prior period error reconciliation (schedule) amount and the amount disclosed in the PP&E note 4. Furthermore, we noted that the amount of prior period error relating to property, plant and equipment of R8 769 541 as disclosed in note 49 and 50 is different to the amount disclosed in the PP&E note 4 for prior year.	Other important matters	Assets Management Unit	Recurring	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information to ensure that the amount of the prior period error reflects agrees to the reconciliation and other corresponding notes in the financial statements.	No	No	Resolved during Audit. The differences were reconciled on the 2nd submission after audit.
8. ISS 79-RESOLVED: COMAF 51 : ISS 79 : PPE - Lack of control over land and infrastructure assets Contrary to the above, we noted that the municipality does not have control over the land that is situated in the private property which is Tubaeso residence as it does not have right to direct access to land, and to restrict or deny the access of others to land. Furthermore, we also noted that the municipality has the tar roads in the private property which is Bokan Platinum mine.	Other important matters	Assets Management Unit	Recurring	Management did not ensure that Infrastructure assets that are in the private properties are properly disclosed in the financial statements	No	No	Resolved during the Audit, Municipality has control of all the assets identified by AGSA
9. ISS 80-COMAF 59: ISS 80 : PPE - Assets could not be verified for existence. Contrary to the requirements above, when auditing immovable assets we were unable to verify the existence of the following asset included the assets register.	Other important matters	Assets Management Unit	Recurring	Management did not take all reasonable steps within their respective areas of responsibility to ensure that the assets of the municipality are managed effectively and that assets are safeguarded and maintained.	No	No	Resolved during Audit. The mobile office was eventually verified.

10	ISS 81-RESOLVED: COMAF 51: ISS 78 : PPE - Assets not in the asset register The following municipal assets could not be traced to the asset register of the municipality for the year ended 30 June 2022. Hence, the assets register is incomplete. Refer to the table below for the details of the community assets that could not be traced to the assets register:	Other important matters	Assets Management Unit	Recurring	Management did not take all responsible steps within their respective areas of responsibility to ensure that the assets of the municipality are managed effectively and that assets are safeguarded and maintained as some of the municipal assets are not recorded in the municipal assets register.	No	No	Resolved during the audit. All the assets were subsequently traced to the asset register as they linked to the one bar code
11	ISS 86-RESOLVED: COMAF 52: ISS : PPE (Depreciation) - Fully depreciated assets still in use Therefore, a proper useful life and residual value assessment should have been done on these assets by the municipality and the requirements of the standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) be considered to ensure appropriate accounting of the changes thereof. As the municipality has fully depreciated assets at the reporting date that it continues to use, appropriate adjustments to the financial statements must be made to correctly account for their remaining useful life.	Other important matters	Assets Management Unit	Recurring	Management did not properly assess the useful lives, residual values and/or depreciation method of the assets as required by the applicable financial reporting framework. Hence, fully depreciated assets are still considered to be in good or very good condition and are still in use.	No	No	Resolved during Audit. Subsequent condition assessment was done on the assets to determine what is material or not and what is material for the client will not be material for the audit. Therefore the finding is not resolved. Management to reassess fully depreciated assets in 2022/2023 financial year for consideration of possible adjustments
12	ISS 53-COMAF 40: ISS 32: PPE - Assets could not be verified for existence. Contrary to the requirements above, when auditing movable assets we were unable to verify the existence of the following asset included the assets register. Furthermore, the following speed camera could not be verified for existence. Further investigation revealed that the speed camera was damaged and taken to the insurance on the 30 July 2020.	Other important matters	Assets Management Unit	Recurring	Management did not take all responsible steps within their respective areas of responsibility to ensure that the assets of the municipality are managed effectively and that assets are safeguarded and maintained.	Yes	No	Spa information it was removed during the condition of the road by the Sekubano district to a nearby village. Further, it will be included in the list for disposals for the current year 2022/2023. 2 Speed trap Camera- The amount paid by Insurance was for compensation of the damages. However, the municipality was unable to restore the camera to working condition. The camera is now listed under the list of assets awaiting approval by the board for disposal.
