

CENTRAL KAROO

District Municipality
Distriksmunisipaliteit
Umasipala Wesithili



Draft Annual Report

2020/21

"Working together in development and growth"

Contents

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY.....	7
COMPONENT A: MAYOR'S FOREWORD.....	7
COMPONENT B: EXECUTIVE SUMMARY.....	8
1.1 MUNICIPAL MANAGER'S OVERVIEW.....	8
1.2 Municipal Overview.....	9
1.2.1 Vision and mission.....	9
1.3 Municipal functions, population and environmental overview.....	9
1.3.1 Population.....	9
1.3.2 Demographic information.....	11
1.4 Financial Health Overview.....	12
1.4.1 National Key Performance Indicators – Municipal financial viability and management (ratios).....	12
1.4.2 National KPI's - Good governance and public participation.....	12
1.4.3 Financial overview.....	12
1.4.4 Operating ratios.....	13
1.5 Organisational Development Overview.....	13
1.5.1 Highlights: Municipal transformation and organisational development.....	13
1.5.2 Challenges: Municipal transformation and organisational development.....	14
1.6 B-BBEE COMPLIANCE PERFORMANCE INFORMATION.....	14
1.6.1 Management Control Element.....	14
1.6.2 Skills Development Element.....	14
1.6.3 Enterprise and Supplier Development Element.....	15
1.6.4 Socio Economic Development Element.....	16
1.7 Auditor -General.....	16
1.7.1 Audited outcomes.....	17
CHAPTER 2: GOOD GOVERNANCE.....	17
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	17
2.1 Governance Structure.....	17
2.1.1 Political governance structure.....	17
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	21
2.2 Intergovernmental Relations.....	21
2.2.1 Provincial Intergovernmental Structures.....	21
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	21
2.3 Representative forums.....	21
2.3.1 Labour Forum.....	21
2.3.2 District Coordinating Forum.....	22
COMPONENT D: GOVERNANCE.....	22
2.4 Risk Management.....	22
2.5 Anti-Corruption and Fraud.....	25
2.6 Audit and Performance Committee.....	25
2.6.1 Functions of the Audit and Performance Audit Committee (APAC).....	25
2.6.2 Members of the APAC.....	26
2.7 Internal Auditing.....	26



2. 8 By-laws and policies.....	26
2. 9 Communication.....	27
2. 10 Website.....	28
CHAPTER 3.....	29
3.1 SERVICE DELIVERY PERFORMANCE OVERVIEW WITHIN THE ORGANISATION.....	29
3.1.1 Legislative requirements	29
3.1.2 Organisational performance	29
3.1.3 Performance Management System used in the financial year 2020/21	30
PERFORMANCE REPORT PART I	31
3.2 Strategic Service Delivery Budget Implementation Plan.....	31
3.2.1 Overall Performance as per Top Layer SDBIP	31
3.2.2 Actual performance as per Top Layer SDBIP according to strategic objectives	33
STRATEGIC OBJECTIVE: 1: BUILD A WELL CAPACITATED WORKFORCE, SKILLED YOUTH AND COMMUNITIES	33
STRATEGIC OBJECTIVE 2: DELIVER A SOUND AND EFFECTIVE ADMINISTRATIVE AND FINANCIAL SERVICE TO ACHIEVE SUSTAINABILITY AND VIABILITY IN THE REGION.....	34
STRATEGIC OBJECTIVES 3: FACILITATE GOOD GOVERNANCE PRINCIPLES AND EFFECTIVE STAKEHOLDER PARTICIPATION	36
STRATEGIC OBJECTIVES 4: IMPROVE AND MAINTAIN DISTRICT ROADS AND PROMOTE SAFE ROADS TRANSPORT	38
STRATEGIC OBJECTIVES 5: PREVENT AND MINIMIZE THE IMPACT OF POSSIBLE DISASTERS AND IMPROVE PUBLIC SAFETY IN THE REGION	39
STRATEGIC OBJECTIVES 6: PROMOTE REGIONAL, ECONOMIC DEVELOPMENT, TOURISM AND GROWTH OPPORTUNITIES .	40
STRATEGIC OBJECTIVES 7: PROMOTE SAFE, HEALTHY AND SOCIALLY STABLE COMMUNITIES THROUGH THE PROVISION OF A SUSTAINABLE ENVIRONMENTAL HEALTH SERVICE	41
3.3 Service Providers Performance	42
3.4 Municipal Functions.....	43
3.4.1 Analysis of Functions.....	43
3.5 Component A: Roads infrastructure services.....	43
3.5.1 Road maintenance and construction.....	43
3.5.2 Provincial roads allocated for maintenance and construction	45
3.5.3 Employees: Road infrastructure services	45
3.5.4 Total expenditure: Road infrastructure Services.....	46
3.6 Component B: Strategic Support Services	46
3.6.1 Local Economic Development (LED).....	46
3.6.1.1 Highlights: Local Economic Development	46
3.6.1.2 Challenges: Local Economic Development	47
3.6.1.3 Priorities and action plans: Local Economic Development.....	47
3.6.1.4 Employees: Local Economic Development.....	47
3.6.2 Tourism	48
3.6.2.1 Highlights: Tourism	48
3.6.2.2 Challenges: Tourism	48
3.6.2.3 Initiatives: Tourism	48
3.6.3 Job creation projects.....	50
3.7 Component C: Municipal Health.....	51
3.8 Component D: Disaster Management.....	65
3.8.4 Employees: Disaster management.....	68
3.9 Component E: Corporate Offices and other services	68
3.9.1 Office of the Municipal Manager.....	68



Employees: Office of the Municipal Manager	68
3.9.2 Records Management	68
3.9.2.1 Activities: Records Management	69
3.9.2.2 Matters addressed: Records Management	69
3.9.2.3 Employees: Records Management	70
3.10 Human Resources (HR).....	71
3.10.1 Highlights: Human Resources	71
3.10.2 Employees: Human Resources	72
3.11 Financial Services.....	74
3.11.1 Highlights: Financial Services	74
3.11.2 Challenges: Financial Services	74
3.11.3 Employees: Financial Services.....	74
3.12 Component F: Organisational Performance Scorecard.....	75
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE	77
4.1 National KPI's – Municipal transformation and organisational development	77
4. 2 Introduction to the municipal workforce.....	77
4.2.1 Employment Equity.....	78
4.2.1.1 Employment equity targets / actual by racial classification	78
4.2.1.2 Employment equity targets /actual by gender classification	78
4.2.1.3 Employment equity targets vs population 2020/21	78
4.2.1.4 Occupation levels – Race	78
4.2.1.5 Department – Race.....	79
4.2.1.6 Vacancy rate per post and functional level.....	79
4.2.1.7 Turn-over rate	80
4.2.2 Managing the Municipal workforce	80
4.2.2.1 Injuries.....	80
4.2.2.2 Sick leave.....	80
4.2.2.3 Approved policies: Human Resources	80
4. 4 Capacitating the municipal workforce	81
4.4.1 MFMA Competencies	81
4.4.2 Skills development expenditure	81
4. 5 Managing the municipal workforce expenditure.....	82
4.5.1 Personnel expenditure.....	82
CHAPTER 5: FINANCIAL SUMMARY	83
COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE	83
5.1 Financial Summary	83
5.1.1 Revenue collection by vote.....	86
5.1.2 Revenue collection by source	86
5.1.3 Operational services performance -.....	87
5.2 Financial performance per municipal function	88
5.2.1 Roads transport	88
5.2.2 Municipal Health	88
5.2.3 Disaster management	88
5.2.4 Executive and Council.....	89
5.2.5 Internal Audit	89
5.2.6 Finance and Administration	89



5.3 Grants.....	90
5.3.1 Grant performance	90
5.3.2 Level of reliance on grants and subsidies.....	90
5.4. Financial ratio's based on KPI's.....	90
5.4.1 Liquidity ratio.....	90
5.4.2 IDP Regulation on financial viability indicators	91
5.4.3 Borrowing Management.....	91
5.4.4 Employee costs	91
5.4.5 Repairs and maintenance.....	91
COMPONENT A: SPENDING AGAINST CAPITAL BUDGET	91
ANALYSIS OF CAPITAL EXPENDITURE	91
5.5.1 Capital expenditure by new asset program.....	91
COMPONENT B: CASH FLOW MANAGEMENT AND INVESTMENTS.....	93
5.6 Cash Flow	93
5.7 Gross outstanding debtors per service	94
5.8 Borrowings and investments	94
5.8.1 Actual borrowings.....	94
5.9 Municipal investments	95
COMPONENT C: OTHER FINANCIAL MATTERS	95
5.10 Supply Chain Management (SCM).....	95
5.11 GRAP Compliance.....	95
APPENDICES.....	96
APPENDIX A: COMMITTEES AND COMMITTEE PURPOSES.....	96
APPENDIX B: THIRD TIER STRUCTURE.....	97
APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2019/20	97
APPENDIX D: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	97
APPENDIX E: DISCLOSURES OF FINANCIAL INTEREST	98
APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND SOURCE	99
APPENDIX F (I): REVENUE COLLECTION PERFORMANCE BY VOTE	99
APPENDIX F (II): REVENUE COLLECTION PERFORMANCE BY SOURCE	99
APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	100
APPENDIX H (I): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME.....	100
APPENDIX I: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 2020/21.....	100
APPENDIX J: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71.....	100
APPENDIX K: AUDITOR-GENERAL REPORT ON THE CKDM 2020/21.....	101
Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Central Karoo District Municipality	101
Report on the audit of the financial statements.....	101
Opinion	101
Basis for opinion	101
Emphasis of matter	101
Other matters	102
Responsibilities of the accounting officer for the financial statements.....	102
Auditor-general's responsibilities for the audit of the financial statements.....	102
Report on the audit of the annual performance report.....	103
Introduction and scope	103



Report on the audit of compliance with legislation.....	104
Introduction and scope	104
Other information	104
Internal control deficiencies	105
Annexure – Auditor-general’s responsibility for the audit	106
Financial statements.....	106
Communication with those charged with governance	106
APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2021	107
VOLUME II: ANNUAL FINANCIAL STATEMENTS: CENTRAL KAROO DISTRICT MUNICIPALITY.....	112

List of tables

<i>Table 1: Overview of the population in the District.....</i>	<i>9</i>
<i>Table 2: Key economic activities.....</i>	<i>10</i>
<i>Table 3: Local Municipalities.....</i>	<i>12</i>
<i>Table 4: National KPI's for Municipal viability and management.....</i>	<i>12</i>
<i>Table 5: National KPI's - Good governance and public participation.....</i>	<i>12</i>
<i>Table 6: Financial overview.....</i>	<i>13</i>
<i>Table 7: Operating ratios</i>	<i>13</i>
<i>Table 8: Total capital expenditure.....</i>	<i>13</i>
<i>Table 9: Highlights Municipal transformation and organisational development.....</i>	<i>14</i>
<i>Table 10: Municipal transformation and organisation development.....</i>	<i>14</i>
<i>Table 11: Audit outcomes</i>	<i>17</i>
<i>Table 12: Councillors.....</i>	<i>18</i>
<i>Table 13: Council meeting attendance</i>	<i>19</i>
<i>Table 14: Executive Mayoral Committee</i>	<i>19</i>
<i>Table 15: Financial and Corporate Services Portfolio Committee</i>	<i>19</i>
<i>Table 16: Training Portfolio Committee.....</i>	<i>20</i>
<i>Table 17: Municipal Services and Infrastructure Portfolio Committee</i>	<i>20</i>
<i>Table 18: Human Resource Development Portfolio Committee</i>	<i>20</i>
<i>Table 19: Socio Economic Development Portfolio Committee</i>	<i>20</i>
<i>Table 20: Administrative governance structure.....</i>	<i>20</i>
<i>Table 21: Intergovernmental structures</i>	<i>21</i>
<i>Table 22: Labour Forum</i>	<i>22</i>
<i>Table 23: District Coordinating Forum</i>	<i>22</i>
<i>Table 24: Risk likelihood.....</i>	<i>23</i>
<i>Table 25: Risk impact.....</i>	<i>23</i>
<i>Table 26: Risk register.....</i>	<i>24</i>
<i>Table 27: Risk Management Committee</i>	<i>25</i>
<i>Table 28: Strategies.....</i>	<i>25</i>
<i>Table 29: Members of the APAC</i>	<i>26</i>
<i>Table 30: Audits completed.....</i>	<i>26</i>
<i>Table 31: Policies developed.....</i>	<i>27</i>
<i>Table 32: Communication activities.....</i>	<i>27</i>
<i>Table 33: Communication unit.....</i>	<i>27</i>
<i>Table 34: Communication channels utilised.....</i>	<i>27</i>
<i>Table 35: Website checklist</i>	<i>28</i>
<i>Table 36: SDBIP measurement criteria</i>	<i>31</i>
<i>Table 37: Build a well capacitated workforce, skilled youth and communities</i>	<i>33</i>
<i>Table 38: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region.....</i>	<i>35</i>
<i>Table 39: Facilitate good governance principles and effective stakeholder participation</i>	<i>37</i>
<i>Table 40: Improve and maintain district roads and promote safe roads transport.....</i>	<i>38</i>
<i>Table 40: Prevent and minimize the impact of possible disasters and improve public safety in the region.....</i>	<i>39</i>
<i>Table 41: Promote regional, economic development, tourism and growth opportunities</i>	<i>40</i>
<i>Table 42: Promote regional, economic development, tourism and growth opportunities</i>	<i>41</i>
<i>Table 43: Municipal Function.....</i>	<i>43</i>
<i>Table 44: Provincial roads allocated for maintenance</i>	<i>45</i>
<i>Table 45: Provincial roads allocated for construction.....</i>	<i>45</i>
<i>Table 46: Provincial roads allocated for regravels.....</i>	<i>45</i>
<i>Table 47: Employees Road Transport.....</i>	<i>46</i>
<i>Table 48: Total expenditure 2020/21: Road Infrastructure Services</i>	<i>46</i>
<i>Table 49: LED Highlights</i>	<i>46</i>
<i>Table 50: LED challenges</i>	<i>47</i>
<i>Table 51: LED initiatives</i>	<i>47</i>
<i>Table 52: Employees LED.....</i>	<i>47</i>
<i>Table 53: Highlights Tourism.....</i>	<i>48</i>



Table 54: Tourism challenges.....	48
Table 55: Tourism initiatives.....	48
Table 56: Employees Tourism.....	49
Table 57: Highlights Municipal Health.....	51
Table 58: Challenges: Municipal Health.....	52
Table 59: Other Challenges: Municipal Health.....	53
Table 60: Employees Municipal Health.....	65
Table 61: Highlights Disaster Management.....	66
Table 62: Challenges Disaster Management.....	66
Table 63: Activities Disaster Management.....	66
Table 64: Employees Disaster Management.....	68
Table 65: Employees Office of the Municipal Manager.....	68
Table 66: Activities Records Management.....	69
Table 67: Records Management matters addressed.....	70
Table 68: Employees Records Management.....	70
Table 69: Highlights Human Resources.....	71
Table 70: Employees Human Resources.....	72
Table 71: Finance Highlights.....	74
Table 72: Challenges Financial Service.....	74
Table 73: Employees Financial Services.....	74
Table 74: Build a well capacitated workforce, skilled youth and communities.....	75
Table 75: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region.....	75
Table 76: Facilitate good governance principles and effective stakeholder participation.....	76
Table 77: Improve and maintain district roads and promote safe roads transport.....	76
Table 78: Promote regional, economic development, tourism and growth opportunities.....	76
Table 79: Promote regional, economic development, tourism and growth opportunities.....	77
Table 80: Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service.....	77
Table 81: National KPI's - Municipal transformation and organisational development.....	77
Table 82: Employment equity targets/actual by racial classification.....	78
Table 83: Employment equity targets/actual by gender classification.....	78
Table 84: Employment equity targets vs population 2019/20.....	78
Table 85: Occupation levels – Race.....	79
Table 86: Department – Race.....	79
Table 87: Vacancy rate per post and functional level.....	79
Table 88: Turn-over rate.....	80
Table 89: Injuries.....	80
Table 90: Sick leave.....	80
Table 91: Approved policies - Human Resources.....	81
Table 92: Details of the financial competency development progress.....	81
Table 93: Skills development expenditure.....	82
Table 94: Personnel expenditure.....	82
Table 95: Councillor and staff benefits.....	83
Table 96: Financial summary.....	85
Table 97: Performance against budgets.....	85
Table 98: Revenue collection by vote.....	86
Table 99: Revenue collection by source.....	86
Table 100: Operational services performance.....	87
Table 101: Financial performance: Roads and storm water.....	88
Table 102: Financial performance: Municipal Health.....	88
Table 103: Financial performance: Disaster management.....	88
Table 104: Financial performance: Executive and Council.....	89
Table 105: Financial Performance: Internal Audit.....	89
Table 106: Financial Performance: Finance Administration.....	89
Table 107: Grant performance - 2020/21.....	90
Table 108: Reliance on grants.....	90
Table 109: Liquidity ratio.....	90
Table 110: National KPA's - Financial viability.....	91
Table 111: Borrowing management.....	91
Table 112: Employee costs.....	91
Table 113: Repairs and maintenance.....	91
Table 114: Capital expenditure - New asset program.....	92
Table 115: Cash flow.....	93
Table 116: Gross outstanding debtors per service.....	94
Table 117: Actual borrowings.....	94
Table 118: Municipal investments.....	95
Table 119: Committees and Committee purposes.....	97
Table 120: Third Tier Structure.....	97
Table 121: Long term contracts and PPP's.....	97
Table 122: Revenue collection performance by vote.....	99
Table 123: Revenue collection performance by vote.....	99
Table 124: Conditional Grants received: Excluding MIG.....	100





COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

I. VISION

II. KEY POLICY DOCUMENTS

III. KEY SERVICE DELIVERY IMPROVEMENTS

IV. FUTURE ACTIONS

V. AGREEMENTS / PARTNERSHIPS

VI. CONCLUSION

CLLR. I.J. WINDVOGEL

EXECUTIVE MAYOR



COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

Introduction

Municipal Transformation and Institutional Development

Local Economic Development

Municipal Financial Viability and Management

Overall Performance of the Municipality:

Good Governance and Public Participation.

Acting Municipal Manager



1.2 Municipal Overview

This report addresses the performance of the Central Karoo District Municipality (CKDM) in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2020/21 Annual Report reflects on the performance of the Central Karoo District Municipality for the period 1 July 2020 to 30 June 2021. The report is prepared in terms of Section 121(1) of the MFMA, in which the Municipality must prepare an annual report for each financial year.

1.2.1 Vision and mission

The Municipality committed itself to the vision and mission of:

Vision:

“Working Together in Development and Growth”

Mission:

“Central Karoo a place where we envisage and ensure economic growth, social development and sustainability whilst maintaining its rural character, embracing and developing the diversity of its communities.”

1.3 Municipal functions, population and environmental overview

1.3.1 Population

a) Population

The District has a total population of **73 218** according to the Municipal Economic Review Outlook (MERO) 2019. The following table shows the overall population and the total number of households within each municipality in the District:

Municipality	Number of households	Total population
Beaufort West	12 883	50 197
Laingsburg	2 488	8 952
Prince Albert	3 696	14 069
Total	19 067	73 218

Table 1: Overview of the population in the District

b) Key economic activities

Agriculture forms the backbone of the District's economy and accounts for the largest labour force of the population to date. The District is dependent upon the following economic activities:

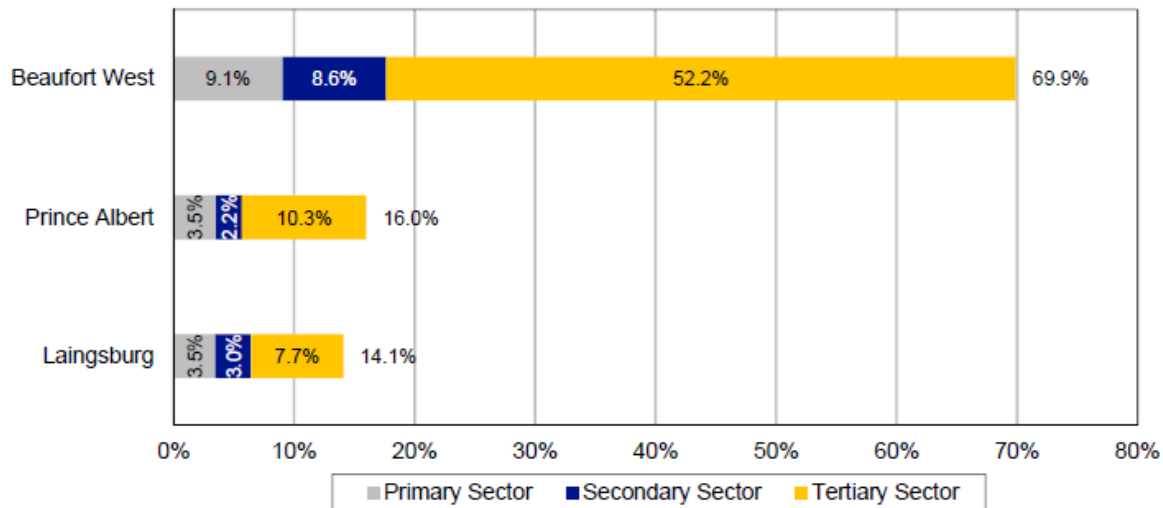


GDPR performance per sector: Central Karoo District

Sector	R million value 2017	Contribution to GDPR (%) 2017	Trend 2008 - 2017	Real GDPR growth (%) 2018e
Primary Sector	485.5	16.1	5.5	-2.3
Agriculture, forestry and fishing	483.9	16.1	5.6	-2.3
Mining and quarrying	1.6	0.1	1.7	-2.4
Secondary Sector	413.1	13.7	1.4	0.6
Manufacturing	79.5	2.6	0.3	3.0
Electricity, gas and water	172.7	5.7	0.6	3.0
Construction	160.9	5.3	3.2	-2.8
Tertiary Sector	2 116.4	70.2	1.8	0.6
Wholesale and retail trade, catering and accommodation	444.3	14.7	1.0	-1.5
Transport, storage and communication	445.9	14.8	-0.3	-0.7
Finance, insurance, real estate and business services	317.8	10.5	2.8	1.8
General government	628.2	20.8	3.6	1.5
Community, social and personal services	280.2	9.3	1.6	1.9
Total Central Karoo District	3 015.0	100	2.2	0.1

Source: Quantec Research, 2019 (e denotes estimate)

GDPR contribution per municipal area: Central Karoo District



Source: Quantec Research, 2019

Table 2: Key economic activities

1.3.2 Demographic information

a) Municipal geographical information

The Central Karoo District Municipality (CKDM) is one of the five Category C District municipalities in the Western Cape Province. The N1 (National road) runs through the District Municipal area, connecting the area to Cape Town (300km south west) and Johannesburg (1200km) towards the north east.

The CKDM covers a total area of 38 852km², making it the largest district municipality in the province. It includes the Beaufort West, Laingsburg and Prince Albert Municipalities.

The Eden District Municipality, Namakwa Local Municipality, the Cacadu District Municipality as well as the Pixley-ka-Seme District Municipality are all located on the boundaries of the Central Karoo District Municipality.

The District forms part of the Great Karoo and is classified as a unique arid zone. The Karoo plateau is the largest of its kind outside Asia, rich in fossils and houses the largest variety of succulents in the world. A number of mountain ranges borders the district, namely Swartberg (Prince Albert) and Nieuveland Mountains (Beaufort West).

Below is a map that indicates the location of the Municipality:

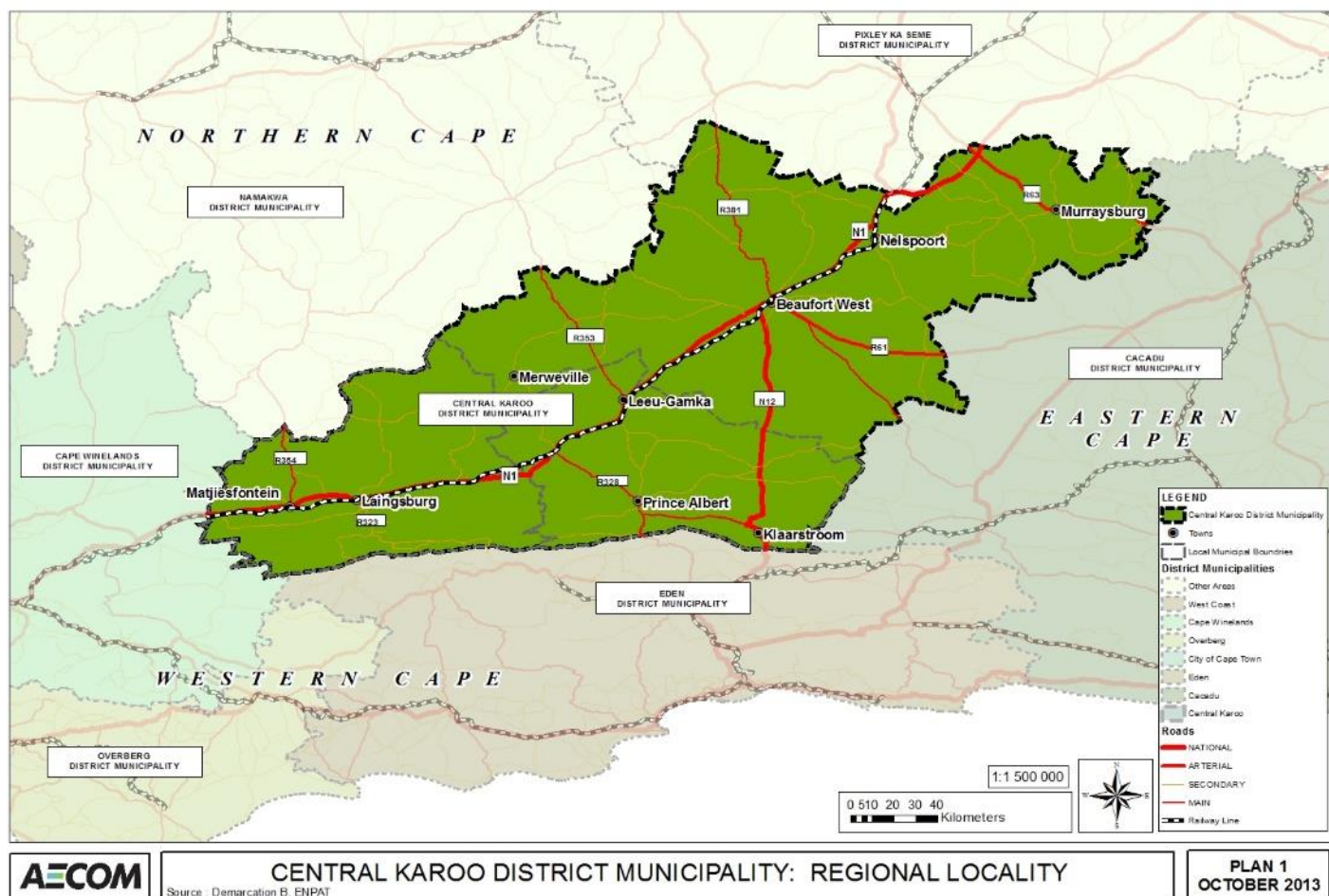


Image 1: Location of CKDM

The District houses the following local municipalities:

Local municipality	Description
Beaufort West Municipality	Includes the towns of Beaufort West, Merweville, Nelspoort and Murraysburg. The largest town in the District, Beaufort West, serves as the administrative centre of the District. The municipal area has a total population of approximately 49 586 residents, most of whom are urbanised. Beaufort West is strategically situated approximately 415 km northwest from Cape Town along the N1 route, which connects Cape Town with cities like Bloemfontein and Johannesburg. It has all the characteristics of a modern town, including a magistrate's court, internet cafés, hotels, bed and breakfasts, medical facilities, restaurants and all the other amenities and services found in larger towns
Laingsburg Municipality	Includes the historic settlement of Matjiesfontein. It is the smallest municipality (in terms of population) in the District and indeed in the whole of South Africa. The municipal area has a total population of approximately 8 289 residents. Laingsburg is situated halfway between Cape Town and Beaufort West on the N1 national road. Passing transport is one of the most important markets for Laingsburg. Laingsburg is characterized by rural agriculture, consisting mainly of sheep farming and the production of soft fruits, especially in the southern part of the municipal area. The potential for the latter is adversely affected by poor roads and long distances to major centres
Prince Albert Municipality	Prince Albert is situated 400 km north of Cape Town and 170 km South West of Beaufort West. The municipality has a total population of approximately 13 136 residents and borders Beaufort West Municipality, Laingsburg and the Eden District. Prince Albert Municipal area covers a total of 8 800 km ² with vast parts of these being in the rural areas where vast hectares are under agricultural production, mainly fruit and sheep farming. District roads radiate out of Prince Albert connecting it to its satellite towns of Prince Albert Road on the N1, Klaarstroom on the R329 and Leeu-Gamka on the N1. In recent years Prince Albert has seen the biggest economic growth in the region due to the demand in high-income property being bought especially by Europeans. It is known as a little town with Victorian and Karoo style architecture, art and décor shops, side walk coffee shops, the breathtakingly beautiful Swartberg Valley, Meiringspoort and the annual Olive Festival which attracts hundreds of tourists each year

Table 3: Local Municipalities

1.4 Financial Health Overview

1.4.1 National Key Performance Indicators – Municipal financial viability and management (ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators (KPI's) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal System Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA's):

Municipal Financial Viability and Management.

Indicator	2019/20	2020/21
Cost coverage (Available cash+ investments): Monthly fixed operating expenditure	1.4	2.33

Table 4: National KPI's for Municipal viability and management

1.4.2 National KPI's - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National KPA - Good Governance and Public Participation:

Indicators	2019/20	2020/21
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP)	18%	41%

Table 5: National KPI's - Good governance and public participation

1.4.3 Financial overview

The table below gives a financial overview of the budget and actual expenditure:

The table below gives a financial overview of the budget and actual expenditure.				
Details	2019/20	Original budget	Adjustment budget	Actual
		2020/21		
	R'000			
Income				
Grants	35 985	43 225	47 275	41 119



Details	2019/20	Original budget	Adjustment budget	Actual
		2020/21		
	R'000			
Taxes, levies and tariffs	0	0	0	0
Other	52 321	57 790	57 859	58 811
Sub-total	88 305	101 015	105 134	99 929
Less expenditure	(90 940)	(100 092)	(103 982)	(93 479)
Net surplus/(deficit)	(2 635)	923	1 153	6 450

Table 6: Financial overview

1.4.4 Operating ratios

The table below reflects the municipality's performance in terms of the operating ratios listed:

Detail	Expected norm	Actual	Variance
		%	
Employee cost (excluding remuneration of Councillors)	35	53	18
Repairs and maintenance	12	0.13	11.87
Finance charges and depreciation	18	1.77	16.23

Note: Repairs and maintenance on basic services are not applicable to the Municipality from the 2020/21 financial year

Table 7: Operating ratios

1.4.5 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the past two financial years:

Detail	2019/20	2020/21
	R'000	
Original budget	744	428
Adjustment budget	1 047	1 104
Actual	127	458

Table 8: Total capital expenditure

1.5 Organisational Development Overview

1.5.1 Highlights: Municipal transformation and organisational development

The table below indicates the highlights achieved by the Municipality:

Highlights	Description
Bursaries to students	48 bursaries (R2000 per student) were provided to the youth in the District to assist with their registration at academic institutions
Employee Wellness	<ul style="list-style-type: none"> Approved Employee Assistance Policy. 21 June 2021 – Health Screening Day. Special COVID isolation leave was approved for affected employees.
Appointments finalized	Filled 10 vacancies compared to 10 vacancies 2019/20 compared to 23 vacancies 2018/19, 27 vacancies in 2017/18 and 12 in 2016/17.
Provincial Disaster Management Support Grant	Ms Sinazo Cita was appointed as Disaster Management Intern from 7 September 2020 to 30 June 2021. Her appointment was funded and supported by the Provincial Disaster Management Centre. A certificate was presented to Ms Cita on completion of her Internship.
Financial Management Capacity Building Grant	Provided 11 bursaries to full-time students with the grant obtained since 2017. Three new student bursaries were approved for 2020/21.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of 5 Interns are appointed.



Highlights	Description
In-service training	10 Students were assisted with in-service training during the 2020/21 financial year in terms of Council's policy.
HR Policies Reviewed	<ul style="list-style-type: none"> Recruitment & Selection (in process) Travel & Accommodation (in process) In-Service Training (in process) Individual Performance Management System (in process) Cellphone (in process) In-Service Training Policy

Table 9: Highlights Municipal transformation and organisational development

1.5.2 Challenges: Municipal transformation and organisational development

The table below indicates the challenges faced by the Municipality:

Challenge	Action to address
Human Resources capacity constraints in the CKDM to fully attend to all functional areas.	Budget to make appointments.
The implementation of an effective and efficient Employee PMS system and the downscaling to lower-level employees.	The designation of a dedicated official responsible for Employee PMS.
Tools of Trade is outdated.	Budget to buy updated software, computer equipment, photocopy machines, etc.
COVID-19	Due to COVID-19 many working hours was lost and the CKDM also lost one employee due to COVID illnesses. 35 Employees were infected.

Table 10: Municipal transformation and organisation development

1.6 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

1.6.1 Management Control Element

- Take note: MSCIBEE Services appointed to complete B-BEE verification before finalisation of the Annual Report.

Number of directors/managers for each category. The information must further be broken down into race classification, gender, and disability indication.

African			Coloured			Indian		
Number of directors / managers	Gender	Disability	Number of directors / managers	Gender	Disability	Number of directors / managers	Gender	Disability
0	M – F –	0	1	M – 1 F – 0	0	0	M – F –	0

1.6.2 Skills Development Element

Indicators	2020/21
Value of the 6% or 3% of leviable amount identified for skills development of black people. <i>(This amount excludes the skills levy contributed to the Sectoral Education Training Authority through the South African Revenue Services.)</i>	



Number of black persons trained per race classification, gender, disability, disability and value thereof against each person trained.

African				Coloured				Indian			
Persons trained	Gender	Disability	Value	Number of persons trained	Gender	Disability	Value	Number of persons trained	Gender	Disability	Value
			R'000				R'000				R'000

1.6.3 Enterprise and Supplier Development Element

Total procurement spend/budget for all suppliers, indicating whether the supplier is an exempted micro-enterprise (EME), qualifying small enterprise (QSE) or large enterprise as per the Codes, as well as value spend per supplier, and the level of black ownership and black women ownership of each supplier entity.

Name of Supplier	Total procurement spend/budget for supplier	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
		2020/21				

Indicators	2020/21
Value of the 2% of Net Profit After Tax (NPAT) or 0.2% of allocated budget for supplier development	

Indicators	2020/21
1% NPAT or 0.1% of allocated budget for enterprise development	

Number of all black owned or black women owned EMEs or QSEs the sphere of government, organ of state or public entity supported under enterprise and supplier development and value thereof against each entity. The information must further be broken down in terms of geographical location, sector, and level of black ownership.

Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
			2020/21			R'000



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
			2020/21			R'000

1.6.4 Socio Economic Development Element

Indicators	2020/21
Value of the 1% NPAT or 0.1% of allocated budget the sphere of government, organ of state or public entity spend on socio-economic development	

Indicators	2020/21
Value of the 1% NPAT or 0.1% of allocated budget the sphere of government, organ of state or public entity spend on socio-economic development	

Number of black participants supported in terms of race classification, gender, geographical location and value thereof

African				Coloured				Indian			
Number of participants supported	Gender	Geographical location	Value	Number of participants supported	Gender	Geographical location	Value	Number of participants supported	Gender	Geographical location	Value
			R'000				R'000				R'000

1.7 Auditor -General

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters.
- There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:
 - A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
 - Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.



- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements.

The Central Karoo District Municipality remains committed towards the drive to achieve a clean audit and have put several policies, policies and procedures in place.

1.7.1 Audited outcomes

The table below illustrates the audit outcomes for the past five (5) years for CKDM:

Year	2015/16	2016/17	2018/19	2019/20	2020/21
Status	Unqualified	Unqualified	Unqualified	Clean audit	Clean audit

Table 11: Audit outcomes

CHAPTER 2: GOOD GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable, inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is responsive to the present and future needs of society.

2.1 Governance Structure

2.1.1 Political governance structure

Council performs legislative and executive functions as well as playing an oversight and participatory role. It also delegated its executive function to the Executive Mayor and the Mayoral Committee. The primary role of the Mayoral Committee is to assist and advise the Executive Mayor.

a) Council

The Council consists of 13 members, whom are representative of all the local municipalities in the District.

Below is a table that categorised the Councillors within their specific political parties for the 2020/21 financial year:

Council members	Capacity	Political Party	Representation or proportional	Council meetings attendance	Council meetings non-attendance
				Number	Number
Cllr. I.J. Windvogel	Executive Mayor	KGP	Proportional	13	-
Cllr. M. Jaftha	Deputy Mayor	KGP	Ward Councillor	12	1
Cllr. M.S. Hangana	Speaker/Full Time Councillor	KGP	Proportional	13	-
Cllr. J. Botha	Full Time Councillor	ANC	Proportional	13	-



Council members	Capacity	Political Party	Representation or proportional	Council meetings attendance	Council meetings non-attendance
				Number	Number
Cllr/Dr. A.L. Rabie		DA	Proportional	8	5
Cllr. A.M. Slabbert	Part-time Councillor	DA	PR Councillor	10	3
Cllr. M. Le Roux	Part-Time councillor	DA	PR Councillor	6	3
Cllr. S. Meyers	Part-time Councillor	DA	Proportional	8	5
Cllr. N. Constable	Part-Time Councillor	KDF	Proportional	12	-
Cllr. E. Wentzel	Part-Time Councillor	DA		1	-
Cllr. ZJD Lambert	Part-Time Councillor	ANC	Proportional	13	-
Cllr. Q. Louw	Part-Time Councillor	ANC	Proportional	2	-
Alderman S.M. Motsoane	Part-time Councillor	ANC	Ward Councillor	11	-
Cllr. O. Haarvoor	Part-time Councillor	DA	Ward Councillor	8	5
Cllr. M. Daniëls	Part-Time Councillor	ANC		5	-
Cllr. R. Louw	Part-Time Councillor	KOP		2	3
Cllr. B. Van As	Part-Time Councillor	DA		2	1
Cllr. R. Meyer [deceased]	Full-Time Councillor	DA		1	1

Table 12: Councillors

Below is a table which indicates the Council meeting attendance for the 2020/21 financial year:

Meeting dates	Council meeting attendance	Apologies for non-attendance
9 July 2020	13	-
16 July 2020	8	1 without apology 4 with apologies
14 August 2020	13	-
31 August 2020	12	1 with an apology
30 September 2020	8	5 with an apology
29 October 2020	13	-
6 November 2020	7	6 with an apology



Meeting dates	Council meeting attendance	Apologies for non-attendance
12 November 2020	11	2 with an apology
27 November 2020	12	1 without an apology
9 December 2020	8	5 with an apology
28 January 2021	13	-
29 March 2021	7	6 without an apology
30 June 2021	13	-

Table 13: Council meeting attendance

b) Executive Mayoral Committee

The Executive Mayor of the municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, as delegated by Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2020 to 30 June 2021:

Name of member	Portfolio committee	Meeting dates
I.J. Windvogel	Financial & Corp Services	26 August 2020 19 November 2020 22 February 2021 4 March 2021 10 March 2021 23 April 2021 2 June 2021 25 June 2021
M. Jaftha	Human Resources	
J. Botha	Municipal & Infrastructure Services	

Table 14: Executive Mayoral Committee

c) Portfolio Committees

Portfolio Committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Mayoral Committee on policy matters and make recommendations to Council.