14	ISS 77-COMAF 68 : ISS 77 : PPE - Assets damaged not impaired The inventory used an amount of R10, 270 on the 28 October 2020 for the Contrary to the above requirement, during physical verification of assets, we noted that the municipality has assets that are damaged. However, these assets were not assessed for impairment.	Administrative matters	Assets Management Unit	Recurring	The accounting officer together with senior management did not ensure that an assessment of impairment is performed for all assets of the municipality that displayed indicators of impairment as required by the financial reporting framework.	Yes	No	Reconciliations to be performed on a quarterly basis as per approved policy
15	ISS 83-COMAF 40: ISS 83: PPE - Monthly reconciliation of assets not performed During the audit of assets, it was noted and confirmed that the municipality does not prepare monthly asset reconciliations which is contrary to the above mentioned municipal policy requirements. The audit finding results in internal control deficiency as the municipality is Contrary to the above, we noted that the assets below which were physically verified did not have barcodes attached to them.	Administrative matters	Assets Management Unit	Recurring	Management did not implement controls over monthly reconciling and reconciling of assets to the trial balance as required or necessitated by the approved assets management policy.	Yes	No	SPE Reconciliations to be performed on a quarterly basis as per new approved Asset Management Policy
16	ISS 54-COMAF 40: ISS 54 : PPE - Assets not barcoded Contrary to the above, we noted that the assets below which were physically verified did not have barcodes attached to them.	Administrative matters	Assets Management Unit	Recurring	Management did not perform proper monthly and annual reconciliations to identify all assets that belong to the municipality and ensure that these are barcoded accordingly.	Yes	No	Management to perform verification of assets on a quarterly basis including reconciliations to identify all assets that belong to the municipality and ensure that these are barcoded accordingly
17	ISS 56-COMAF 40: ISS 56: PPE - Assets disposed not approved by council Contrary to the above, the audit of assets disposed revealed that the vehicle in the table below was disposed by the municipality as shown in the asset register as at 30 June 2022. However, there was no prior municipal council approval for this municipal asset disposal.	Administrative matters	Assets Management Unit	Recurring	Review and monitor compliance with applicable laws and regulations. Management did not properly review and monitor compliance with applicable laws and regulations as some municipal assets were disposed without the required approval from the municipal council.	Yes	No	The vehicle was involved in an accident and was written off and the insurance paid the municipality the stated disposal amount. The municipality shall include the vehicle on the list of disposal for approval by council.
18	ISS 96-RESOLVED: COMAF 51: ISS : PPE - Misclassification of roads infrastructure assets Contrary to the requirement above, we noted that the tar roads streets, are incorrectly recognised as land in the asset register. Roads should be classified as infrastructure assets	Administrative matters	Financial reporting unit	Recurring	Management did not review the asset register to ensure that road reviews are correctly recorded under infrastructure assets in the asset register.	No	No	Resolved during Audit. The mobile office was eventually verified.

No.	Description of Finding	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed?	Weekly Progress Report Done?	Action Plan Description
1	ISS-6-COMAF 06 - AOPD - APP - Strategic Planning and Performance Management in terms of Municipal Finance Management Act (MFMA) section 72(1)(a)(i). "The accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year, taking into account the monthly statements referred to in section 71 for the first half of the financial year". Section 46(1)(b) of the Municipal Systems Act (MSA) requires that "A municipality must prepare for each financial year a performance report reflecting a comparison of the performances referred to in paragraph (a) with targets set for and performance in the previous financial year". The following non-compliance and/or misstatements were identified during the assessment of the strategic planning, performance management and annual performance report of Fetakgomo Tubalse Local Municipality for the 2021/2022 financial year: •The mid-year budget and performance assessment did not take into account monthly budget statements for the first half of the year. This results in non-compliance with section 72(1)(a)(i). •The annual performance report that was submitted for audit did not contain a comparison of the performances with targets set for and performance in the previous financial year. This is not compliant with Section 46(1)(b). •In addition, the annual performance report includes a column named "results" with different colours, alphabets and/or numbers. However, there is no key or legend that explains the meaning thereof to enable enhanced understanding by the user	Administrative matters	Financial Reporting - Other Disclosure	New	1 Mid - year budget and performance assessment are conducted by Two separate department being Budget and Treasury and PMS in Municipal manager's office, hence are filled separately. 2 An oversight to include the comparatives on the final report to AG, the comparison was made in all reports to internal and Audit committee but left out on the report to AG 3 The legends were deleted in the final report to AG because we never thought it will be needed	yes		1 Filing the two section 72 reports from Budget and Treasury , and PMS together so that when need it is easily accessible and submitted to AG as one report. 2. Review the final document submitted to AG to ensure is the same with the one approved by Audit committee for submission 3. Inclusion of legend in every performance report produced