The portfolio committees for the 2020/21 mayoral term and their chairpersons are as follow:

i) Financial and Corporate Services Portfolio Committee

Name of member	Meeting dates
Cllr. I.J. Windvogel <i>[Chairperson]</i>	17 September 2020 26 November 2020
Cllr. M. Jaftha	
Cllr. M.S. Hangana	
Cllr. N. Constable	
Cllr. S. Meyers	

Table 15: Financial and Corporate Services Portfolio Committee

ii) Training Portfolio Committee

Name of member	Meeting dates
Cllr. Z Lambert- <i>(Chairperson)</i>	30 November 2020
Alderman S.M. Motsoane [deceased]	
Cllr. J. Botha	



Name of member	Meeting dates
Cllr. I.J. Windvogel	
Cllr. M. Le Roux	
Mrs G Simpson [SAMWU union representative]	
Mr. L. Crafford [IMATU] union representative]	

Table 16: Training Portfolio Committee

iii) Municipal Services and Infrastructure Portfolio Committee

Name of member	Meeting dates
Cllr. J. Botha <i>[Chairperson]</i>	14 September 2020
Cllr. I.J. Windvogel	
Cllr. M. Jaftha	
Cllr. O. Haarvoor	
Cllr. M.S. Hangana	

Table 17: Municipal Services and Infrastructure Portfolio Committee

iv) Human Resource Development Portfolio Committee

Name of member	Meeting dates
Cllr. M. Jaftha <i>[Chairperson]</i>	14 September 2020 01 December 2020 28 April 2021 25 June 2021
Cllr. I.J. Windvogel	
Cllr. A.M. Slabbert	
Cllr. J. Botha	
Alderman. S.M. Motsoane [deceased]	

Table 18: Human Resource Development Portfolio Committee

v) Socio Economic Development Portfolio Committee

Name of member	Meeting dates
Cllr. N. Constable <i>[Chairperson]</i>	16 September 2020
Cllr. I.J. Windvogel	
Cllr. M.S. Hangana	
Cllr. A.M. Slabbert	
Cllr. J. Botha	

Table 19: Socio Economic Development Portfolio Committee

2.1.2 Administrative governance structure

The administrative structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		(Yes/No)
Vacant	Municipal Manager	No
Mr. J. Jonkers	Director: Corporate Services Appointed (5-year fixed contract): Starting 01 March 2017	Yes
Ms. U. Baartman	Director: Financial Services Appointed (5-year fixed contract): Appointed (5-year fixed contract): Starting 01 March 2017	Yes

Table 20: Administrative governance structure



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 Intergovernmental Relations

2.2.1 Provincial Intergovernmental Structures

In terms of the Constitution of South Africa, all spheres of government and organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations.

They must:

- Assist and support one another;
- Inform and consult one another on matters of common interest;
- Coordinate their actions;
- Adhere to agreed procedures; and
- Avoid legal proceedings against one another

To adhere to the principles of the Constitution as mentioned above, the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Dates of meetings	Outcomes of engagements/topics discussed
District Coordinating Forum (DCF)	Executive Mayors, Municipal Managers, various sector departments (as per invite)	3 September 2020 23 October 2020 14 January 2021 3 February 2021 20 May 2021	Cost containment
			Clean Audit
			Shared Services
			Revenue Enhancement
District Public Participation and Communication Forum	Local municipalities, various sector department (as per invite)		Ward committee establishment and capacitation
			IDP Representative and Public Participation and Communication Forum terms of Reference
			The state of local municipalities' IDP Forums
			Status and challenges of ward committee establishment
			Thusong Services strategic approach

Table 21: Intergovernmental structures

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the Municipality. Such participation is required in terms of:

- The preparation, implementation and review of the IDP;
- Establishment, implementation and review of the performance management system;
- Monitoring and review of performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

2.3 Representative forums

The tables below specify the members of the representative forums for the 2018/19 financial year:

2.3.1 Labour Forum

Name of representative	Capacity	Meeting dates
Cllr. Z. Lambert	Chairperson	30 November 2020 7 December 2020



Name of representative	Capacity	Meeting dates
Alderman S.M. Motsoane		28 April 2021 23 June 2021 24 June 2021
G Simpson	SAMWU representative	
L. Crafford	IMATU representative	
Mrs H. Jacobs	Head: Legal Services	

Table 22: Labour Forum

2.3.2 District Coordinating Forum

Name of representative/organisation presenting	Capacity	Meeting dates
Cllr. IJ Windvogel	Executive Mayor: CKDM	3 September 2020 23 October 2020 14 January 2021 3 February 2021 20 May 2021
Cllr. R Louw	Executive Mayor: Laingsburg Municipality	
Cllr. N. Constable	Executive Mayor: Beaufort West Municipality	
Cllr. G. Lottering	Executive Mayor: Prince Albert Municipality	
Mr. J. Jonkers	Acting Municipal Manager: CKDM	
Mr. J. Penxa	Municipal Manager: Beaufort West Municipality	
Mr. J. Booysen	Municipal Manager: Laingsburg Municipality	
Ms. A. Vorster	Municipal Manager: Prince Albert Municipality	

Table 23: District Coordinating Forum

COMPONENT D: GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. It also includes the relationships amongst the stakeholders involved.

2. 4 Risk Management

The Municipality has a Risk Management Policy as approved by Council on 25 May 2017. The Risk Management Implementation Plan is reviewed annually by the Risk Management Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by 1 staff member with the assistance of a service provider to ensure the following functions are performed:

- Assisting management to develop the Risk Management Policy, Strategy and Implementation Plan
- Coordinating risk management activities
- Facilitating the identification and assessment of risks
- Recommendation of risk responses to management
- Developing and disseminating risk reports

2.4.1 Risk assessment process

Risk assessments are performed regularly where risks are reviewed, identified and categorized into the following groups:

- Operational risks
- Strategic risks
- Fraud risks

Risk ratings identified are classified into high, medium and low. The risk ratings are determined by a 10 X 10 risk matrix scale. The following tables illustrates the municipality's appetite for risk through the determination of their impact and likelihood.



Likelihood		
Score	Grading	Description
10	Certain	Adverse event/opportunity will definitely occur
9	Almost Certain	There is little doubt that the event will occur. History of occurrence internally and/or at similar institutions
8	Probable	Highly likely that adverse event/opportunity will occur
7	Expected	The adverse event/opportunity can be expected to occur
6	Possible	It is more likely that adverse event/opportunity will occur than not
5	Potential	There is a 50% probability of occurrence
4	Occasional	Unlikely, but can reasonably be expected to occur
3	Remote	Unlikely, but there is a slight possibility that the event will occur
1-2	Improbable	Highly unlikely that adverse event/opportunity will occur

Table 24: Risk likelihood

Impact		
Score	Grading	Description
10	Catastrophic	Critical event resulting in immediate Council intervention. Long-term cessation of core organisational activities.
9	Critical	Major financial, operational and/or reputational loss for the municipality. Issues that should be addressed on Council level.
8	Severe/major	Critical event resulting in intervention of executive management. Probable long-term cessation of core business activity – material at organisation level – requires Audit Committee involvement.
7	Significant	Significant long-term impact to business – requires attention of directors / department managers.
6	Moderate	Reduced ability to achieve business objectives – requires executive management intervention. Short- and medium-term disruption of services.
5	Marginal	Disruption of normal operations with a limited effect on achievement of the municipality's strategy and objectives. Minor financial losses, e.g. petty theft.
4	Immaterial	No material impact on achievement of the municipality's strategy and objectives. Irritation in rendering or receiving service.
3	Minor	Event will be coped with in short term through normal management processes.
2	Insignificant	Impact of adverse event is minimal.
1	Negligible	Impact of adverse event has little (if any) impact on business.

Table 25: Risk impact

2.4.2 Top strategic risks of the Municipality

As part of the risk assessment, management identified current controls which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorized again according to high, medium and low risks. Management determines which of the residual risk require further actions to mitigate the risks identified.



The top risks of the Municipality as per the risk register:

	Risk	Section	Directorate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
1	The potential loss of income with the transfer / loss of the Roads function	Office of the Municipal Manager	Office of the Municipal Manager	10.00	10.00	100.00	Low	0.8	80.0	Municipal Manager
2	Negative impact of the continued drought in the Region	Office of the Municipal Manager	Office of the Municipal Manager	10.00	10.00	100.00	Low	0.8	80.0	Municipal Manager
3	Failure to prevent damages to vehicles of Department of Transport (Yellow fleet)	All Sections	All HOD's	10.00	10.00	100.00	Low	0.8	80.0	All HOD's
4	Continued financial sustainability	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.6	60.0	All HOD's
5	Ineffective functioning of Council	Committee Services	Corporate and Strategic Support Services	10.00	10.00	100.00	Medium	0.6	60.0	Director: Corporate and Strategic Support Services
6	Lack of budget to fulfil Constitutional mandate in relation to LED and Tourism	Strategic Support Services	Office of the Municipal Manager	10.00	10.00	100.00	Medium	0.6	60.0	Municipal Manager
7	Failure to fully implement the MSCOA Regulations	Budget office	Finance	10.00	10.00	100.00	Medium	0.6	60.0	Director: Financial Services
8	Lack of consequence Management	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.6	60.0	All HOD's
9	Lack of OHS compliance	All Sections	All Directorates	10.00	10.00	100.00		0.6	60.0	All HOD's
10	High wage bill in relation to Municipal budget	All Sections	All Directorates	10.00	9.00	90.00	Medium	0.6	54.0	All HOD's
11	Failure to attract and retain skilled professionals	Human Resource Management	Corporate and Strategic Support Services	10.00	9.00	90.00	Medium	0.6	54.0	Director: Corporate and Strategic Support Services
12	Inadequate budget to fund the ICT function	ICT	Corporate and Strategic Support Services	8.00	10.00	80.00	Medium	0.6	48.0	Director: Corporate and Strategic Support Services
13	Excessive use of service providers	All Sections	All Directorates	8.00	9.00	72.00	Medium	0.6	43.2	All HOD's
14	Lack of adequate capacity to perform the Environmental Health function	Environmental Health Services	Corporate and Strategic Support Services	10.00	10.00	100.00	Medium	0.4	40.0	Director: Corporate and Strategic Support Services
15	Lack of adequate capacity to perform the Disaster Management function	Disaster Management	Corporate and Strategic Support Services	10.00	10.00	100.00	Medium	0.4	40.0	Director: Corporate and Strategic Support Services
16	Failure to comply to Grant conditions	All Sections	All Sections	10.00	10.00	100.00	Medium	0.4	40.0	All HOD's
17	Lack of PDO Compliance	All Sections	Corporate and Strategic Support Services	10.00	10.00	100.00	High	0.4	40.0	Manager: Strategic Support Services
18	Lack of Contract Management	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.4	40.0	All HOD's
19	Lack of data security and management	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.4	40.0	All HOD's

Table 26: Risk register

2.4.3 Risk Management Committee

The Risk Management Committee is guided by a charter which is in compliance with the Local Government: MFMA, 2003 (Act No. 56 of 2003) and has the following duties:

- Identification and assessment of departmental risks
- Receive feedback on progress with the risk registers at a strategic and operational level
- Provide feedback on establishing a common understanding of risk management



- Monitor progress with the updating of risk registers
- Review and monitor enterprise risk management processes and outputs regularly
- Review the risk management Policy, strategy and implementation plan
- Guide the development and implementation of enterprise risk management
- Bring critical risks to the attention of all who contribute to more informed decision-making

Our Risk Management Committee consists of the following members:

Name of committee member	Capacity	Meeting dates
Mr. J. Jonkers	Chairperson	28 October 2020 29 June 2021
Ms. U. Baartman	Member	
Mr. A. Koopman	Member	
Ms. B. Koopman	Member	
Ms. F. Pike	Member of AC & External member	

Table 27: Risk Management Committee

2.5 Anti-Corruption and Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1) (m) (i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

a) Developed strategies

The table below indicates the strategies developed to ensure that good governance and compliance is adhered to within the Municipality:

Name of strategy	Developed Yes/No	Date adopted
Anti-Corruption and Fraud Prevention Policy	Yes	4 June 2020

Table 28: Strategies

2.6 Audit and Performance Committee

2.6.1 Functions of the Audit and Performance Audit Committee (APAC)

The APAC have the following main functions as prescribed in section 166(2) (a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- To advise Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- Respond to Council on any issues raised by the Auditor-General in the audit report
- Carry out investigations into the financial affairs of the municipality as Council may request
- Review the quarterly reports submitted by internal audit
- Evaluate audit reports pertaining to financial, administrative and technical systems
- Evaluate the compliance to existing policies and relevant legislation
- Review the performance management system and make recommendations in this regard to Council
- Assess whether the performance indicators are sufficient
- Determine possible reasons for discrepancies between performance and targets
- Identify major risks to which Council is exposed and determine the extent to which risks have been minimized
- To review the annual report of the municipality
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- Review the plans of internal audit and, in doing so, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Review audit results and action plans implemented by management



- Provide support to internal audit
- Ensure that no restrictions or limitations are placed on internal audit

2.6.2 Members of the APAC

Members appointed from April 2018 to March 2021:

Name	Position	Period
MF Pike	Chairperson	13 April 2018 – March 2021
N Gabada	Member	13 April 2018 – March 2021
Y Duimpies	Member	13 April 2018 – March 2021

Table 29: Members of the APAC

2.7 Internal Auditing

Section 165(2) (a), (b) (iv) of the MFMA requires that: The internal audit unit of a municipality must –

- prepare a risk-based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

2.7.1 Audits completed

The table below provides detail on audits completed:

Area	Department	Number of hours	Date completed
PERFORMANCE MANAGEMENT QUARTER 1	Strategic	110	24 Feb 2021
PERFORMANCE MANAGEMENT QUARTER 2	Strategic	110	25 May 2021
PERFORMANCE MANAGEMENT QUARTER 3	Strategic	110	05 Aug 2021
PERFORMANCE MANAGEMENT QUARTER 4	Strategic	110	Finalizing fieldwork
CONTRACT MANAGEMENT	All departments	160	05 Aug 2021
SUPPLY CHAIN MANAGEMENT	Finance	280	Awaiting management comments
ENTERPRISE RISK MANAGEMENT	Strategic	80	Finalizing fieldwork
OCCUPATIONAL HEALTH AND SAFETY	All departments	160	Awaiting management comments
GOVERNANCE STRUCTURES & ETHICS	All departments	120	Finalizing fieldwork
ICT REVIEW: GENERAL CONTROLS	Corporate & Strategic	180	Moved to September 2021
GRANTS	Finance	160	Finalizing fieldwork
Total hours		1580	

Table 30: Audits completed

2.8 By-laws and policies

Section 11 of the MSA gives Council the executive and legislative authority to implement by-laws and policies. No by-laws were developed or revised during the current financial year. Below is a list of all the policies developed and reviewed:

Policies developed/revised	Date adopted	Public participation conducted prior to adoption of policy Yes/No
Credit Control and Debt Collection Policy	4 June 2020	N/A
Supply Chain Management Policy	4 June 2020	N/A
Virement Policy	4 June 2020	N/A
Cash Management and Investment Policy	4 June 2020	N/A
Borrowing Policy	4 June 2020	N/A
Funding and Reserve Policy	4 June 2020	N/A
Asset Management Policy	4 June 2020	N/A
Risk Management Policy	4 June 2020	N/A
Anti-Corruption and Fraud Prevention Policy	4 June 2020	N/A
Budget Policy	4 June 2020	N/A
Unforeseen and Unavoidable Expenditure Policy	4 June 2020	N/A



Policies developed/revised	Date adopted	Public participation conducted prior to adoption of policy Yes/No
Tariff Policy	4 June 2020	N/A
Whistle Blowing Policy	4 June 2020	N/A
The Relief Fund Policy	4 June 2020	N/A
Infrastructure Procurement Policy	4 June 2020	N/A
Municipal Entities Policy	4 June 2020	N/A
Travel and Subsistence Policy – implementation to be delayed for further discussion with the unions, policy will be re-submitted to Council should any changes flow from union inputs	4 June 2020	N/A
Tools of Trade Policy	4 June 2020	N/A
Overtime Policy	4 June 2020	N/A
Recruitment and Selection Policy	4 June 2020	N/A
Annual Leave	4 June 2020	N/A
Acting Policy	4 June 2020	N/A
Grants in Aid Policy	4 June 2020	N/A

Table 31: Policies developed

2.9 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. Below is a communication checklist of the compliance to communication requirements:

Communication activities	Yes/No	Date approved/completed
Communication Strategy	Yes	2012
Communication Policy	Yes	To be approved
Functional complaint management systems	No	n/a
Customer satisfaction surveys		

Table 32: Communication activities

Communication Unit:

Communication Unit	Yes/No	Number of people in the unit	Job titles
	Yes	1	Head: Legal Services

Table 33: Communication unit

Additional communication channels utilised:

Channel	Yes/No	Number of people reached
SMS system	Yes (internally)	17 (Councillors and heads of departments)
Local Radio (Radio Gamkaland)	Yes	100 000
Local newspaper (Courier)	Yes	9800

Table 34: Communication channels utilised



2. 10 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the Chief Financial Officer (CFO)	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft budget 2020/21	Yes
Adjusted budget 2020/21	No
Asset Management Policy	Yes
Investment and Cash Management Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
SDBIP 2020/21	Yes
Delegations	Yes
Reviewed IDP for 2020/21	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2019/20	Yes
Mid-year budget and performance assessment	Yes
Monthly budget statement	Yes
Quarterly reports	Yes
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA	Yes
Municipal finance management internship program (Schedule 5B Vote 10(b) of the division of Revenue Act)	
Internship Program Policy	No

Table 35: Website checklist



3.1 SERVICE DELIVERY PERFORMANCE OVERVIEW WITHIN THE ORGANISATION

Performance Management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

A Municipality's Performance Management System (PMS) is the primary mechanism to monitor, review, and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. In addition, a Municipality's PMS must also facilitate increased accountability, learning, improvement, provide early warning signals and facilitate decision-making.

The performance management system monitors actual performance against set targets and contractual obligations. Effective service delivery relies upon the IDP, efficient utilisation of all resources and the performance management system being closely integrated across all functions at an organisational and individual level.

3.1.1 Legislative requirements

The Constitution of the RSA, 1996, section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires Municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government Planning and Performance Management Regulations, 2001, states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational performance

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, 2000.



3.1.3 Performance Management System used in the financial year 2020/21

The municipality continues to implement performance in terms of the performance management framework that was approved by Council in 2013.

a) The IDP and the Budget

The IDP and the main budget for 2020/21 was approved by Council on 04 June 2020. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In accordance with the performance management framework, the Executive Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) on 09 July 2020. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly.

b) Actual Performance

The municipality utilizes an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

c) Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance was measured as follows:

- Quarterly reports were submitted to council on the actual performance in terms of the Top Layer SDBIP.
- Mid-year assessment and submission of the mid-year report to the Mayor in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.



PERFORMANCE REPORT PART I

This section provides an overview of the key service achievements of the Central Karoo District Municipality that was reached during 2020/21 with regard to the deliverables achieved against the strategic objectives as captured within the IDP.