2	ISS-14-COMAF 16 - AOPD - Misstatements in comparatives Section 46(1)(c) of the Municipal Systems Act (MSA) requires that "A municipality must prepare for each financial year a performance report reflecting – 1. the performance of the municipality and of each external service provider during that financial year; 2. a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and 3. measures taken to improve performance". During the audit of the annual performance report of Fetakgomo Tubalse Local Municipality (FTLM) for the 2021/2022 financial year, the following misstatements were identified: 1. The past year achievement, as provided in management's response to COMAF 06, do not agree to the prior year audited Annual Performance Report (APR) for the below listed indicators.	Administrative matters	Financial Reporting - Other Disclosure	New	1 An oversight during the generation of the final report to AG	Yes		1 Review the final report before submitted to AG or internal audit to avoid missing information

3	<p>ISS-15-COMAF 12 - AOPO - APR - Strategic Planning and Performance Management</p> <p>In terms of regulation 8 of the Municipal Planning and Performance Management Regulations, "A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of selling key performance indicators and targets in accordance with its integrated development plan."</p> <p>The following non-compliance and/or misstatements were identified during the assessment of the strategic planning, performance management and annual performance report of Felekgomo Tubatse Local Municipality for the 2021/2022 financial year:</p> <ul style="list-style-type: none"> The Felekgomo Tubatse Local Municipality 2021/2022 Performance Management framework was adopted (OC08/2021) in the ordinary council meeting dated 27 July 2021. This was after the financial year had commenced. This was also after municipality had commenced the process of selling key performance indicators and targets as the 2021/2022 Service Delivery and Budget Implementation Plan (SDBIP) which was approved on 17 June 2021, before the council meeting on 27 July 2021. The performance management system was herefore not adopted before the commencement of the process of selling key performance indicators and targets and results in non-compliance with regulation 8 of the Municipal Planning and Performance Management Regulations. In addition, the annual performance report includes the name of the Key Performance Area (KPA), however does not include reference to this KPA to which the indicators relate to. Example "KPA 03". This is not consistent with the SDBIP. 	Administrative matters	Financial Reporting - Other Disclosure	New	<p>1. Resolved during audit</p> <p>2. The KPAs were left out because we never thought are needed</p>	Yes		Inclusion of KPA number in every report we produce
4	<p>ISS 7-RESOLVED: COMAF 08 - Strategic Planning and Performance Management</p> <p>In terms of MFMA sec 62(1)(c)(i):- The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.</p> <p>In accordance with section 74 (1) of the MFMA - The accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.</p> <p>In terms of paragraph 66 of the Engagement Letter, management has three (3) working days to submit the information requested from the date the request was issued.</p> <p>Contrary to the above, the information detailed below has not been submitted for audit, which relates to request of information number 24 issued on the 14/09/2022</p>	Administrative matters	Financial Reporting - Other Disclosure	New	<p>Delays in providing requested information for reason for variation and mitigations</p>	Yes		Ensure that departments submit evidence for reasons for variations and mitigation stated
5	<p>ISS-22-COMAF 20 - AOPO - APR Misstatements</p> <p>Section 46(1) of the Municipal Systems Act (MSA) requires that "A municipality must prepare for each financial year a performance report reflecting –</p> <p>1. the performance of the municipality and of each external service provider during that financial year;</p> <p>Chapter 3.2 of the Framework for Managing Programme Performance Information (FMPP) provides the following guidelines to selling performance indicators:</p> <p>"Institutions should include performance indicators related to the provision of goods and services. These describe the interface between government and the public, and are useful for monitoring and improving performance as it is relevant to the citizens of the country."</p> <p>Contrary to the above, the Annual Performance Report (APR) submitted for audit in response to COMAF 06 of 2022 the following result legend descriptions for reported achievements were noted:</p> <p>OKPI National Budget Target <= 74.999% OKPI National Budget Actual/Target <= 99.999% OKPI National Budget Target (Actual/Target = 100%) G2KPI Well Mat100.001% <= Actual/Target <= 149.999% BKPI Extremely Well Mat150.000% <= Actual/Target</p> <p>Finding 1 – Differences in reported achievements</p> <p>During the audit of the annual performance report of Felekgomo Tubatse Local Municipality (FTLM) for the 2021/2022 financial year, it was noted that the reported achievement was not accurately reported in line with the predetermined benchmarks set out in the service delivery and budget implementation plan (SDBIP) and/or Technical Indicator Description (TID) documents.</p> <p>Finding 2 – Difference in reported results</p> <p>During the audit of the annual performance report of Felekgomo Tubatse Local Municipality for the 2021/2022 financial year, it was noted that the following reported results for the respective indicators were not correctly reported in line with the presented legend:</p> <p>Finding 3 – Completeness of relevant indicators</p> <p>During the audit of the annual performance report of Felekgomo Tubatse Local Municipality (FTLM) for the 2021/2022 financial year, it was noted that the following projects were listed in the 2021/2022 annual performance report:</p>	Administrative matters	Financial Reporting - Other Disclosure	New	<p>1. Non - alignment of the SDBIP milestones with the project plan milestones</p> <p>2. mistakenly leaving out projects which are still in progress with assumption that they will be completed before year</p>	Yes		<p>1. Alignment of SDBIP milestones and Project plan milestones</p> <p>2. include all projects that are still in progress in the particular financial year in the New SDBIP and are concluded before year end they will be withdrawn during mid-year budget adjustment</p>

	Audit Findings	Rating	Responsible Department	Finding status	Root Cause	Action Plan Developed? Yes/No	Weekly Progress Report Done? Yes/No	Action Plan Description
1	ISS 72-COMAF 70-Overstatement of capital commitments and operational commitment Contrary to the requirement above, when auditing capital commitments, we noted that not all payments were accounted for in the capital commitment therefore overstating the balance of the capital commitment as at 30 June 2022.	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Financial and performance management Management did not prepare regular, accurate and complete financial reports that are supported by reliable information.	Yes	Yes	1. Commitments to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis. 2. Commitments register to be reconciled to the contracts register to ensure all contracts are recorded. 3. Capital commitments to be aligned with WIP register and updated with information from technical department as and when projects are completed.
2	ISS 73-COMAF 69 Commitments Payments not recorded/ accounted for in calculating commitments Contrary to the requirement above, when auditing operational commitments, we noted that not all payments were accounted for in the operational commitment and capital commitment therefore overstating the balance of the operational commitment and capital commitment as at 30 June 2022. The following serve as examples: The Impact result in overstatement of operational commitments and capital commitments	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not prepare regular, accurate and complete financial reports that are supported by reliable information.	Yes	Yes	1. Commitments to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis. 2. Commitments register to be reconciled to the contracts register to ensure all contracts are recorded. 3. Capital commitments to be aligned with WIP register and updated with information from technical department as and when projects are completed. 4. Prior year adjustments to be processed in the Commitments registers and the 2023 AFS to address the errors identified during the 2022 audit.
3	ISS 74-COMAF 70-Overstatement of operational commitment and capital commitment Contrary to the requirements above, when auditing commitments, it was noted that not all payments were accounted for in the calculation of commitments balance as at 30 June 2022. This is evidenced by the differences between the auditor's reconciled commitments balance and the commitments balance in the commitments register (as discussed in AFS) as at 30 June 2022.	Matters affecting the auditor's report	SCM/Contracts management	Recurring	The accounting officer and senior management did not prepare regular, accurate and complete financial reports that are supported by reliable information as not all payments were taken into account in calculation of commitments balance as at 30 June 2022.	Yes	Yes	1. Commitments to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis. 2. Commitments register to be reconciled to the contracts register to ensure all contracts are recorded. 3. Capital commitments to be aligned with WIP register and updated with information from technical department as and when projects are completed. 4. Prior year adjustments to be processed in the Commitments registers and the 2023 AFS to address the errors identified during the 2022 audit.
4	ISS 80-RESOLVED: COMAF 89-Contracts not disclosed in the commitment register Contrary to the requirement above, we noted during the audit of operational commitments that not all contracts that were committed were disclosed as commitments in the commitment register.	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not prepare regular, accurate and complete financial reports that are supported by reliable information. Management did not review and monitor compliance with GRAP.	Yes	Yes	Revised during audit.