3.2 Strategic Service Delivery Budget Implementation Plan

The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2020/21 in terms of the IDP strategic objectives.

The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured:

Category		Colour Explanation
KPI Not Yet Measured	n/a	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Table 36: SDBIP measurement criteria

3.2.1 Overall Performance as per Top Layer SDBIP

**On 30 March 2020, the Minister of Finance promulgated the notice in government gazette No. 43181, I, Tito Titus Mboweni, hereby in terms of section 177(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), exempt municipalities and municipal entities from the provisions of that Act and regulations made thereunder, as set out in the Schedule.*

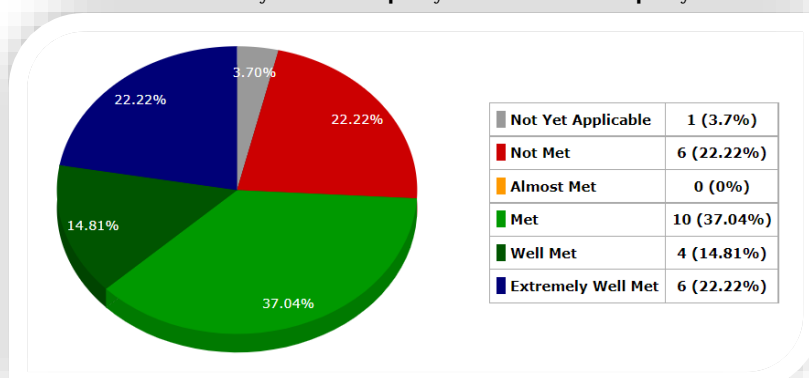
In this Schedule - "national state of disaster" means the national state of disaster declared under Government Notice No 313 of 15 March 2020 in terms of section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002); and "the Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), or any regulation made thereunder.

Subject to the condition in paragraph 3, municipalities and municipal entities are exempted from a provision of the Act which requires any action to be taken between the date of publication of this notice and the date that the national state of disaster lapses or is terminated in terms of section 27(5) of the Disaster Management Act, 2002.

Condition3. (1) Any action referred to paragraph 2 must be taken within 30 days after the national state of disaster lapsed or is terminated.

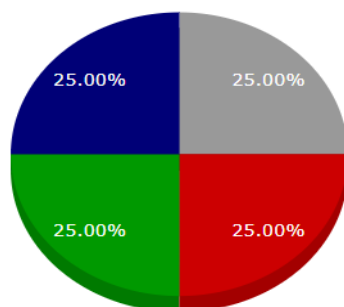
The Municipality made use of the Exemption Notice in certain instances governing reporting as well as in the finalisation of the 2020/2021 IDP, Budget and Budget related Policies.

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the graphs below:



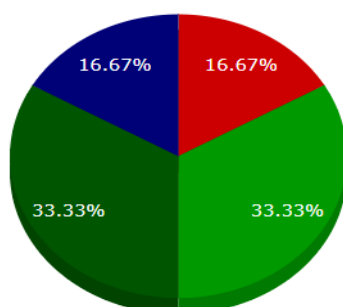
Strategic Objective

Build a well capacitated workforce, skilled youth and communities



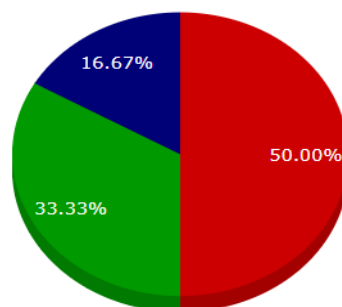
Not Yet Applicable	1 (25%)
Not Met	1 (25%)
Almost Met	0 (0%)
Met	1 (25%)
Well Met	0 (0%)
Extremely Well Met	1 (25%)

Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region



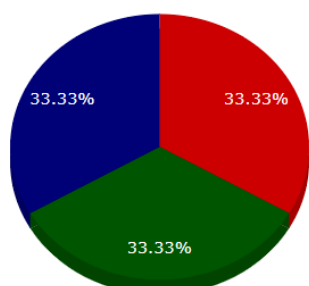
Not Yet Applicable	0 (0%)
Not Met	1 (16.67%)
Almost Met	0 (0%)
Met	2 (33.33%)
Well Met	2 (33.33%)
Extremely Well Met	1 (16.67%)

Facilitate good governance principles and effective stakeholder participation



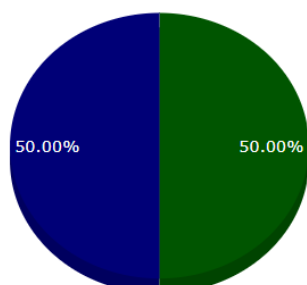
Not Yet Applicable	0 (0%)
Not Met	3 (50%)
Almost Met	0 (0%)
Met	2 (33.33%)
Well Met	0 (0%)
Extremely Well Met	1 (16.67%)

Improve and maintain district roads and promote safe roads transport



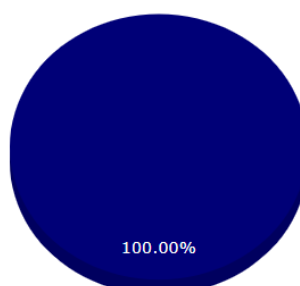
Not Yet Applicable	0 (0%)
Not Met	1 (33.33%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	1 (33.33%)
Extremely Well Met	1 (33.33%)

Prevent and minimize the impact of possible disasters and improve public safety in the region



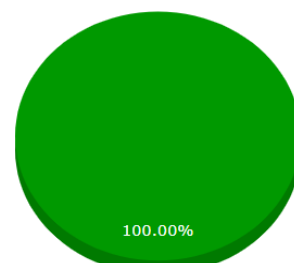
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	1 (50%)
Extremely Well Met	1 (50%)

Promote regional, economic development, tourism and growth opportunities



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	0 (0%)
Extremely Well Met	1 (100%)

Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	5 (100%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)

Figure 2: Overall Performance per Strategic Objective

STRATEGIC OBJECTIVE: 1: BUILD A WELL CAPACITATED WORKFORCE, SKILLED YOUTH AND COMMUNITIES

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL30	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2021	Proof of submission	0	0	0			0	0			0	0			1	0			1	0
TL32	Spend 0.5% of the municipality's personnel budget on training by 30 June 2021 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	Report generated from the financial system	8.9%	0.00%	0.00%			0.00%	0.00%			0.00%	0.00%			0.50%	1.50%			0.50%	1.50%
TL33	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2021	Proof of submission	1	0	0			0	0			0	0			1	1			1	1
TL34	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June 2021	Signed of Excel spread sheet - File Name: Personnel	0	0	0			0	0			0	0			0	0			0	0

Table 37:Build a well capacitated workforce, skilled youth and communities

STRATEGIC OBJECTIVE 2: DELIVER A SOUND AND EFFECTIVE ADMINISTRATIVE AND FINANCIAL SERVICE TO ACHIEVE SUSTAINABILITY AND VIABILITY IN THE REGION

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL26	Spend 90% of the municipal capital budget by 30 June 2021 {(Actual amount spent /Total amount budgeted) X100}	Capital expense report generated from the financial system	16.67%	25.00%	21.00%		[D8] Municipal Manager: The municipality is functioning normal now and expenditure will therefore increase. (September 2020)	40.00%	0.00%		[D8] Municipal Manager: Expenditure will increase in third quarter with the finalization of the computer equipment (December 2020)	65.00%	57.00%		[D8] Municipal Manager: The municipality is functioning normal now and expenditure will therefore increase. (March 2021)	90.00%	0.00%		Extensive tender for computer equipment was done, but upon delivery the service provider could not honour their tender as a result of a worldwide shortage on computer equipment. The budget was included on the 2021/2022 budget and SCM processes will commence shortly.	90.00%	57.00%
TL43	Review 15 budget related policies and submit to Council for approval by 31 May 2021	Proof of submission to Senior Clerk: Committee Services	20	0	0			0	0			0	0			15	18		[D37] Director: Finance (CFO): None (June 2021)	15	18
TL44	Review and submit the MFMA delegation register to Council for approval by 31 May 2021	Proof of submission to Senior Clerk: Committee Services	1	0	0			0	0			0	0			1	1		[D38] Director: Finance (CFO): Submitted (June 2021)	1	1
TL45	Compile and submit the financial statements to the Auditor-General by 31 August 2020	Proof of submission to the Auditor-General	1	1	1		[D39] Director: Finance (CFO): The Annual Financial Statements will be submitted on 31 October 2020 as per the Ministerial Exemption notice that was issued. See attached letter written on behalf of WC municipalities to request extension. (August 2020) [D39] Director: Finance (CFO): Not required	0	0		[D39] Director: Finance (CFO): Submitted as per the changed Regulations (October 2020)	0	0			0	0			1	1

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
							as legislative deadline was moved due to COVID-19 National State of Disaster. (September 2020)														
TL46	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Annual Financial Statements and calculation sheet	5%	0.00%	0.00%			0.00%	0.00%			0.00%	0.00%			10.00%	5.00%			10.00%	5.00%
TL47	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Annual Financial Statements and calculation sheet	1.4%	0	0			0	0			0	0			25	26		[D41] Director: Finance (CFO): No corrective measures required as 2 months is an acceptable ratio - we were able to function fully in July 2021 without the Equitable Share coming in (June 2021)	25	26

Table 38: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

STRATEGIC OBJECTIVES 3: FACILITATE GOOD GOVERNANCE PRINCIPLES AND EFFECTIVE STAKEHOLDER PARTICIPATION

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL27	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2021	Minutes of the Audit Committee meeting	1	0	0			0	0			0	0			1	0			1	0
TL28	Complete 70% of audits as per the RBAP by 30 June 2021 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	RBAP, Quarterly progress reports and minutes of the Audit Committee	40.14%	0.00%	0.00%			0.00%	0.00%			0.00%	0.00%			70.00%	0.00%			70.00%	26.00%
TL29	Review the delegation register and submit to Council for approval by 30 June 2021	Proof of submission	0	0	0			0	0			0	0			1	0			1	0
TL31	Review Corporate and HR policies and submit to Council for approval by 30 June 2021	Proof of submission	5	0	0			0	0			0	0			2	6			2	6

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL39	Submit the draft Annual Report in Council by 31 January 2021	Proof of submission	1	0	0			0	0			1	1	Extension was provided by National Treasury with regard to all MFMA compliance related documents. Will be submitted in February 2021.	[D127] Director: Corporate and Strategic Support Services: Extension was provided by National Treasury with regard to all compliance related documents. The Draft Annual Report will be submitted in February 2021. (March 2021)	0	0			1	1
TL40	Review and submit the IDP and Budget Process Plan and District Framework to Council by 31 August 2020	Proof of submission	1	1	1		[D128] Director: Corporate and Strategic Support Services: N/A (September 2020)	0	0			0	0			0	0			1	1

Table 39: Facilitate good governance principles and effective stakeholder participation

STRATEGIC OBJECTIVES 4: IMPROVE AND MAINTAIN DISTRICT ROADS AND PROMOTE SAFE ROADS TRANSPORT

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL48	Employ workers in temporary positions in terms of skills and labour needs within identified road projects by June 2021	Statistics submitted and temporary worker employment contracts	NEW KPI	0	0			0	0			0	0			24	49			24	49
TL49	Spend 95% of the total approved Roads budget by 30 June 2021 [(Actual expenditure divided by approved allocation received) x100]	Summary of Road Capital Expenses from ABAKUS (Claimed)	98.56%	0.00%	0.00%			10.00%	48.73%			20.00%	77.52%			95.00%	101.00%			95.00%	101.00%
TL50	Regravel 40 kilometres of road by 30 June 2021	Signed off project file	43.13%	0	0			0	0			0	0			40	27.24		[D53] Senior Manager: Roads and Infrastructure: 1) The filling of posts is crucial. The department has already informed the municipal manager and council of same. 2) Covid regulations must be enforced by the OHS officer and other appointed officials. This enforcement must be assisted by disciplinary action, which is currently lacking (June 2021)	40	27.24

Table 40: Improve and maintain district roads and promote safe roads transport

STRATEGIC OBJECTIVES 5: PREVENT AND MINIMIZE THE IMPACT OF POSSIBLE DISASTERS AND IMPROVE PUBLIC SAFETY IN THE REGION

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL51	Conduct monthly Covid 19 DJOC meetings with relevant stakeholders	Minutes of meetings	NEW KPI	3	12			3	4			3	4			3	7			12	27
TL52	Spend 90% of approved WOSA Safety Grant by 30 June 2021	Report generated from the financial system	NEW KPI	10.00%	22.00%			35.00%	17.00%		[D132] Director: Corporate and Strategic Support Services: Due to Covid-19 restrictions all activities could not take place as scheduled. (December 2020)	65.00%	36.00%		[D132] Director: Corporate and Strategic Support Services: Additional revenue of R 2 100 000 was received on 25 March 2021 which had a significant effect on the % expenditure. Implementation plans are in place to ensure that the full allocation is spend by the due date. (March 2021)	90.00%	100.00%			90.00%	100.00%

Table 41: Prevent and minimize the impact of possible disasters and improve public safety in the region

STRATEGIC OBJECTIVES 6: PROMOTE REGIONAL, ECONOMIC DEVELOPMENT, TOURISM AND GROWTH OPPORTUNITIES

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL38	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2021	Signed contracts	78	0	0			0	0			0	0			20	68			20	68

Table 42: Promote regional, economic development, tourism and growth opportunities

STRATEGIC OBJECTIVES 7: PROMOTE SAFE, HEALTHY AND SOCIALLY STABLE COMMUNITIES THROUGH THE PROVISION OF A SUSTAINABLE ENVIRONMENTAL HEALTH SERVICE

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Overall Performance for 01 July 2020 - June 2021	
				Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual	Corrective Measures	Departmental KPI: Corrective Measures	Target	Actual
TL35	Compile and submit bi-annual Water Quality Evaluation Reports to Water Service Authorities by 30 June 2021	Reports & proof of dispatch via email to Water Service Authorities (WSA's)	6	0	0			3	3			0	0			3	3			6	6
TL36	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2021	Reports & proof of dispatch via email to Local Authorities	6	0	0			0	0			0	0			3	3			3	3
TL37	Compile and distribute a Municipal Health Information Document to Local Authorities by 31 January 2021	Information Documents & proof of dispatch via email to Local Authorities	NEW KPI	0	0			0	1			1	0	Target already achieved in previous Quarter.		0	0			1	1
TL41	Compile and submit bi-annual Informal Settlement Evaluation Reports with recommendations to Local Authorities by 30 June 2021	Reports & proof of dispatch via email to Local Authorities	NEW KPI	0	0			5	5			0	0			5	5			10	10
TL42	Review the Disaster Management Plan and submit to Council by 31 May 2021	Proof of submission	NEW KPI	0	0			0	0			0	0			1	1			1	1

Table 43: Promote regional, economic development, tourism and growth opportunities

3.3 Service Providers Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review the municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured that the requirements of the contract are complied with.



3.4 Municipal Functions

3.4.1 Analysis of Functions

The table below indicates the functional areas that the municipality are responsible for in terms of the Constitution:

Municipal function	Municipal function (Yes / No)
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	No
Child care facilities	No
Disaster Management & Firefighting services	Only responsible for coordinating training and standardisation of all fire services at all B-Municipalities in the district. Fire Departments situated at Local Municipalities
Local Tourism	Yes
Municipal planning	Yes
Municipal health services	Yes
Constitution Schedule 5, Part B functions:	
Licensing and control of undertakings that sell food to the public	Yes
Noise pollution	No
Pounds	No
Public places	No
Refuse removal, refuse dumps and solid waste disposal	No
Street trading	No
Street lighting	No
Traffic and parking	No

Table 44: Municipal Function

3.5 Component A: Roads infrastructure services

3.5.1 Road maintenance and construction

The maintenance of rural proclaimed roads is a Provincial function and the Central Karoo District Municipality performs the function for the Western Cape Department of Transport and Public Works (WCDTPW) on allocated roads as an agent regulated by a financial and service delivery agreement between the Municipality and the infrastructure branch of the Department.

Maintenance of roads in the region are done by the Units stationed in the four municipal areas of the region including Beaufort West, Murraysburg, Prince Albert and Laingsburg.



Figure 7: Roads Infrastructure projects



3.5.2 Provincial roads allocated for maintenance and construction

The tables below provide details of provincial roads maintained and constructed during 2020/21:

Roads	Maintained 2019/20	Maintained 2020/21
	Km's	
Trunk road	82.47	82.47
Main road	629.95	629.95
Divisional road	1,691.36	1,691.36
Minor road	913.14	1,188.68
Total	3,316.92	3,636.30

Table 45: Provincial roads allocated for maintenance

Roads	Bladed 2019/20	Bladed 2020/21
	Km's	
Trunk road	279.30	281.49
Main road	2,640.03	2,330.25
Divisional road	3,759.84	4,553.73
Minor road	913.14	1,188.68
Total	7,592.31	8,354.15

Table 46: Provincial roads allocated for construction

Roads	Regravelled 2019/20	Regravelled 2020/21
	Km's	
Trunk road	0.00	0.00
Main road	43.13	19.24
Divisional road	0.00	8.00
Minor road	0.00	0.00
Total	43.13	27.24

Table 47: Provincial roads allocated for regravell

3.5.3 Employees: Road infrastructure services

The table below indicates the number of employees in the Road infrastructure services for the 2020/21 financial year:

Job level	2019/20	2020/21			
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Temporary	33		49	0	0
0 – 3	54	57	47	10	17%
4 – 6	15	11	10	1	9%
7 – 9	30	37	30	7	18%
10 – 12	10	10	8	2	20%

Job level	2019/20	2020/21			
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 – 18	3	6	6	0	0
Sect. 57	0	0	0	0	0
Total	112	121	101	20	16%
<i>*temporary employees are not included in the budgeted posts of the municipality</i> <i>2020- 5% vacancy rate June 2020 / 6/119 posts</i> <i>2021 – 16% vacancy rate June 2021</i>					

Table 48: Employees Road Transport

3.5.4 Total expenditure: Road infrastructure Services

The table below indicates the expenditure (including capital expenditure) for the Roads Transport Unit:

Expenditure (Incl. Capital expenditure)	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Total Expenditure	100 232	103 982	93 479	10 503
Total	100 232	103 982	93 479	10 503

Table 49: Total expenditure 2020/21: Road Infrastructure Services

3.6 Component B: Strategic Support Services

3.6.1 Local Economic Development (LED)

3.6.1.1 Highlights: Local Economic Development

The following performance highlights with regard to the implementation of the LED strategy are:

Highlights	Description
Central Karoo Small town regeneration summit	An integrated summit that looks at initiatives to address local economic development challenges in the Central Karoo municipalities
Mapping Innovation Landscape in the Karoo Region	The Department of Science and Technology (DST), in partnership with the Technology Innovation Agency, has tasked the Human Sciences Research Council (HSRC) to appraise and map out the innovation landscape (i.e., innovation infrastructure, actors, their networks and relevant institutions) of the Karoo region. The DST & TIA seek this information to inform the development of an inclusive and locally grounded regional innovation strategy for the Karoo, in support of SALGA's initiative on Small-Town Regeneration and Regional Economic Development (STR & RED programme).
SMME Workshops for upcoming and existing business.	To empower emerging and existing entrepreneurs with necessary skills and knowledge to start or grow their business.
Roadshow on Local Content and Production	To create an awareness and understanding of local content and production.
Establishment of a regional Economic and Tourism Working Group	The CKDM established a Economic and Tourism Working Group, where issues on LED and Tourism are discussed
Assistance with registration for SMME's	Provides assistance to SMME's with registration on the CSD.