5	ISS 33-COMAF 35 - Irregular expenditure from prior year incorrectly included in the current year During the current year audit, we noted irregular expenditure from prior year incorrectly included in the current year. After further enquiry it was noted that item number 1, 2 and 4 were suppose to have been included in the prior year irregular (current year opening balance) and number 3 was included in the prior year and current year (double accounting). Understatement of the irregular expenditure opening balance Overstatement of the irregular expenditure current year amount	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not review the irregular expenditure to ensure that all irregular expenditure that is disclosed on the note as current year relates to transactions from the current year.	Yes	Yes	Regular expenditure schedule to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis.
6	ISS 37-COMAF 41: PPE (WIP) - Misclassification of commitments and understatement of work-in-progress Contrary to the requirements above, the audit of property, plant & equipment revealed that the contract included in the table below was incorrectly classified as operational commitment instead of capital commitment. Furthermore, the project is not recorded in the work in progress (WIP) register so that it can be capitalised in the asset register once it is completed	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not properly review the operational commitments register to ensure that all contracts recorded in such register are operational and not capital in nature. Management did not properly review the capital commitments register and work in progress register to ensure that all these registers are complete.	Yes	Yes	1. Commitments to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis. 2. Capital commitments to be aligned with WIP register and updated with information from technical department as and when projects are completed.
7	ISS 5-COMAF 09 - SCM policy not in line with legislation During the review of municipality's Supply Chain Management policy, it was noted that the policy states under par 12(c) that "Goods and services may only be procured by way of competitive bidding process for procurement above a transaction value of R300 000 (Vat included), and 1) the procurement of long term contracts"	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not ensure that the policy is reviewed in accordance with approved SCM regulations.	Yes	Yes	1. Two SCM Policy will be amended in line with legislation. 2. The identified irregular expenditure resulting from the error will be quantified and included in the IR register and AFS as a prior period error adjustment.
8	ISS 84-COMAF 81 - Non-compliance in competitive bidding process During the audit of the tender for the appointment of a panel for electrical infrastructure and related services for a period of 18 Months with CIDB grading of 2EP and above, with reference: FTM/29/2021, it was noted that the following bidder was evaluated as being acceptable despite not meeting the compulsory requirements stipulated in the bidding documents. FTM/29/2021 - Appointment for a panel for electrical infrastructure and related services. The Bid Evaluation Committee (BEC) Inconsistently evaluate Zichard Construction (Pty) Ltd as acceptable (Respectivo) whereas the following contractor was disqualified for the same reasons. Non-compliance with Preferential Procurement Regulation 5(6)	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Compliance with applicable laws and regulations was not reviewed and monitored. Management did not design and implement appropriate internal controls to ensure that proper reviews of the compliance requirements around procurement are performed	Yes	Yes	1. Bid committee and SCM officials to be trained SCM legislation. 2. Due diligence / independent review of the procurement process to be conducted prior to awarding.

9	ISS 95-COMAF 20 - Limitation of scope - SCM Contrary to the above, the below mentioned information requested was due on 20 October 2022, has not been submitted for audit.	Matters affecting the auditor's report	SCM/Contracts management	Recurring	Management did not have a proper filing system or proper record management system to maintain information that is required for audit purposes.	Yes	Yes	1. Systematic filing to be implemented to enable easy removal of information 2. Off-site storage to be utilized to be utilized to create more secure storage space for documents in Finance. Contract register to be updated and reviewed on a monthly basis, and the supporting audit files compiled on a monthly basis.