Table 50: LED Highlights



3.6.1.2 Challenges: Local Economic Development

Challenges with regard to the implementation of the LED strategy are:

Description	Actions to address
Lack of budget for implementation of the Strategy.	Avail budget for the implementation of LED Strategy.
No proper strategies in place to solicit funding for SMME's	Public/private partnerships with funding institutions like SEFA to ensure SMME's are financially supported for effective implementation of initiatives in Central Karoo
Lack of partnerships with the private sector to ensure collaboration with the implementation of the strategy.	Establishment of District Wide Business Chambers to form partnerships with private sector.

Table 51: LED challenges

3.6.1.3 Priorities and action plans: Local Economic Development

The LED Strategy is a sector plan that forms part of the IDP. The purpose of the District LED Strategy is to support pro-poor economic growth and job creation through an integrated approach. Several areas are mentioned in this regard, incorporating new business creation, improving infrastructure, attracting inward investment, strengthening the LED capacity, encouraging local procurement, improving skills and knowledge.

The table below indicates the LED initiatives that are prioritised:

Initiative	Proposals
Small Micro and Medium Enterprises (SMME) development program	Engaged with the Small Enterprise Development Agency (SEDA) for training of new businesses and a constant reporting on progress made
New business registration	SEDA and the CKDM to engage the Companies and Intellectual Property Commission (CIPC) to decentralise new business registration and share the responsibility with local municipalities to ensure that there is less delays with new business registrations
Cooperative registration	SEDA, the Department of Rural Development and Land Reform and Central Karoo District Municipality (CKDM) has an agreement with the establishment of cooperatives
Sourcing of funds to implement projects and programmes identified in the LED Strategy	Drafting of proposals to submit to possible funders.

Table 52: LED initiatives

3.6.1.4 Employees: Local Economic Development

The table below indicates the number of employees in the LED Unit for the 2020/21 financial year:

Job level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary	1	0	0	0	0
0 – 3		0	0	0	0
4 – 6		0	0	0	0
7 – 9		0	0	0	0
10 – 12		1	0	1	100%
13 – 16		0	0	0	0
Total	1	1	0	1	100%

Table 53: Employees LED

3.6.2 Tourism

Our primary purpose is to actively introduce the potential of the region within its frontier throughout the Western Cape, the country as a whole and in foreign countries where possible.

It is important to coordinate the marketing actions of local government, private sectors and other institutions within the area to utilise the tourism potential optimally.

Parallel to this is the continuous expansion of new tourism experiences and the enhancement of current activities and destinations.

3.6.2.1 Highlights: Tourism

Highlights	Description
Welcoming Campaign	An annual event that aims at welcoming tourist in our area, also looking at making them aware of tourist attractions in our region
Greater Coof Off Competition	A cooking competition where participants show of their cooking skills and are judge by a panel of judges.
BBBEE Tourism Workshop	The Auditor-General found that Sec 13(G) (1) of the B-BBEE act was non-compliant from all Western Cape Municipalities and municipal entities. The need was identified to host a workshop with relevant stakeholders to gain more insight for the drafting of a B-BBEE Strategy.
Engagements with WESGRO	To develop and events calendar for the CKD and funding for the events over a three-year period.
Tourism Information session	The CKDM in partnership with the Department of Tourism held a workshop for SMME's in the tourism sector. The purpose of the workshop was to engage SMME's on the readiness of their businesses as well as the support the department can provide.

Table 54: Highlights Tourism

3.6.2.2 Challenges: Tourism

Description	Actions to address
Lack of Transformation initiatives	Municipalities must assist local tourism offices with transformation initiatives
More focus on push strategies to ensue regional spread	The District municipality to take lead in ensuring that tourism initiatives are fairly spread throughout the region
Designated officials to deal with Tourism	Municipalities to appoint designated officials
Insufficient budget allocation	Municipalities need to increase their financial support of LTO's especially in terms of marketing and development funding

Table 55: Tourism challenges

3.6.2.3 Initiatives: Tourism

Initiative	Proposals
Implementation of the tourism action plan	Budget allocation for tourism initiatives and sourcing of funds to implement projects and programmes in the tourism action plan.
Small Micro and Medium Enterprises (SMME) development program	Engaged with the Small Enterprise Development Agency (SEDA) for training of new businesses and a constant reporting on progress made
Film and Media Readiness	To engage local municipalities on the issuing of permits for film and media implementation in the district.
Extensive tourism marketing campaigns in the district.	To form partnerships with WESGRO, DEDAT, LTO's and other stakeholders to package tourism products in the region and embark on extensive marketing campaigns to attract more tourists into the region.

Table 56: Tourism initiatives

3.6.2.4 Employees: Tourism

Job level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary	1	0	0	0	0
0 – 3		0	0	0	0
4 – 6		0	0	0	0
7 – 9		0	0	0	0
10 – 12		0	0	0	0
13 – 16		1	1	0	0
Total	1	1	1	0	0

Table 57: Employees Tourism

3.6.3 Job creation projects

3.6.3.1 Extended Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) has its origins in Growth and Development Summit (GDS) of 2003. At the Summit, four themes were adopted, one of which was 'More jobs, better jobs, decent work for all'. The GDS agreed that public works programmes 'can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities'.

This Programme is a key government initiative, which contributes to Government Policy Priorities in terms of decent work & sustainable livelihoods, education, health; rural development; food security & land reform and the fight against crime & corruption. EPWP subscribes to outcome 4 which states "Decent employment through inclusive economic growth." The EPWP has been established and mandated by Cabinet to create work opportunities according to the set targets and across all its four sectors, namely: – Infrastructure, Non-State, Environment & Culture, and Social sectors. One of the prescripts of the EPWP is to use labour-intensive methods which allow the drawing of a significant number of participants into the Programme to do the work.

3.6.3.2 Extended Public Works Programme (EPWP) Highlights

"Municipalities sign protocol agreements every five years with the National Department of Public Works and Infrastructure. This protocol agreements outline the number of work opportunities (WO) and the number of full-time equivalents (FTE's) for each financial year within the five-year period.

The targets for CKDM for the 2020/21 financial year were as follows: -

WO's - 279

FTE's - 53

The municipality's achievements on these targets were: -

WO's - 307 (110% achievement)

FTE's - 76 (143 achievement)

Based on the above achievements, the CKDM was awarded a certificate for outstanding performance.



3.7 Component C: Municipal Health

The Central Karoo District Municipality (CKDM) is sanctioned by legislation to provide Municipal Health Services (MHS) within its area of jurisdiction.

The National Health Act, 2003 (Act 61 of 2003) defines municipal health services as environmental health.

Environmental health means a condition of optimal wholesomeness of the environment in which man exists and interacts with through the lowest possible presence therein or total absence of any stimuli detrimental to human health.

In terms of Section 1 of the National Health Act, 2003 (Act 61 of 2003) Municipal Health Services are defined as:

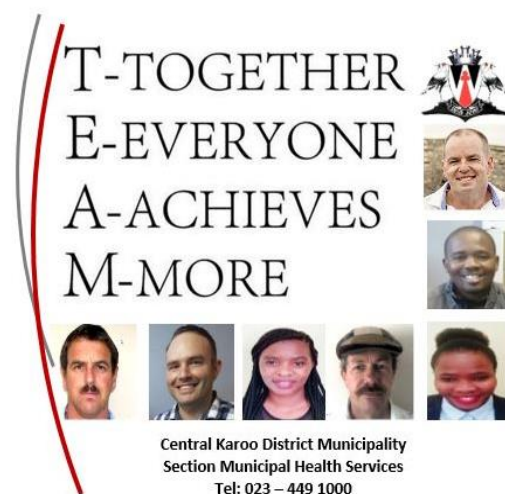
- Water Quality Monitoring:
- Waste Management and Monitoring:
- Food Control:
- Health Surveillance of Premises:
- Environmental Pollution Control:
- Communicable Diseases Control:
- Chemical Safety:
- Vector Control:
- Management of Human Remains:

The Air Quality & Integrated Waste Management functions are also performed by the Section.

Our staff component consists of one (1) Manager, one (1) Office Assistant and five (5) operational Environmental Health Practitioners (EHP's), of which one (1) EHP is also the designated Air Quality / Waste Officer for the district.

Services are rendered in ten (10) communities in the Central Karoo Region, namely Beaufort West, Murraysburg, Nelspoort, Merweville, Prince Albert., Leeu-Gamka, Klaarstroom, Prince Albert Road, Laingsburg and Matjiesfontein, as well as in the rural areas of the Beaufort West, Prince Albert and Laingsburg districts.

Aware of the constitutional right of every citizen to an environment that is not harmful to his or her health or well-being, and the principles that underlie the National Health Act, 2003 (Act 61 of 2003) as well as the National Environmental Management Act, 1998 (Act 107 of 1998), the Section seeks to protect and promote the health and well-being of all our residents in the Central Karoo district by providing, in conjunction with applicable laws, a sustainable, cost-effective and responsible municipal health service.



3.7.1 Highlights: Municipal Health

Highlights	Description
The development and continuous review of management plans / policies to ensure that MHS remains an efficient, adequate and comprehensive package of services.	Municipal Health Management Plan, Sampling Management Plan, MHS Climate Change Management Plan, MHS Disaster Management Plan, Air Quality Management Plan and a MHS, Drought Response Plan etc.
The management & rendering of an efficient and cost-effective municipal health service in all our communities under difficult circumstances.	Capacity constraints, Workload, Covid pandemic etc.
EHP's have shown courage in the face of adversity, each playing a vital role to prevent and minimise the spread of COVID-19 in the Central Karoo District. EHP's contributed positively towards risk reduction and control of the spread of the pandemic.	The COVID-19 Health response is a multi-stakeholder response lead by the Western Cape Government Department of Health, with Primary Health Care Services, Municipal Health services, etc.
Building on partnerships in- and outside the district, new and existing, during the COVID-19 pandemic.	Teams in the District work collaboratively to achieve common goals. This was also experienced between levels of government.

Table 58: Highlights Municipal Health

3.7.2 New appointments:



Mr. Pierre Louw has been appointed as Senior EHP in our Prince Albert Office.

3.7.3 Tribute to José April:



José has silently closed the door of life and departed from us on 22 February 2021. We have known José since he joined the Central Karoo District Municipality as an Environmental Health Practitioner.

José contributed much to the District Municipality. In his career as an EHP he worked with passion, integrity and energy. All the people who knew him will miss a vibrant individual with a rare friendliness and charm of personality.

3.7.4 Challenges: Municipal Health

To fulfil the constitutional and legal obligations mandated to the CKDM for the provision of Municipal Health Services, Air Quality and Integrated Waste Management services, the availability of qualified and skilled personnel is key to provide and facilitate comprehensive, proactive and needs-related services to promote a safe, healthy and clean environment.

The Section plays a critical role in ensuring the well-being of our residents in and tourists to the district, but Municipal Health Services continues to be plagued by inadequate funding, shortage of personnel, tools of the trade etc.

Our service remains the first line of defence against diseases and as a result the provision of quality services are critical. It is therefore essential to strengthen the delivery of these services.

The table below reflects some of the challenges.

Description	Action to Address
<p>Personnel shortages for the rendering of Municipal Health Services:</p> <p>To render an effective Municipal Health Service in the Central Karoo District, it is required that one (1) Environmental Health Practitioner (EHP) be provided for every 10 000 members of the population. (World Health Organization's norm, as well as the Norms & Standards for Environmental Health, promulgated in December 2015).</p> <p>Currently there is a deficit of at least two (2) EHP's for the delivery of a more efficient municipal health service. If the vastness of the district be taken into account, the need for more EHP's is even bigger.</p>	<p>Budget provision must be made for the appointment of at least two (2) operational EHP's</p>
<p>Personnel shortages for the rendering of additional services, other than Municipal Health Services:</p> <p>In terms of the Section's approved organogram, the Section is also responsible for additional services such as Air Quality Management & Integrated Waste Management.</p> <p>The capability of the CKDM is limited by the shortage of personnel, skills, tools and finances required for effective and coordinated air quality and integrated waste management services.</p>	<p>Budget provision must be made for the required needs to AQ & IWM Services.</p>

Table 59: Challenges: Municipal Health

Other Challenges / Issues posing health risks in the Central Karoo:

Description	Recommendation
Poor water quality, quantity & access to water in "Transnet communities" & rural areas (farms).	Municipalities must submit Business Plans to DWA&S in order to obtain funding for a survey & project roll-out in rural areas in order to address issues.
Landfill sites not complying to permit conditions, legislative requirements / health standards.	Municipalities need to comply with applicable NEM: WA requirements & Norms & Standards, etc. for solid waste management &, where necessary, get technical assistance from the WC Directorate Waste Management, with the aim to improve the construction, management and operation of waste management facilities in the CKD.
Pollution of open spaces & commonage - illegal dumping of waste in & around communities.	The affected municipalities must make budget provision and / or get some kind of support to investigate waste collection service options, alternative management options for specific conditions etc.
Lack of recycling facilities / reduce, re-use and recycling activities.	More appropriate and sustainable approaches to waste needs to be adopted. To be sustainable municipalities need to move the emphasis toward a system that is local, community based and is focused on waste minimization.
Raw sewerage overflowing manholes due to blockages.	It is important that municipalities take the necessary steps in order to ensure that sewerage systems function effectively and ensure that the affected public area(s) are thoroughly cleaned and disinfected to reduce the risk of disease & conditions detrimental to the environment.
Sanitation backlog at so-called Transnet houses (use of bucket system as only sanitation facility).	Local government must take the necessary steps to eradicate the above-mentioned backlog on sanitation at Transnet settlements as soon as possible to ensure better living conditions for these residents in our Region.
Slaughtering of animals for cultural, religious & private purposes.	Municipalities must ensure that any person who wants to slaughter for the above-mentioned purpose, formally apply to the municipality and, before granting approval, refer such an application to the Section Municipal Health of the CKDM.
Uncontrolled keeping of animals.	Municipalities are primarily responsible for controlling the keeping of animals and should be better capacitated in order to perform this function effectively.

Table 60: Other Challenges: Municipal Health

COVID-19 related challenges:

Description	Action to Address
Increased workload as staff went into Quarantine or Isolation.	Council must make an appointment as soon as possible for advertised post as well as new post in the 2021/22 financial year.
Vacant funded EHP post in the district causes a heavy workload on an already skeleton staff due to Covid-19 infections. (Two EHP's tested positive and were in isolation. (One EHP has already tested positive twice)	
The Section has to rapidly assimilate many directives, circulars and Standard Operating Procedures (SOPs) into their routine functions.	Several actions were taken, and are still being taken, to address challenges.
A number of documents to assist in assessments had to be developed at short notice.	
Often directives from National were not clear and a considerable effort was required to understand and implement them fully.	
There was constant change in actions that needed to be undertaken at very short notice.	
Initial lack of communication lines between the 3 spheres of government which also blurred the roles and responsibilities of all parties involved.	
The speed at which certain other changes happened was extremely fast and staff reported feeling burnt out very early on in the pandemic.	The Section is constantly raising awareness regarding Covid-19 and promoting coordinated and effective work procedures.
Members of the public and businesses became less vigilant as the lock-down levels eased.	
The general challenge was that members of the community did not adhere to lockdown regulations, SAPS and Law enforcement not available in the vulnerable areas to enforce the public to adhere to precautionary measures.	

Table 60: Covid-19 related challenges: Municipal Health

3.7.5 Activities:

Municipal Health inspections and investigations are handled as guided by Section 82-83 of the National Health Act in order to ensure compliance with the Act.

The Norms and Standards for Environmental Health clearly outline the monitoring standards for the delivery of quality Environmental Health Services, as well as acceptable standards requirements for surveillance of premises, such as business, state occupied premises, as well as for the prevention of environmental conditions that may constitute a public health hazard.

Residential, business and public premises are monitored in order to identify, assess, control and manage health hazards and risks emanating from the use of such premises.

The risk profile of the premises informs the frequency of EH inspections of premises.

Inspection checklists are developed and implemented for every inspection conducted.

Environmental Health inspections of premises are unannounced. All conditions that are likely to create a health hazard or risk are investigated and appropriate action taken where necessary.

An inspection report that includes the relevant health recommendations is issued by EHP'S to the person in charge or owner of a premises after every inspection conducted. Health education also forms an integral part of all EH inspections conducted.

All non-conformances are followed up by follow-up inspections. For continued non-compliance or in cases where health nuisances and hazards exist, compliance notices are issued in terms of Section 82 and 83 of the National Health Act, 2003 (Act 61 of 2003), prescribing the nature of the offence and the corrective actions that should be taken within a prescribed time period. If non-conformances still exist upon follow up inspections are conducted and a warning notice issued with a compliance period.

A municipal health "system", developed by this Section, ensures quick access to information with regards to municipal health services and other necessary information in the field of municipal health. The system is updated on a continuous basis to ensure effective management and recordkeeping of municipal health services in the Central Karoo district.

3.7.5.1 Water Quality Monitoring

Objective:

To ensure effective management of all water resources and supply of potable drinking water, which meets the minimum requirements of S.A. National Standards for Water Quality, SANS 241.

Activities:

a) Water Quality Monitoring: Water Service Authorities (WSA's):

- Providing and maintaining safe drinking water are central to alleviating poverty and improving the quality of life of people.
- EHP's support the Drinking Water Quality Management function of Water Service Authorities by assuming the primary responsibility for health and hygiene education related to water and sanitation services and undertaking drinking water quality monitoring as a routine audit function at point-of-use.
- A water quality monitoring plan of this Section are in place, costed and implemented for monitoring of drinking water supplies
- Samples were taken to detect problems - when a sample does not comply the Water Service Authority was notified in order to take the necessary steps to rectify the problem.
- In order to ensure credible results, SANAS 17025:2005 accredited laboratories were used for the analysis of water samples.
- 36 water samples for bacteriological analysis were taken during the reporting period.
- 28 (78%) of the samples taken did comply to the SANS 241 Standards for Water Quality.
- All sample results were provided to the various WSA's.



- All water sample results received from the laboratory were captured on the Section's database

b) Bi-annual Water Quality Evaluation Reports to WSA's

- Bi-annual Evaluation Reports on the status of water quality were sent to all WSA's in the district during December 2020 and June 2021.
- These evaluation reports aim to:
 - Serve as a source of information to the relevant WSA.
 - Promote safe access to safe potable water.
 - Promote continuous effective water quality management in the district.

3.7.5.2 Waste Management and Monitoring

Objective:

To effectively monitor waste management systems, refuse, health care, waste and sewage to promote a cleaner, healthier and safer environment for all.

Activities:

a) Monitoring of Liquid Waste Sites

- Sewage disposal works must be operated effectively in accordance with prescribed legislation and permit conditions for operation of sewage works.
- The monitoring of liquid waste sites was conducted on a monthly basis.
- 49 inspections were conducted at liquid waste sites in the region during the reporting period.

b) Sewerage Sampling

- Sewerage samples were taken on a quarterly basis.
- SANAS 17025:2005 accredited laboratories were used for the analysis of sewerage samples, in order to ensure credible results.
- 8 samples for bacteriological analysis were taken during the reporting period.
- 5 (63%) of the samples taken did comply to the set standards.
- All sample results were sent to the various WSA's.
- All sewerage results received from the lab. were captured on the Section's database.

c) Monitoring of Solid Waste Sites

- Category B-Municipalities are key players in dealing with general non-hazardous waste and must provide waste management services, including waste removal, waste storage and waste disposal services, as per Schedule 5b of the Constitution and in line with national norms and standards.
- It is important that landfills are located, designed, operated and monitored to ensure that they do not, to any significant extent, harm the environment, endanger human health, create an unacceptable risk to water, soil, atmosphere, plants or animals or create unacceptable nuisances through noise or odours and adversely affect the environment.
- The monitoring of solid waste sites was conducted on a monthly basis.
- 52 inspections were conducted at sites in the district during the reporting period.

d) Annual Waste Management Evaluation Reports to Cat. B-Municipalities

- Annual Reports on the current status of all solid waste sites, illegal dumping of waste, littering, recycling initiatives, proposed actions etc. were sent to all local municipalities in the district during June 2021.
- These evaluation reports aim to:



- Serve as a source of information to the relevant municipality.
- Eliminate any conditions harmful or injurious to human health.
- Promote effective waste management in the district.

3.7.5.3 Food Control

Objective:

To provide consumer protection and to ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; as prescribed by law.

Activities:

a) Monitoring of Formal and Informal Food Premises

- One of the major core functions of this Section is Food Safety and Integrity.
- Unsafe food containing harmful bacteria, viruses, parasites or chemical substances, causes more than 200 diseases – ranging from diarrhea to cancers
- There was a total of approximately **983** formal and informal food premises in the Central Karoo District during the reporting period.
- Inspections were conducted strictly in accordance with the Regulations Relating to the powers and duties of Inspectors and Analysts conducting inspections and Analysis at food premises, R328 of 20 April 2007 published in terms of the Food Stuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972), as amended
- **1 164** inspections were conducted at food premises during the reporting period.
- **100** Certificates of Acceptability (CoA's) were issued to new food premises complying to the Regulations with regards to the General Hygiene requirements for Food Premises and the Transport of Food (R 638 of 2018).

b) Bacteriological and Chemical Sampling of Foodstuffs in terms of Foodstuffs, Cosmetics and Disinfectants Act and Regulations

- **24** samples of foodstuffs were taken for bacteriological and chemical analysis during the reporting period.
- **22 (92%)** of the samples taken did comply with the standards as set in the Foodstuffs, Cosmetics and Disinfectants Act. (Act. 54 of 1972).

c) Monitoring of Milking Sheds and Milk Sampling

- **6** inspections were conducted at milking sheds during this reporting period.
- **2** milk samples were taken for bacteriological analysis during the period.
- **1 (50%)** of the samples taken did comply to the standards set out in the Regulations with regards to Milk and Dairy products (R1555 of 1997).

d) Capturing of Food Sampling Data on the Municipal Health Services Database

- All food sample results received were captured on the Section's database.

e) Labelling of Foodstuffs

- No food products were evaluated in order to monitor compliance to the Labelling Regulations during the reporting period.

f) Food poisoning

- No cases of food poisoning were reported and investigated during the reporting period.



3.7.5.4 Health Surveillance of Premises

Objective:

To identify, monitor and evaluate health risks, nuisances and hazards and instituting appropriate remedial and preventative measures.

Activities:

a) Monitoring of Public Premises

- The National Norms and Standards for Environmental Health clearly outline monitoring standards for the delivery of quality Environmental Health Services, as well as acceptable standards requirements for the surveillance of premises, such as business, state occupied premises and for the prevention of environmental conditions that may constitute a health hazard.
- **246** inspections were conducted at public premises during the reporting period.
- **60** Health Certificates were issued in terms of the relevant Norms & Standards.

b) Scrutinizing of Building Plans from a health point of view

- **4** Plans were scrutinized during the reporting period in order to ensure compliance with health requirements to the National Building Act (Act 103 of 1977) & relevant Regulations as well as the National Environmental Health Norms & Standards for Premises; 2015.

c) Monitoring of Informal Settlements

- The district has **5** informal settlements.
- **11** inspections were conducted at informal settlements during the reporting period.

d) Bi-annual Informal Settlement Evaluation Reports to Cat. B-Municipalities

- Bi-annual evaluation reports on the current status of informal settlements were sent to local municipalities in the district during December 2020 and June 2021.
- These evaluation reports aim to:
 - Serve as a source of information to the relevant municipality.
 - Eliminate any harmful conditions to human health.
 - Promote a healthy and safe environment for all residents in the district.

3.7.5.5 Environmental Pollution Control

Objective:

The identification, evaluation, monitoring and prevention of the pollution of soil, water and air, in as far as it relates to health, to institute remedial action and to educate and train communities regarding environmental pollution.

Activities:

a) Air Quality Management & Pollution Control:

The AQMP of the Section form the basis of a series of strategies and programs to ensure that all the principals of sustainability are adhered to. This will also enable the meeting of current needs as well as the maintenance of our resources for the benefit of future generations.

This Plan is also a commitment to certain principles and action plans needed to ensure sustainable utilization of resources and the management of air quality in the Central Karoo District.

As the objectives are met and the AQMP unfolds, it is possible that other objectives will be identified and prioritized. This process will lead to the regular review of the plan.

- **No** Air quality related complaint was received during the reporting period.
- **Quarterly** Reports were compiled regarding the various aspects of pollution control and send to the Directorate Pollution Control of the Department Environmental Affairs.



b) Air Quality By-Law

The CKDM, acting in terms of section 156(2) of the Constitution, 1996, read with section 13(a) of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000) and section 11(1) of the NEM: Air Quality Act, 2004 (Act No. 39 of 2004) has made an Air Quality Management By-law during the reporting period.

The CKDM is a Licensing Authority in terms of the said NEM: Air Quality Act, 2004, and charged with certain duties and responsibilities in order to implement a licensing system as provided in section 22 of the above-mentioned Act.

Our By-law are aimed at advancing the said rights and regulations of all activities with the aim of achieving those objectives set in Chapter 1 section 3 in order to strengthen Government strategies for protection of the environment and, more specifically the enhancement of quality of ambient air, in order to secure an environment that is not harmful to the health and well-being of our residents and tourists to the district.

3.7.5.6 Communicable Diseases Control

Objective:

The identification, investigation and monitoring of outbreaks of listed notifiable medical conditions in order to immediately institute the required corrective and preventative measures and/or the deployment of the required response teams in respect of municipal health.

Activities:

a) Notifiable Medical Conditions Reported and Investigated

- Many diseases experienced by indigenous people in our communities are directly linked to poor environmental health conditions in these communities.
- 2 Notifiable medical conditions were reported during the reporting period.
- All notifications received were investigated and reports submitted to the Provincial Health Department.

b) MHS Response to Covid-19

i) Covid-19 Management Plan

- A CKDM COVID-19 Management Plan, a Central Karoo Covid-19 Integrated Response Plan and a MHS Third Wave Readiness / Response Plan was drafted by the Manager Municipal Health and updated on a continuous basis in order to ensure that it adheres to prevailing circumstances and needs.

ii) Outbreak response teams and readiness

- EHP's are part of outbreak response teams for every town in the district.
- All EHP's received training on Covid-19.

iii) Participation in Committees / Forums

- The Manager Municipal Health participates in District JOC meetings on a regular basis.
- The Manager Municipal Health participates in meetings of the WC Working Group for MHS on a regular basis.
- The Manager Municipal Health participates in meetings of the WC Mass Fatality Group on a regular basis.
- The CKDM Waste Management Officer participates in meetings with the WC DEA: DP on a regular basis.

iv) Communication



- The Manager Municipal Health and EHP's are part of several WhatsApp-groups on which information is shared.
- Covid related info and stats was posted on a regular basis on Facebook Pages of communities in the district.
- The Manager Municipal Health have meetings with role-players on a continuous basis.

v) Inspection Services

- All businesses and public premises are monitored in order to identify, assess, control and manage health hazards and risks.

Inspections are conducted at premises to ensure that basic principles such as hand hygiene, cough etiquette, cleaning, sanitizing and or disinfection of frequently touched surfaces and social distancing are applied. other practices which are also promoted include adequate ventilation, the use of personal protective equipment by food handlers, cleaning and disinfection of transport vehicles and pest control, to name a few.

vi) Workplace Readiness

- Notices w.r.t. "Covid-19 workplace readiness" were sent or delivered to workplaces in the Central Karoo.
- Training is provided to various groups regarding Covid-19 in the workplace.
- Businesses and employers are requested to ensure that the risks of infection in the workplace are properly managed and that every workplace must take responsibility for their staff and their clients. this includes regular cleaning and sanitizing of work spaces and ensuring hand washing facilities or sanitisers are available. the wearing of cloth masks is also compulsory and must be enforced by businesses.

The Section has assisted in preparing business for adapting to the "new normal" by distributing Covid-19 health guidelines for business. these guidelines not only provide information on how businesses can prevent the spread of Covid-19 in the workplace, but also what to do if an employee displays symptoms or tests positive for Covid-19.

vii) Education & Awareness

- The Section has handed out a range of information material for employers and their staff to utilise in the workplace such as posters, checklists etc., that remind people of health guidelines to stop the spread of Covid-19.
- Workplaces and public are kept up to date with latest info etc.
- Continuous posting of Covid-19 information on social media in the district.
- Information on Covid-19 are published in the local newspaper, The Courier, on a regular basis.

viii) Waste Management

- A Notice w.r.t. the management of waste by persons in self-isolation and quarantine was drafted by the Manager: Municipal Health and provided to all medical institutions and municipalities in the Central Karoo.

ix) Vaccination sites

- EHP's did Inspections at field clinics, focusing on the set requirements for these vaccination sites.
- EHP's also monitored the management of Health Care Risk Waste, social distancing, handwashing, the wearing of mask etc.

x) Funeral Undertakers



- A database for funeral parlors / mortuaries was compiled and provided to the Departments of National Health.
- All funeral undertakers / mortuaries have received training.
- Guidelines for funeral undertakers: Management of deceased persons as a result of Covid-19 were also provided by the Section to all undertakers.
- All funeral parlours / mortuaries were contacted on a weekly basis to get info on the storage capacity as well as any challenges that these premises may have.

Statistics kept for the reporting period were as follow:

Date	Positive Cases	Recov.	Deaths	Active Cases	Tot. Space Available	Space Occ.	Space Avail.	% Occ.
2020-08-17	518	327	23	168	76	20	56	26%
2020-08-21	554	379	28	147	76	20	56	26%
2020-08-26	609	437	30	142	76	21	55	28%
2020-08-31	674	508	35	131	76	20	56	26%
2020-09-07	682	560	36	86	76	15	61	20%
2020-09-08	716	586	37	93	76	13	63	17%
2020-09-14	760	623	37	100	76	14	62	18%
2020-09-21	854	664	39	151	76	15	61	20%
2020-09-28	907	711	39	157	76	12	64	16%
2020-10-05	930	801	41	88	76	12	64	16%
2020-10-12	980	860	43	77	76	11	65	14%
2020-10-19	997	879	44	74	73	14	59	19%
2020-10-26	1016	925	44	47	73	17	56	23%
2020-11-02	1024	944	47	33	73	12	61	16%
2020-11-17	1043	975	48	20	73	13	60	18%
2020-11-23	1079	988	49	42	73	17	56	23%
2020-12-07	1266	1029	52	185	73	21	52	29%
2020-12-14	1338	1066	59	220	73	22	51	30%
2020-12-21	1513	1176	66	271	73	28	45	38%
2021-01-05	1884	1505	98	281	73	23	50	32%
2021-01-11	2016	1608	110	298	73	22	51	30%
2021-01-18	2160	1745	113	302	73	21	52	29%
2021-01-28	2252	1953	125	174	67	25	42	37%
2021-02-01	2263	2002	125	136	70	14	53	21%
2021-02-08	2297	2096	128	73	70	17	53	24%
2021-02-15	2314	2126	137	51	70	25	45	36%
2021-02-23	2344	2164	137	43	70	18	52	26%
2021-03-01	2356	2179	139	38	70	12	58	17%
2021-03-08	2366	2201	140	25	70	11	59	16%
2021-03-15	2373	2212	141	20	70	11	59	16%
2021-03-23	2382	2224	142	16	70	9	61	13%
2021-03-29	2396	2231	143	22	70	17	53	24%
2021-04-06	2403	2238	143	22	70	14	56	20%
2021-04-12	2411	2247	145	19	70	14	56	20%
2021-04-19	2416	2258	146	12	70	17	53	24%
2021-04-29	2428	2263	148	17	70	17	53	24%
2021-05-05	2435	2273	148	14	70	17	53	24%
2021-05-11	2449	2278	149	22	70	10	60	14%
2021-05-20	2470	2286	149	35	70	14	56	20%
2021-06-03	2485	2315	151	19	70	27	43	39%
2021-06-10	2506	2323	155	28	70	14	56	20%
2021-06-17	2544	2328	156	60	70	14	56	20%
2021-06-25	2602	2356	159	87	70	24	46	34%
2021-06-29	2612	2383	163	66	70	23	47	33%



3.7.5.7 Chemical safety

Objective:

To monitor, identify, evaluate and prevent risks relating to chemicals that are hazardous to humans (e.g., storing and using agricultural substances); and to investigate, per notification, all incidences of pesticide poisonings.

Activities:

a) Pesticide Poisonings

- No incidents of pesticide poisoning were reported during the reporting period.

3.7.5.8 Vector Control

Objective:

To monitor, identify, evaluate and prevent vectors by the elimination or correction of conditions promoting the habits and breeding habits of vectors, and developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training.

Pest control in premises plays a key role in the prevention and control of major vector-borne diseases. Transmission of a disease from pest infestations can occur in both the internal and external environment of premises through contamination of equipment, surfaces, food or water

Activities:

a) Vector Control Investigations:

- 1 574 inspections for vector infestations were conducted at food and other public premises.
- Inspections did focus on the entire premises but particular attention was paid to areas where pests are more likely to appear, such as storage areas, food preparation areas, refuse storage areas.

3.7.5.9 Management of Human Remains

Objective:

To monitor compliance of funeral undertakers, mortuaries, embalmers, crematoriums, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains.

Activities:

a) Monitoring and Supervision of Exhumations and Re-interments

- All successful applications for exhumations / re-burials are monitored in order to ensure that exhumations / re-burials are complying with the relevant hygiene standards.
- No application for exhumations were received and monitored during the reporting period.

b) Monitoring of Crematoria / Funeral Parlours

- 28 inspections were conducted during the reporting period.
- 3 Certificates of Competence (CoC's) were issued to a Funeral Parlours.

3.7.5.10 Training and education

Objective:

To raise public awareness through awareness campaigns, road shows and the local media.

Activities:

a) Health and Hygiene Training and Education

- 4 Municipal health related articles were published in the local newspaper "The Courier".



- 55 Municipal Health / Covid related messages were posted on the Facebook Page of the local newspaper "The Courier" as well as on other Facebook pages in the district.
- Various other health and hygiene training and education activities were also conducted during the reporting period.

b) MHS Information Document

- A Municipal Health Services Newsletter was compiled and sent to all the local municipalities in the district.
- The purpose of this Information Document is to:
 - Promote the objectives of the Section in ensuring a safe and healthy environment for our residents in the Central Karoo, and
 - Create a bigger awareness regarding the Section's functions and responsibilities.

A few images / messages that were posted in The Courier, Facebook & WhatsApp Groups in the District



SEWER BLOCKAGES

Operations to remove inappropriate materials from sewer systems, which causes blockages and overflows, are carried out on almost a daily basis by municipalities in the Central Karoo.

Common causes of blockages include rags, nappies, tampons and sanitary pads, wet wipes, condoms, general litter, building materials and the build-up of cooking fat or oil. In the case of cooking oil or fats, when these substances are poured or flushed down your sink or drain, they harden and build up on the inside of the sewer pipes and act like glue, attracting rags, hair, paper and other debris. The hardness of these blockages can also make them very difficult to clean out. Residents should rather please let grease cool and harden in the pan, and then scrape it along with any food scraps into some newspaper or paper towel and dispose of this in the kitchen bin.

The persistent misuse of the sewer system continues in areas across the Central Karoo, causing blockages and overflows which place the health of our environment and communities at risk. It also wastes our municipalities resources which could rather be used to extend service delivery to our communities. It is also hugely unpleasant and inconvenient for those who have to suffer the effects of a sewer blockage.

Sewer reticulation systems operate under tremendous stress because it is being misused, although often unknowingly by residents.

No person may discharge substances into a municipal sewer that will interfere with the free flow of sewage. Sewer reticulation system is only geared to accept toilet waste (urine, faeces, and toilet paper) and sink/basin/bath waste (water, washing liquid and soap).

Municipalities in the Central Karoo cannot take up this challenge on its own. We call on our residents to help us to overcome this problem. Municipalities cannot do it without you.

Missing or stolen manhole covers can also increase the chances of blockages and overflows, as they can act like a magnet for illegal dumping and litter. Residents should please report these missing manhole covers as soon as possible.

Please report sewer overflows, blockages and those who transgress by-laws by contacting your local municipality.

- #### 10 TIPS ON HOW TO SAVE WATER
1. Flush toilets only when necessary.
 2. Reduce shower times. (Limit to 90 seconds)
 3. Confine watering of gardens to before 10:00 or after 16:00.
 4. Perform a water audit at home.
 5. Collect rainwater for re-using in the garden or washing the car.
 6. Monitor water meters for high consumption and possible water leaks.
 7. Use a broom instead of a hosepipe when cleaning driveways or patios.
 8. Re-use the final rinse water from washing machines for the next wash cycle.
 9. Insulate hot water pipes so that not too much water is wasted when waiting for water to get hot.
 10. No filling of swimming pools!

A message by the Section Municipal Health Services of the Central Karoo District Municipality

COVID-19...

RESPECT. PROTECT.



THE MASK YOU WEAR PROTECTS OTHERS
THE MASK OTHERS WEAR PROTECTS YOU
PLEASE WEAR A MASK

A message by the Section Municipal Health Services of the Central Karoo District Municipality (gvr)

3.7.5.11 Complaints

- 17 complaints were received during the reporting period.
- All Environmental Health related public complaints were investigated.
- A compliance notice is issued where deemed necessary by the Environmental Health Practitioner.

3.8.5.12 Projects

Objective:

To promote a safe and healthy environment.

Activities:

a) *Project Proposal: Health & Hygiene Training & Education programme*

- A Project Proposal was sent to the WC Department of Health on 17 December 2020 in order to obtain funding for such a Programme.
- The objective of this Programme is to educate and empower people to help them to:
 - Address the dignity of communities.
 - Improve the health and hygiene conditions and to create a healthy environment.
 - Change negative behavioral patterns towards health and the environment.
 - Reduce the exposure of residents to diseases.

3.7.5.13 Reports and Notices

a) *Sinjani Reports*

- Reports were submitted to the National Department of Health on a monthly basis.

b) *Municipal Health Services Reports to Council*

- 4 Reports were compiled during the reporting period.

c) *Other Reports / Notices issued*

- Water Quality Management – 11
- Waste management – 35
- Food Control – 1 037
- Health Surveillance of Premises – 156
- Environmental Pollution Control – 1
- Communicable Diseases Control – 16
- Chemical Safety – 0
- Vector Control – 124
- Management of Human Remains – 16

3.7.5.14 Performance Management

The performance of the Section is measured against the Section's performance targets, which are set in accordance with the EHP's job descriptions etc.

The objective is to:

- Manage and improve services.
- Create a performance culture.
- Provide early warning signals.
- Promote accountability.
- Manage and improve poor performance.
- Obtain sustainable improvements in municipal health service delivery.

Performance on the Section's SDBIP operational & strategic KPI's are updated on a monthly basis on the Ignite System. PMS has not cascaded down to all EHP's, though the Section has its own "performance management system" for all services rendered.