10	ISS 93-COMAF 77: Inadequate contract management controls Contrary to the above requirements, during the audit of procurement and contract management we have identified that the contract for the following tender as stated in the contract register is not in place. This was noted on internal memorandum from Mohale LM to the Municipal manager (Subject: missing service agreement for financial years 2017/18 and 2018/19) dated 09 September 2020. Furthermore, we have also identified that the following contracts were not complete as at 30 June 2022 and there was no evidence of whether reasons for the non-completion and/or extension (if applicable) have been tabled in the council of the municipality and if these were approved by delegates personnel in terms of SCM regulation 5	Other important matters	SCM/Contracts management	Recurring	Review and monitor compliance with applicable laws and regulations. Management did not ensure compliance with section 116 of the MFMA	Yes	Yes	
11	ISS 17-COMAF 26: Unauthorized expenditure (Presentation & Disclosure) - differences between the note and underlying records During the audit of unauthorized expenditure as disclosed in note 54 to the financial statements, it was noted that an amount of (2022: R22 459 568) (2021: R24 468 790) has been disclosed as unauthorized expenditure. This is in line with section 17(2) of the MFMA as the applicable council cannot condone any unauthorized expenditure but only national treasury can do so based on shown good grounds. The municipal council only has a right to veto-off unauthorized expenditure after an investigation by a council committee has been performed and such expenditure has been certified as irrecoverable. Hence, the disclosure of unauthorized expenditure is not appropriate as it is not compliant to the MFMA and might be misleading to the users of financial statements. Furthermore, in accordance with section 62(1) (b) of the MFMA - the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed forms and standards In terms of paragraph 17 of Generally Recognised Accounting Practice (GRAP) 1 - "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation." The inspection of the unauthorized expenditure schedule submitted for audit and the scrutiny of the amounts included in note 54 - Unauthorized expenditure confirmed the inaccuracy of the narration including the amounts thereto. The amounts included in the narration does not agree to the supporting schedule submitted for audit.	Other important matters	SCM/Contracts management	Recurring	The accounting officer did not prepare regular, accurate and complete financial reports that are supported by reliable information due to discrepancies noted by auditors. The accounting officer also did not adequately review and monitor compliance with applicable laws and regulations to ensure compliance with MFMA and that financial statements fully comply with the applicable financial reporting framework.	Yes	Yes	Unauthorized expenditure schedule to be updated and reviewed on a quarterly basis.
12	ISS 31-COMAF 28: Unauthorized expenditure misstated During the audit of unauthorized expenditure as disclosed in note 54 to the financial statements, it was noted that an amount of (2022: R22 459 568) (2021: R24 468 790) has been disclosed as unauthorized expenditure. This is in line with section 17(2) of the MFMA as the applicable council cannot condone any unauthorized expenditure but only national treasury can do so based on shown good grounds. The municipal council only has a right to veto-off unauthorized expenditure after an investigation by a council committee has been performed and such expenditure has been certified as irrecoverable. Hence, the disclosure of unauthorized expenditure is not appropriate as it is not compliant to the MFMA and might be misleading to the users of financial statements. Furthermore, in accordance with section 62(1) (b) of the MFMA - the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed forms and standards In terms of paragraph 17 of Generally Recognised Accounting Practice (GRAP) 1 - "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation." The inspection of the unauthorized expenditure schedule submitted for audit and the scrutiny of the amounts included in note 54 - Unauthorized expenditure confirmed the inaccuracy of the narration including the amounts thereto. The amounts included in the narration does not agree to the supporting schedule submitted for audit.	Other important matters	SCM/Contracts management	Recurring	The accounting officer did not prepare regular, accurate and complete financial reports that are supported by reliable information due to discrepancies noted by auditors. The accounting officer also did not adequately review and monitor compliance with applicable laws and regulations to ensure compliance with MFMA and that financial statements fully comply with the applicable financial reporting framework.	Yes	Yes	Unauthorized expenditure schedule to be updated and reviewed on a quarterly basis.