The table below gives a summary of the Section's SDBIP performance for the reporting period:

Nr.	KPI	Type	Target	Actual	Comment
1	Compile and distribute a Municipal Health Information Document to Local Authorities by 31 January 2021	Strategic	1	1	Target achieved
2	Compile and submit bi-annual Water Quality Evaluation Reports to Water Service Authorities by 30 June 2021	Strategic	6	6	Target achieved
3	Compile and submit bi-annual Informal Settlement Evaluation Reports to Local Authorities by 30 June 2021	Strategic	10	10	Target achieved
4	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2021	Strategic	3	3	Target achieved
5	Compile & submit MHS Annual Report Input to the Manager Strategic Services by 31 August 2020	Operational	1	1	Target achieved
6	Compile & publish bi-annual MHS related articles in the local newspaper "The Courier" by 30 June 2021	Operational	4	4	Target achieved
7	Register EHP's for Continuous Professional Development (eCPD) training at an online training institution by 30 September 2020	Operational	7	7	Target achieved
8	Compile & submit MHS Adjustment Budget Input to CFO by 31 January 2021	Operational	1	1	Target achieved
9	Review MHS Rates & submit to CFO by 28 February 2021	Operational	1	1	Target achieved
10	Compile & submit MHS IDP Input to IDP Coordinator by 28 February 2021	Operational	1	1	Target achieved
11	Submit MHS Budget Input to CFO by 31 March 2021	Operational	1	1	Target achieved
12	Compile & submit MHS SDBIP Input to Director Corporate Services by 31 March 2021	Operational	1	1	Target achieved
13	Register all Environmental Health Practitioners at the Health Professions Council (HPCSA) by 30 April 2021	Operational	7	7	Target achieved

3.7.5.15 Continuous Professional Development

Objective:

The development of adequately skilled human resources is important to ensure effective implementation of the norms and standards.

The Health Professions Council of S.A. (HPCSA) require EHP's to complete regular CPD courses in order to maintain their registration. These courses offer EHP's of the Central Karoo District Municipality the opportunity to stay current in their field and enable them to offer greater skill and insight to the services that must be rendered

Activities:

a) eCPD Registration of EHP's

- Accredited training Programmes were made available to staff to ensure competency on aspects as outlined in their scope of profession.
- AOSIS was the service provider for eCPD training to EHP's.

3.7.5.16 Registration with Health Professions Council of S.A. (HPCSA)

EHP's must register at the Health Professions Council of S.A. (HPCSA) on an annual basis on or before April each year.

Activities:

a) HPCSA Registration

- All EHP's were registered during the reporting period.
- Proof of EHP registrations were submitted to the Manager MHS for recordkeeping purposes.



3.7.3.18 Employees: Municipal Health

Job level	2019/20	2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Posts)
				No.	%
Temporary		0	0	0	0
0 – 3		0	0	0	0
4 – 6	1	1	1	0	0
7 – 9		0	0	0	0
10 – 12	3	6	5	1	16%
13 – 16	1	1	1	0	0
Total	5	8	7	1	12%

Table 61: Employees Municipal Health

3.8 Component D: Disaster Management

Significantly, increased urban growth although very small in all the towns of the Central Karoo brings rising disaster-related possibilities for the future. The likelihood of rising temperatures and increasing weather extremes expected worldwide will be mirrored in this region, which is already exposed to strong winds during July and August, rainfall and droughts extremes as well as rising temperatures.

The Central Karoo differs from the rest of the districts in the Western Cape when it comes to disasters. Floods and fires are rare to this area in comparison to the rest of the province. Slow creeping droughts occurring in this semi-desert area and the risks of accidents happening on a daily basis with the N1, N12, R61 and other routes running for ±700km through the district, are part and parcel to this area. The transport of hazardous material through the region could lead to the occurrence of disasters.

A disaster is a progressive or sudden, widespread or localised, natural or human-caused occurrence which causes or threatens to cause death, injury or disease; damage to property, infrastructure or the environment; or disruption of the life of a community; and is of a magnitude that it exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

With the little personnel in the department, the building of good relations with other supportive role-players is critical. Excellent relationships over the years were put in place with the Provincial Traffic Department, emergency management services, the SAPS, social development, farmer's associations, SANRAL, SAN-Parks, Spoornet and private organisations.

3.8.1 Highlights: Disaster Management

Highlights	Description
Up grading of the Fire Dept. in CKDM through a shared service project	New appointment of Fire Chief Noel Williams, he took office on the 1 October 2020 which created new and refreshed opportunities for the shared Service between the District – and B-municipalities.
Roadshow on Climate Change, Global warming & the Drought Crisis in Beaufort West	High Schools in the Beaufort West participate on a High School Debate during February 2020 and 2021 on awareness with Climate change, Global warming & Drought crisis in Beaufort West. (See Attachment A) Roadshow was extended to outlined areas: Prince Albert, Laingsburg, Leeu Gamka, Merweville Thusong centre, Murraysburg Thusong centre, and Nelspoort.
Covid 19 Awareness outreach program during the phase in of learners at Primary Schools.	Together with Environmental Health, Covid 19 Awareness sessions were conducted at Primary Schools in CKDM during the phased in of learners. covering: Beaufort west, Prince Albert, Laingsberg, Leeu Gamka, Merweville Thusong centre, Murraysburg Thusong centre, and Nelspoort. (See Attachment B)

Highlights	Description
Appointment of fire officials at CKDM. (Capacitating the Fire Section)	<ul style="list-style-type: none"> 8 Fire Fighters were appointed to assist Chief Fire Officer with outside training after they went through an intensive training program headed by the Chief Fire Officer Basic fire training to SETA learner ship in Central Karoo (See attachment C) Basic fire training to Water & Sanitation Learner ship. (See attachment D)

Table 62: Highlights Disaster Management

3.8.2 Challenges: Disaster management

Challenges	Action to address
<ol style="list-style-type: none"> Equipment Factor Certificate of clearance and inspection, flammable liquid storage permits are getting addressed however the challenge is that there is no bylaw in place for Central Karoo 	<ol style="list-style-type: none"> Shortage of equipment creates a challenge to train staff as well as assisting the public. There is specialised equipment that is required by Disaster Management and Fire in order to full fill their duties to the community. Bylaw to be drafted in implemented

Table 63: Challenges Disaster Management

3.8.3 Activities: Disaster management

Function	Description of activities during 2020/21
Declaration of Covid 19 Pandemic National Disaster as well as Agricultural drought.	<ul style="list-style-type: none"> Take part in the implementing of the Drought Recovery Action Plan (DRAP) by Local Government as part of the drought recovery in the Central Karoo District. Providing "hypo-water rollers" to the communities of Prince Albert & Laingsburg as project to supply drinking water to households that are in need. (See attachment E)
Appointing of Firemen	Appointing 8 (eight) new firefighters at District Municipal level for handling of veld fires, vehicle fires on the N1 and surrounding areas as well as hazardous materials incidents
Assist with Cleaning of infectious Houses during lockdown of Covid 19	CKDM Disaster assist local Municipality with cleaning of infectious houses of positive tested persons

Table 64: Activities Disaster Management





3.8.4 Employees: Disaster management

Job level	2019/20	2020/21			
				Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	Employees	Posts	Employees		
	No.	No.	No.	No.	%
Temporary		0	8	0	0
0 – 3		0	0	0	0
4 – 6	1	1	1	0	0
7 – 9		0	0	0	0
10 – 12		0	0	0	0
13 – 16	1	2	2	0	0
Total	2	3	3	0	0

Table 65: Employees Disaster Management

3.9 Component E: Corporate Offices and other services

3.9.1 Office of the Municipal Manager

Employees: Office of the Municipal Manager

The table below indicates the number of employees in the Office of the Municipal Manager for the 2020/21 financial year:

Job level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Posts)
	No.	No.	No.	No.	%
Temporary - MM	1	1	0	1	100
0 – 3		0	0	0	0
4 – 6		0	0	0	0
7 – 9	1	1	1	0	0
10 – 12		0	0	0	0
13 – 16	1	1	1	0	0
Total	3	3	2	1	33%

Table 66: Employees Office of the Municipal Manager

3.9.2 Records Management

Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance.

Sound records management implies that records are managed in terms of an organisational records management program governed by an organisational records management policy.

3.9.2.1 Activities: Records Management

Function	Description
Records Management	To ensure that:
	Records management is an objective in the District Municipality's strategy and strategic plan
	The current record keeping and records management situation is determined to ensure that relevant information is available regarding the record keeping and records management practices of the District Municipality
	Information contained in records is managed effectively throughout the office by drafting and implementing records management policies and systems
	Information can be identified and retrieved when required by providing well-structured records classification and record keeping system
	All records are kept safe in custody
	There is a systematic disposal programme in place
	All audio-visual records are managed according to the requirements of the National Archives and Records Service Act and good governance
	All electronic records are managed according to the requirements of the National Archives and Records Service Act and good governance
	Report monthly on outstanding documents
	There are evaluation criteria in place to monitor compliance with sound records management practices
	Maintain file plan, applications for transfer and disposal of systems and documentation
	Review disposal authority and retention periods on current file plan and submit information to Western Cape Archives and Records Service
Supervision	Supervise, co-ordinate and delegate the Reception, General Assistant and cleaning services within Council
Surety register	Capture, file and update surety information and safekeeping of files
Council Chambers/Equipment management and organising	Booking of Council Chamber for meetings, arranging supplies, material and refreshments and cleaners for the meetings
Key Locker, Access Control and Alarm system	Manage the
	Key locker and key register
	Access control system
	Alarm system and alarm codes
Telephone system and accounts	Reconcile Telephone accounts for auditing and provide compiled list to Salary Clerk
	Manage users
	Report faults / applications for new extensions / transfer of lines
	Capture client numbers and personnel codes on telephone system

Table 67: Activities Records Management

3.9.2.2 Matters addressed: Records Management

Items	Number	Action
Records Management	Continuous	Capturing of incoming, internal and outgoing post as well as the filing of all documentation
		Applications for transfer and disposal of current systems, terminated systems and financial documentation
		Maintaining file plan and submitting amendments as required
		Reviewing retention periods and submit the information to the Western Cape Archives and Records Service
		Control & ensure that all audio-visual records are managed according to the requirements of the National Archives and Records Service
		Report monthly to MM and Director Corporate Services on Quidity system
		Attend records management meetings

Items	Number	Action
Supervision		Oversee Committee Clerk that, in accordance with attendance register for meetings, the CD and agenda with attachments was received for scanning and filing
		Supervise, co-ordinate and delegate the Records Clerk, reception, general assistant and cleaning services within Council
Surety		Capturing, filling and updating of surety information
		Safekeeping of surety files
Council Chambers / Equipment management and organising		Booking of Council Chamber for meetings, arrangement supplies, material and refreshments and cleaners for the meetings
Key Locker, Access Control and alarm system		Manage key locker, key register
		Manage the access control – report weekly
		Manage the alarm system and alarm codes
Telephone system and accounts		Print and reconcile telephone accounts of personnel
		Memo's/correspond to personnel on accounts for more than 3 hours as per policy and outstanding payments
		Compile a list for deduction of accounts from salary and compile report for the Municipal Manager & Snr Manager: Corporate Services
		Manage the telephone accounts on the Teltrace system (capturing & deleting of personnel)
		Report faults / applications for new extensions / transfer of lines
Traffic Fines		Capture client numbers and personnel codes on telephone system
		Manage traffic fines received and transfer to responsible person

Table 68: Records Management matters addressed

3.9.2.3 Employees: Records Management

Job level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary	0	0	0	0	0
0 – 3	0	0	0	0	0
4 – 6	4	6	6	0	0
7 – 9	0	0	0	0	0
10 – 12	1	1	1	0	0
13 – 16	0	0	0	0	0
Total	5	7	7	0	0

Table 69: Employees Records Management

3.10 Human Resources (HR)

The purpose of the section is the design, development and alignment of policies, procedures, systems and controls guiding HR interventions, application outcomes and providing strategic advice on initiatives with respect to HR development aimed at supporting the accomplishment of the Municipality's KPA's and service delivery objectives.

Key performance areas:

- Strategic Management
- Recruitment and Selection
- Talent Management
- HR Risk Management
- Workforce Planning and Personnel Administration
- Learning and Development (Training)
- Performance Management
- Reward and Recognition (TASK)
- Employee Wellness
- Labour Relations
- Organisational Development
- HR Service Delivery
- HR Technology
- HR Measurement
- Employment Equity and Diversity Management

3.10.1 Highlights: Human Resources

Highlights	Description
Bursaries to students	48 bursaries (R2000 per student) were provided to the youth in the District to assist with their registration at academic institutions
Employee Wellness	<ul style="list-style-type: none"> • Approved Employee Assistance Policy. • 21 June 2021 – Health Screening Day. • Special COVID isolation leave was approved for affected employees.
Appointments finalized	Filled 10 vacancies compared to 10 vacancies 2019/20 compared to 23 vacancies 2018/19, 27 vacancies in 2017/18 and 12 in 2016/17.
Provincial Disaster Management Support Grant	Ms Sinazo Cita was appointed as Disaster Management Intern from 7 September 2020 to 30 June 2021. Her appointment was funded and supported by the Provincial Disaster Management Centre. A certificate was presented to Ms Cita on completion of her internship.
Financial Management Capacity Building Grant	Provided 11 bursaries to full-time students with the grant obtained since 2017. Three new student bursaries were approved for 2020/21.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of 5 Interns are appointed.
In-service training	10 Students were assisted with in-service training during the 2020/21 financial year in terms of Council's policy.
HR Policies Reviewed	<ul style="list-style-type: none"> • Recruitment & Selection (in process) • Travel & Accommodation (in process) • In-Service Training (in process) • Individual Performance Management System (in process) • Cell phone (in process)
Unemployed Youth Training	<p>Funding was received from CHIETA and the following training was completed during 2020/21:</p> <ul style="list-style-type: none"> • Chemical Operations Level 1 – 20 students • Chemical Operations Level 2 – 10 students • Chemical Operations Level 3 – 19 students <p>Funding from CHIETA was again received for 2021/22 to extend the training for 34 students.</p>

Table 70: Highlights Human Resources



3.10.2 Employees: Human Resources

Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary	3 1	0	0	0	0
0 – 3		0	0	0	0
4 – 6		0	0	0	0
7 – 9		0	0	0	0
10 – 12		3	2	1	33%
13 – 16		1	1	0	0
Total	4	4	3	1	25%

Table 71: Employees Human Resources



Mr. Neil Oerson (New appointment – Manager: Disaster Management)



Mr. Noel Williams (New appointment: Chief Fire Officer)



Mr. Neil Oerson (New appointment – Manager: Disaster Management)



Mr. Ludwe Ngxateleni – Environmental Control Officer



Mr Gerrit van Zyl (Manager Municipal Health) welcomes Mr Pierre Louw – Snr. Environmental Health Practitioner (Prince Albert)



CKDM Awards ceremony – 10-year service and retirements



The CKDM appointed 8 Volunteer Fire Fighters

3.11 Financial Services

3.11.1 Highlights: Financial Services

The table below indicates the highlights achieved during the financial year:

Highlights	Description
Funding received	Funding has been obtained from Provincial Treasury to assist with financial functions
Expansion of organogram for full growing unit.	Additional two posts were added on the organogram to capacitate the financial service department.
FMG Internships	All 5 the FMG internship positions were filled during the financial year

Table 72: Finance Highlights

3.11.2 Challenges: Financial Services

The table below indicates the challenges faced by the Finance Unit:

Description	Actions to address
MSCOA Regulations	MSCOA Steering Committee established
System challenges as result of changing environment	Engagement with provincial Treasury and hand holding and transfer of skills by Sebata staff and appointment of System Implementation contracted staff member
Additional positions in SCM and Relief Clerk urgently required	Organogram was reviewed

Table 73: Challenges Financial Service

3.11.3 Employees: Financial Services

The table below indicates the number of employees in the Finance Unit for the 2020/21 financial year:

Job Level	2019/20	2020/21			
	Employees	Posts	*Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary	9	5	3	0	0
0 - 3		0	0	0	0
4 - 6		1	1	0	0
7 - 9		2	2	0	0
10 - 12		2	2	0	0
13 - 16		3	3	0	0
Sect. 57		1	1		
Total	9	9	9	0	0%

*Employees total does not include temporary employees

Table 74: Employees Financial Services



3.12 Component F: Organisational Performance Scorecard

The main development and service delivery priorities for 2020/21 is the Municipality's Top Layer SDBIP for 2020/21 and are indicated in the tables below:

3.12.1 Build a well capacitated workforce, skilled youth and communities

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL5	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2022	Organisational structure reviewed and submitted to Council	1
TL7	Spend 0.5% of the municipality's personnel budget on training by 30 June 2022 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	0.5
TL8	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2022	Workplace Skills Plan reviewed and submitted	1
TL9	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June 2022	Number of people employed	1

Table 75: Build a well capacitated workforce, skilled youth and communities

3.12.2 Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL1	Spend 90% of the municipal capital budget by 30 June 2022 ((Actual amount spent /Total amount budgeted) X100)	% of capital budget spent	90
TL21	Review 15 budget related policies and submit to Council for approval by 31 May 2022	Number of policies reviewed and submitted to Council for approval	15
TL22	Review and submit the MFMA delegation register to Council for approval by 31 May 2022	MFMA delegation registered reviewed and submitted to Council for approval	1
TL23	Compile and submit the financial statements to the Auditor-General by 31 August 2021	Financial statements compiled and submitted to the Auditor-General	1
TL24	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	10
TL25	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage as at 30 June 2022	1.5

Table 76: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

3.12.3 Facilitate good governance principles and effective stakeholder participation

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL2	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2022	RBAP revised and submitted to the Audit Committee	1
TL3	Complete 70% of the audits as per the RBAP by 30 June 2022 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% Audits completed	70
TL6	Review Corporate and HR policies and submit to Council for approval by 30 June 2022	Number of policies reviewed and submitted	2
TL15	Submit the draft Annual Report in Council by 31 January 2022	Draft Annual Report submitted in Council	1
TL16	Review and submit the IDP and Budget Process Plan and District Framework to Council by 31 August 2021	IDP and Budget Process Plan and Framework submitted to Council	1
TL20	Submit the final IDP to Council by 31 May 2022 for approval	Final IDP submitted for approval	1

Table 77: Facilitate good governance principles and effective stakeholder participation

3.12.4 Improve and maintain district roads and promote safe roads transport

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL26	Employ workers in temporary positions in terms of skills and labour needs within identified road projects by June 2022	Number of temporary workers employed	40
TL27	Spend 95% of the total approved Roads budget by 30 June 2022 [(Actual expenditure divided by approved allocation received) x100]	% of total approved Roads budget spent	95
TL28	Regravel 40 kilometres of road by 30 June 2022	Number of kilometres regavelled	40
TL29	Spend 95% of the total approved blading maintenance budget by 30 June 2022 [(Actual expenditure divided by approved allocation received) x100]	% of total approved blading maintenance budget spent	90

Table 78: Improve and maintain district roads and promote safe roads transport

3.12.5 Prevent and minimize the impact of possible disasters and improve public safety in the region

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL18	Conduct monthly Covid 19 DJOC meetings with relevant stakeholders	Number of meetings conducted	12
TL19	Spend 90% of the approved WOSA Safety Grant by 30 June 2022	% of budget spent	90

Table 79: Promote regional, economic development, tourism and growth opportunities

3.12.6 Promote regional, economic development, tourism and growth opportunities

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL14	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2022	Number of full time equivalent (FTE's) created	25



3.12.7 Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service

Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL10	Compile and submit bi-annual Water Quality Evaluation Reports to the Water Service Authorities by 30 June 2022	Number of Water Quality Evaluation Reports submitted to the Water Service Authorities by 30 June	6
TL11	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2022	Number of Waste Management Evaluation Reports submitted to Local Authorities by 30 June	3
TL12	Compile and distribute a Municipal Health Information Document to Local Authorities by 31 January 2022	Number of Municipal Health Information Documents submitted to Local Authorities by 31 January	1
TL13	Compile and submit bi-annual Informal Settlement Evaluation Reports with recommendations to Local Authorities by 30 June 2022	Number of Informal Settlement Evaluation Reports compiled and submitted to Local Authorities	10
TL17	Review the Disaster Management Plan and submit to Council by 31 May 2022	Disaster Management Plan reviewed and submitted	1