13	<p>ISS 32-COMAF 26-Overstatement of unauthorized expenditure</p> <p>During the audit of unauthorized expenditure as disclosed in note 54 to the financial statements, it was noted that an amount of R222,745,499 was declared as unauthorized expenditure. This is in line with section 17(2)(c) of the MFMA as the municipal council cannot endorse any unauthorized expenditure but only national treasury can do so based on proven good grounds. The municipal council only has a right to veto-off unauthorized expenditure after an investigation by a council committee has been performed and such expenditure has been certified as irrecoverable.</p> <p>Hence, the disclosure of unauthorized expenditure is not appropriate as it is not compliant to the MFMA and might be misleading to the users of financial statements.</p> <p>Furthermore, in accordance with section 62(1)(i) of the MFMA - the accounting officer of a municipality is responsible for managing the municipality's financial affairs and ensuring that the municipality complies with the provisions of the MFMA and proper records of the financial affairs of the municipality are kept in accordance with any prescribed forms and standards.</p> <p>In terms of paragraph 17 of Generally Recognised Accounting Practice (GRAP) 1 - "Financial statements: shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation."</p> <p>The inspection of the unauthorized expenditure schedule submitted for audit and the scrutiny of the narration included in note 54 - Unauthorized expenditure confirmed the inaccuracy of the narration including the amounts thereto. The amounts included in the narration does not agree to the supporting schedule submitted for audit.</p>	Other important matters	SCM/Contracts management	Recurring	<p>The accounting officer did not prepare regular, accurate and complete financial reports that are supported by reliable information due to discrepancies noted by auditors.</p> <p>The accounting officer also did not adequately review and monitor compliance with applicable laws and regulations to ensure compliance with MFMA and that financial statements fully comply with the applicable financial reporting framework.</p>	Yes	<p>Unauthorized expenditure schedule to be updated and reviewed on a quarterly basis.</p>
14	<p>ISS 10-COMAF 26-Overstatement of unauthorized expenditure</p> <p>And in terms of section 32(2) (a) of the MFMA - A municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless it can be established that the expenditure was incurred in good faith and for the purposes of the municipality.</p> <p>(f) authorized expenditure (if authorized expenditure is not recoverable and written off by the council) to the requirements above, during the audit of unauthorized expenditure we noted that unauthorized expenditure disclosed on note 54 of the financial statements states that an amount of R 82 459 568 has been conditioned by council. This is in contravention of section 17(2)(c) as noted above. Council does not have the power to condition but rather to write off unauthorized expenditure in terms of section 32 (2) (a)(b). Please refer to the note below for details.</p> <p>This results in unfair representation of financial statements as well non-compliance with the requirements of MFMA and GRAP</p>	Other important matters	SCM/Contracts management	Recurring	<p>The accounting officer did not prepare regular, accurate and complete financial reports that are supported by reliable information and did not review and monitor compliance with applicable laws and regulations</p>	Yes	<p>Final Unauthorized expenditure to be updated in the UA Register, reviewed and agreed to the annual financial statements after all year-end adjustments are processed to ensure accuracy and completeness.</p>
15	<p>ISS 59-COMAF 49: ISS 59: SCM: Local content</p> <p>During the audit of local content, we noted that the awarded local content detailed below was not correctly advertised as per the requirement noted above. Upon inspection of the advert, we confirmed that the Municipality did not mention that the goods being advertised are local content as defined and further did not mention the minimum thresholds to be considered.</p>	Other important matters	SCM/Contracts management	Recurring	<p>Management did not review and monitor compliance with the Preferential Procurement Policy Framework Act</p>	Yes	<p>1. Procurement Checklist form for SCM officers to be revised and approved the Chief accounting officer to ensure that compliance the SCM regulations.</p> <p>2. Independent review to be performed on the local content procurement process for compliance prior to the final approval by the CFO.</p> <p>3. Training on local content procurement for scm officials.</p> <p>4. Local content procurement to be included on the consolidated SCM and contract quarterly report to audit committee, exco and council for oversight management</p>
16	<p>ISS 66-COMAF 56: Interest not declared on MBD 4 form</p> <p>During the SCM CAA's testing, we noted that the below award was made to a company where a councillor is a director and the interest was not declared on the MBD 4.</p> <p>We noted that the below awards were made to companies that are owned/ members are employed by the state and the interest was not declared on the MBD 4.</p> <p>We noted that the supplier did not declare that partners or associates of the accounting officer, senior manager (include CFO), SCM officials,</p>	Other important matters	SCM/Contracts management	Recurring	<p>Management did not review and monitor compliance with the Supply chain management regulation</p>	Yes	<p>within system will be utilized to check companies that are owned/ members are employed by the state</p>
17	<p>ISS 67-COMAF 57: ISS 67-Deviations not reported to council</p> <p>During the audit of quotations, we noted that the deviation for the transaction listed below was not reported to council</p>	Other important matters	SCM/Contracts management	Recurring	<p>Management did not review and monitor compliance with the Supply chain management regulation</p>	Yes	<p>Deviations to be recorded in the register and reviewed on a monthly basis and inclusion quarterly consolidated SCM and contract report to Audit Committee, Executive Committee and Council for oversight management.</p>

18	ISS-86-COMAF 85- SCM quotations During the audit of quotations, it was noted that the award for the 3 quotations listed below were received after the invoice date. Therefore, at time of award, the municipality had not received any quotations. It was noted that the preferred/winning supplier detailed below was not explicitly stated on the evaluation form. It was noted on the evaluation form that the CFO approved the award before quotations were received.	Other important matters	SCM/Contracts management	Recurring	Management did not review and monitor compliance the SCM regulations	Yes	Yes	1. Procurement Checklist form for SCM officers to be revised and approved the Chief accounting officer to ensure that compliance the SCM regulations. 2. Independent review to be performed on the procurement process for compliance prior to the final approval by the CFO.
19	ISS-37-COMAF 61- Irregular expenditure incorrectly written off in the current year During the audit of Unauthorised, Irregular and Fruitless & Wasteful Expenditure (UFW&W), it was noted that the below transactions were written off. However, as per Makana Risk & Advisory Services (Pty) Ltd - INVESTIGATION OF UNAUTHORISED, IRREGULAR AND FRUITLESS & WASTEFUL EXPENDITURE: 2017/18 TO 2019/20 Final Report, these transactions were not recommended for write-off. It was noted that management through Region Financial Services performed a Technical review or assessment of UFW&W and based on the assessment, the entire UFW&W including the expenditure incurred in the current year was recommended and written off by council. The technical review or assessment did not constitute a proper investigation as envisaged in section 32(2) of the MFMA as the objective of this technical assessment was to review the investigation that has already been conducted by management as per council instruction in order to advise and recommend to council through MPAC the UFW&W expenditure that should or should not be written off for the purpose of ensuring proper and adequate disclosure in the AFS.	Administrative matters	SCM/Contracts management	Recurring	Management did not adequately review and monitor compliance with laws and regulations as far as it relates to MFMA section 32.	Yes	Yes	Revised during audit.
20	ISS-63-COMAF 61- UFW Write off During the audit of Unauthorised, Irregular and Fruitless & Wasteful Expenditure (UFW&W), it was noted that the below transactions were written off. However, as per Makana Risk & Advisory Services (Pty) Ltd - INVESTIGATION OF UNAUTHORISED, IRREGULAR AND FRUITLESS & WASTEFUL EXPENDITURE: 2017/18 TO 2019/20 Final Report, these transactions were not recommended for write-off. It was noted that management through Region Financial Services performed a Technical review or assessment of UFW&W and based on the assessment, the entire UFW&W including the expenditure incurred in the current year was recommended and written off by council. The technical review or assessment did not constitute a proper investigation as envisaged in section 32(2) of the MFMA as the objective of this technical assessment was to review the investigation that has already been conducted by management as per council instruction in order to advise and recommend to council through MPAC the UFW&W expenditure that should or should not be written off for the purpose of ensuring proper and adequate disclosure in the AFS.	Administrative matters	SCM/Contracts management	Recurring	Management did not adequately review and monitor compliance with laws and regulations as far as it relates to MFMA section 32. Management did not prepare regular, accurate and complete financial reports that are supported by reliable information in addition to UFW&W disclosures.	Yes	Yes	Revised during audit.
21	ISS-87-COMAF 64-SCM- Competitive bidding During the audit of competitive bidding We noted that the award to the supplier mentioned was made while the supplier was not tax compliant	Administrative matters	SCM/Contracts management	Recurring	Management did not review and monitor compliance with the MFMA and SCM regulations	Yes	Yes	CSD report to be re-generated on the day the municipal manager signs the appointment letters to ensure compliant status prior to awarding
22	ISS-18-COMAF 26-Unauthorised expenditure condoned This is in contravention of section 17(2) as noted above. Council does not have the power to condone but rather to write off unauthorised expenditure in terms of section 32 (2) (a)(i). Please refer to the note below for details. The results in unfair representation of financial statements as well non-compliance with the requirements of MFMA and GRAP.	Administrative matters	SCM/Contracts management	Recurring	The accounting officer did not prepare regular, accurate and complete financial reports that are supported by reliable information and did not review and monitor compliance with applicable laws and regulations			Revised during audit.