Table 81: Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 National KPI's – Municipal transformation and organisational development

The following table indicates the municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	2019/20	2020/21
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	6	11
The percentage of a training expenditure versus personnel expenditure actually spent on implementing its workplace skills plan	4,89%	8,9%

Table 82: National KPI's - Municipal transformation and organisational development

4.2 Introduction to the municipal workforce

The Municipality currently employs 133 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR is:

- To render a provisioning and support service function that will ensure the recruitment, utilisation and retention of the organisation's human capital
- To give effect to the EEP of the organisation and to ensure compliance with employment equity measures
- To facilitate sound relationship between employer and employees and create a climate of labour peace, stability and wellness

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National KPI also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

4.2.1.1 Employment equity targets / actual by racial classification

The following table illustrates the targets and actuals achieved per racial classification:

African			Coloured			Indian			White		
Target June	Actual June	% Target reached	Target June	Actual June	% Target reached	Target June	Actual June	% Target reached	Target June	Actual June	% Target reached
62	28	45%	90	110	122%	1	0	0%	31	11	35%

Table 83: Employment equity targets/actual by racial classification

4.2.1.2 Employment equity targets /actual by gender classification

The following table illustrates the targets and actuals achieved per gender classification:

Male			Female			Disability		
		% Target Reached			% Target Reached			% Target reach
Target June	Actual June		Target June	Actual June		Target June	Actual June	
85	109	128%	99	40	85	109	128%	99

Table 84: Employment equity targets/actual by gender classification

4.2.1.3 Employment equity targets vs population 2020/21

Description	African	Coloured	Indian	White	Other	Total
Population numbers	9 045	54 076	300	7 197	393	71 011
% Population	12.70	76.20	0.40	10.10	0.60	100
Number of positions filled 2019/20	28	110	0	11	0	149
% of positions filled 2018/19	20,95	70,94	0	8.11	0	100
% of positions filled 2019/20	12,16	73,83	0	7,38	0	100

Table 85: Employment equity targets vs population 2019/20

4.2.1.4 Occupation levels – Race

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	1	0	0	0	0	0	1	2
Senior management	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	2	0	1	1	1	0	3	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	14	0	4	4	14	0	2	42



Occupational	Male				Female				
Levels	A	C	I	W	A	C	I	W	Total
Semi-skilled and discretionary decision making	5	29	0	0	1	4	0	0	39
Unskilled and defined decision making	8	40	0	0	5	4	0	0	57
Total permanent	17	87	0	5	11	23	0	6	149
Non- permanent employees	0	3	0	0	2	1	0	0	6
Grand Total	17	90	0	5	13	24	0	6	155

Table 86: Occupation levels – Race

4.2.1.5 Department – Race

The following table categorise the number of employees by race within the different departments:

	Male				Female				
Department	A	C	I	W	A	C	I	W	Total
Municipal Manager	0	0	0	0	1	1	0	0	2
Corporate Services	3	8	0	4	6	8	0	3	32
Financial Services	0	2	0	0	0	9	0	3	14
Technical Services	14	77	0	1	4	5	0	0	101
Total permanent	17	87	0	5	11	23	0	6	149
Non-permanent	0	3	0	0	2	1	0	0	6
Grand Total	17	90	0	5	13	24	0	6	155

Table 87: Department – Race

4.2.1.6 Vacancy rate per post and functional level

The following table illustrates the vacancy rate per post and functional level:

Per post level		
Post level	Filled	Vacant
Municipal Manager and MSA Section 57 and 56	2	1
Middle management	9	0
Admin officers and operators	81	14
General workers	57	6
Total	149	21
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	2	1
Corporate Services	32	3
Financial Services	14	0
Technical Services	101	17
Total	149	21

Table 88: Vacancy rate per post and functional level

4.2.1.7 Turn-over rate

The following table illustrates the turn-over rate for 2020/21. The turnover rate shows a decrease from 6,79% to 5,88%.

Financial year	New appointments	No. of terminations during the year	Turn-over rate
2018/19	27	11	7,43%
2019/20	23	11	6,79%
2020/21	10	10	5,88%

Table 89: Turn-over rate

4.2.2 Managing the Municipal workforce

4.2.2.1 Injuries

The table below indicates the total number of injuries within the different Departments:

Department	2019/20	2020/21
Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	0
Technical Services	9	6
Total	9	6

Table 90: Injuries

4.2.2.2 Sick leave

Department	2019/20		2020/21	
	Total number of days	Average per person	Total number of days	Average per person
Municipal Manager	44	3	3	1
Corporate Services	101	4	168	9
Financial Services	57	4	75	8
Technical Services	1111	9	488	8
Total	1313		734	

Table 91: Sick leave

4.2.2.3 Approved policies: Human Resources

The table below shows the HR policies and plans that are approved:

Approved policies	
Name of policy	Date approved/revised
Bonus	Approved 22.8.2018
Career Planning / Succession Planning	Approved 22.8.2018
Cell phones	Reviewed June 2021
E-mail records management	Approved 01-Aug-08
HIV/Aids	Approved March 2018/Reviewed 22 August 2018
Employee Wellness (EAP)	Approved 22.8.2018
Essential motor vehicle scheme	Reviewed 29.5.2019
Evacuation plan	Approved 22-Aug-05
Gender Mainstreaming	Draft since May 2019
HR Strategic Strategy & Plan	Approved 4 June 2020



Approved policies	
Name of policy	Date approved/revised
Incapacity	Approved 22.8.2018
Induction	Approved 01-Aug-05
In-service training (students)	Approved March 2018 / Reviewed June 2021
Leave Policy and Procedures	Revised 30 June 2014 / Revised 25 May 2017
Nepotism	Approved 22-Apr-05
Recruitment, selection and appointment	Approved October 2016 / Reviewed June 2021
Sexual harassment	June 2014 / Reviewed March 2018
Smoking	Approved 01-Jul-01
Study Bursaries / driver's license	Approved 23-Jul-09 / Reviewed June 2021
Travel and subsistence allowances	Reviewed June 2021
Whistle Blowing	Reviewed 29.5.2019

Table 92: Approved policies - Human Resources

4. 4 Capacitating the municipal workforce

4.4.1 MFMA Competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA

The table below provides details of the financial competency development progress as required by the regulations:

Financial competency development: Progress report				
Description	Number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Municipal Manager				0
Chief Financial Officer	1	1	1	1
Senior managers	1	1	1	1
Any other financial officials	8	1	n/a	1
SCM officials				
Accountant: Supply Chain	1	In process to complete	n/a	n/a
SCM senior managers	n/a	n/a	n/a	n/a
Total	11	3	2	3

Table 93: Details of the financial competency development progress

4.4.2 Skills development expenditure

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act, 1998 (Act No.81 of 1998) and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).



	Total personnel budget	Total allocated	Total spent	
Financial year	R'000	R'000	R'000	% spent
2019/20	49 251	795	498	63%
2020/21	48 982	813	744	92%

Table 94: Skills development expenditure

4.5 Managing the municipal workforce expenditure

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency.

The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage (%)
	R'000		
2019/20	52 428	90 407	58%
2020/21	49 091	93 479	53%

Table 95: Personnel expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Mayor	915	941	941	907
Executive Committee members	1 124	1 902	1 902	1 136
Councillors	1 807	1 510	1 510	1 732
Sub total	3 845	4 353	4 353	3 774
Senior Managers				
Annual Remuneration	2 457	3 702	3 702	2 070
Motor Vehicle / Travel allowance	543	-	-	339
Performance Bonus	445	345	345	-
Telephone allowance	86	-	-	91
Contributions to UIF, Medical, Pension and Bargaining Council	321	104	116	266
Other benefits and allowances	2 294	254	264	250
Sub total	6 145	4 405	4 427	3 016
Other Staff				
Basic salaries and wages	36 867	37 604	35 807	35 244
Employee related costs - Contributions for UIF, Pensions and medical Aids	9 531	7 194	7 848	7 926

Financial year	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Overtime	1 297	1 458	1 458	1 381
Travel, Motor vehicle, Accommodation, Subsistence and Other Allowances	1 519	2 991	1 439	1 260
Current service cost	252	-	-	211
Housing allowance	334	458	470	337
13th Cheque	2 782	-	1 843	2 384
Employee benefits provision	(63)	326	218	348
In-kind benefits	521	165	72	-
Sub Total	52 966	51 119	50 077	49 091
Total Municipality	56 811	59 876	59 345	52 865

Table 96: Councillor and staff benefits

** Please take note that all financial information is not final and is subject to change **

CHAPTER 5: FINANCIAL SUMMARY

This chapter provides details regarding the financial performance of the municipality for the 2020/21 financial year.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2020/21 financial year:

Description	2019/20	2020/21		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Financial performance				
Property rates	0	0	0	0
Service charges	0	0	0	0
Investment revenue	1 138	1 100	1 100	785
Transfers recognised – operational	35 985	43 225	47 275	41 119
Other own revenue	51 182	56 690	56 759	58 025



Description	2019/20	2020/21		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Total revenue (excluding capital transfers and contributions)	88 305	101 015	105 134	99 929
Employee related costs	52 965	52 257	54 504	49 091
Remuneration of Councillors	3 845	4 941	4 841	3 775
Contracted services	11 196	395	395	8 922
Depreciation and amortisation	610	651	757	762
Debt impairment	0	0	0	30
Finance charges	711	0	0	894
Impairment loss on Receivables	-	0	0	-
Inventory Consumed	7 823	76	91	9 104
Loss on disposal of property, plant and equipment (PPE)	-	0	0	107
General expenses	13 788	41 773	43 395	19 741
Total expenditure	90 940	100 092	103 982	93 479
Surplus/(Deficit)	(2 635)	923	1 153	6 450
Transfers recognised - capital	0	0	0	0
Contributions recognised - capital and contributed assets	0	0	0	0
Surplus/(Deficit) after capital transfers and contributions	(2 635)	982	1 146	(2 635)
Capital expenditure				
Transfers recognised - capital	0	0	0	
Public contributions and donations	0	0	0	
Borrowing	0	0	0	
Internally generated funds	194	1 104	458	
Total sources of capital funds	194	1 104	243	
Financial position				
Total current assets	19 015	10 701	25 900	
Total non-current assets	15 449	21 443	15 674	
Total current liabilities	14 323	8 935	16 767	
Total non-current liabilities	14 563	19 009	14 491	



Description	2019/20	2020/21		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Accumulated Surplus/(Deficit)	5 578	4200	10 317	
Cash flows				
Net cash from (used) operating	8 576	2 641	7 035	
Net cash from (used) investing	(194)	(573)	(458)	
Net cash from (used) financing	(69)	(36)	(63)	
Cash/cash equivalents at year-end	15 365	2 031	21 879	
Cash backing/surplus reconciliation				
Cash and investments available	15 365	2 031	21 879	
Application of cash and investments	0	0	0	
Balance - surplus (shortfall)	15 365	2 031	6 505	
Free services				
Cost of free basic services provided	n/a	n/a	n/a	
Revenue cost of free services provided	n/a	n/a	n/a	
Households below minimum service level				
Water:	n/a	n/a	n/a	
Sanitation/sewerage:	n/a	n/a	n/a	
Energy:	n/a	n/a	n/a	
Refuse:	n/a	n/a	n/a	

Table 97: Financial summary

The table below shows a summary of performance against the budget:

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.		Budget	Actual	Diff.	
	R'000			%	R'000			%
2020/2021	105 134	99 929	5 205	5%	103 982	93 479	10 502	10%

Table 98: Performance against budgets



5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2019/20	2020/21		
	Actual	Original budget	Adjusted budget	Actual
	R'000			
Vote 1 - Executive and Council	14 984	39 453	42 759	42 286
Vote 2 - Budget and Treasury Office	2 309	4 436	4 406	915
Vote 3 - Corporate Services	6 178	5 681	6 525	4 895
Vote 4 - Technical Services	64 834	51 444	51 444	51 832
Total revenue by vote	88 305	101 015	105 134	99 929

Table 99: Revenue collection by vote

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2020/21 financial year:

Description	2019/20	2020/21		
		Original budget	Adjusted budget	
	Actual	budget	budget	Actual
	R'000			
Property rates	0	0	0	0
Property rates - penalties and collection charges	0	0	0	0
Service charges - electricity revenue	0	0	0	0
Service charges - water revenue	0	0	0	0
Service charges - sanitation revenue	0	0	0	0
Actuarial gains	1 345	0	0	1 066
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	119	100	70	51
Interest earned - external investments	1 138	1 100	1 100	785
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	92	0	0	3
Licences and permits	51	0	0	27
Agency services	4 073	4 793	4 793	4 793
Department of Transport - Roads service charges	44 406	0	0	0
Government grants and subsidies - operating	35 985	43 225	47 275	41 119
Other income	993	51 797	51 897	125
Gains on disposal of property, plant and equipment	0	0	0	0
Total revenue (excluding capital transfers and contributions)	88 305	101 015	105 134	99 929

Table 100: Revenue collection by source

5.1.3 Operational services performance -

The table below indicates the operational services performance for the 2020/21 financial year:

Description	2019/20	2020/21		
	Actual	Original Budget 2019/20	Adjusted budget	Actual 2019/20
		R'000		
Roads transport	64 834	51 444	51 444	51 628
Component A: Sub-total	64 834	51 444	51 444	51 628
Planning and development	2 743	2 100	2 868	7 940
Component B: Sub-total	2 743	2 100	2 868	7 940
Municipal health	51	47	47	3 925
Component C: Sub-total	51	47	47	3 925
Disaster management	5	0	75	1 602
Component D: Sub-total	5	0	75	1 602
Executive and Council	14 859	39 453	42 759	6 278
Internal Audit	125	0	0	0
Finance and Administration	8 360	7 971	7 941	22 090
Other				
Component E: Sub-total	23 344	47 424	50 700	28 368

Table 101: Operational services performance

5.2 Financial performance per municipal function

The tables listed below reflect the financial performance of each of the municipal functions:

5.2.1 Roads transport

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	58 753	51 444	51 444	52 040
Total operational expenditure	59 076	51 395	51 558	51 628
Net operational (service) expenditure	323	1 732	3 975	413

Table 102: Financial performance: Roads and storm water

5.2.2 Municipal Health

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	51	31	61	27
Total operational expenditure	4 174	4 563	4 323	3 925
Net operational (service) expenditure	(4 123)	49	(114)	(3 898)

Table 103: Financial performance: Municipal Health

5.2.3 Disaster management

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	5	0	75	66
Total operational expenditure	1 651	1 787	1 912	1 602
Net operational (service) expenditure	(1 646)	(1787)	(1 837)	(1 536)

Table 104: Financial performance: Disaster management



5.2.4 Executive and Council

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	14 984	39 453	42 759	39 977
Total operational expenditure	12 238	11 055	12 780	6 278
Net operational (service) expenditure	2 746	28 398	29 979	33 700

Table 105: Financial performance: Executive and Council

5.2.5 Internal Audit

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	125	0	0	0
Total operational expenditure	889	1 044	1 044	1 027
Net operational (service) expenditure	(764)	(1 044)	(1 044)	(1 027)

Table 106: Financial Performance: Internal Audit

5.2.6 Finance and Administration

Description	2019/20	2020/21		
	Actual	Original budget 2019/20	Adjustment budget	Actual 2019/20
	R'000			
Total operational revenue (excluding tariffs)	5 689	7 971	7 941	4 728
Total operational expenditure	21 667	24 235	25 276	22 090
Net operational (service) expenditure	(15 978)	(16 264)	(17 335)	(17 361)

Table 107: Financial Performance: Finance Administration



5.3 Grants

5.3.1 Grant performance

The Municipality had a total amount of R 41 156 382, 00 that was received in the form of grants from national and provincial governments during the 2020/21 financial year. The performance in the spending of these grants is summarised as follows:

CENTRAL KAROO DISTRICT MUNICIPALITY - GRANT REGISTER							
Year end: 30 June 2021							
	Budget	Opening Balance	Receipt	Expenditure	Repayment of Grant	Closing Balance	Unspent
National Treasury	37 302 000,00	2 014 036,56	37 002 000,00	37 048 843,75	-	1 967 192,82	1 967 192,86
Equitable Share	32 792 000	-	32 792 000	32 792 000	-	-	-
Rural Roads Asset Management Systems Grant	1 948 000	2 014 037	1 948 000	1 994 844	-	1 967 193	1 967 193
Expanded Public Works Programme Integrated Grant	1 262 000	-	1 262 000	1 262 000	-	-0	-
Local Government Financial Management Grant	1 000 000	0	1 000 000	1 000 000	-	-	-
Municipal Systems Improvement Grant	300 000	-	-	-	-	-	-
Provincial Treasury	2 750 000	2 257 650	2 650 000	2 239 272	-1 035 010	1 633 368	1 633 368
Financial Management Capacity Building Grant	400 000	430 166	300 000	95 625	-51 166	583 375	583 375
Safety implementation - whole of society approach (WOSA)	2 100 000	768 439	2 100 000	1 827 893	-	1 040 546	1 040 546
Municipal Drought Relief Grant	250 000	0	250 000	250 000	-	0	0
Western Cape Financial Management Support Grant (Audit System)	-	200 000	-	-	-200 000	-	-
Western Cape Financial Management Support Grant (ERM System)	-	173 000	-	-	-173 000	-	-
Western Cape Financial Management Support Grant (PDO Compliance)	-	220 025	-	-	-220 025	-	-
Western Cape Financial Management Support Grant (Internal Audit and Risk Management)	-	390 819	-	-	-390 819	-	-
LG Internship Grant (Disaster Management)	-	75 201	-	65 753	-	9 448	9 448
Other Grants	1 000 000	599 199	1 504 382	1 830 386	-	273 195	273 195
CHIETA - OLD PROJECTS	1 000 000	397 415	1 504 382	1 830 386	-	71 411	71 411
LGSeta	-	201 784	-	-	-	201 784	201 784
TOTAL	41 052 000	4 870 885	41 156 382	41 118 501	-1 035 010	3 873 756	3 873 756

Table 108: Grant performance - 2020/21

5.3.2 Level of reliance on grants and subsidies

The table below reflects the reliance on grants and subsidies:

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		
2019/20	35 985	88 305	41%
2020/21	41 156	99 929	41%

Table 109: Reliance on grants

5.4. Financial ratio's based on KPI's

5.4.1 Liquidity ratio

The table below indicates the Municipality's performance with regards to the liquidity ratios:

Description	Basis of calculation	2019/20	2020/21
Current ratio	Current assets/current liabilities	1.33	1.54
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 Months	2 Month

Table 110: Liquidity ratio



5.4.2 IDP Regulation on financial viability indicators

The graphs and table below reflect the indicators relating to National KPA's:

Description	Basis of calculation	2019/20	2020/21
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	n/a	n/a

Table 111: National KPA's - Financial viability

5.4.3 Borrowing Management

The table below indicates the Municipality's ratio relating to borrowing management:

Description	Basis of calculation	2019/20	2020/21
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	1.47%	1.77%

Table 112: Borrowing management

5.4.4 Employee costs

The graph and table below indicate the Municipality's employee cost in relation to revenue:

Description	Basis of calculation	2019/20	2020/21
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	58%	53%

Table 113: Employee costs

5.4.5 Repairs and maintenance

The graph and table below indicate the municipality's cost of repairs and maintenance in relation to total revenue:

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Repairs and maintenance	R and M/ (Total revenue excluding capital revenue)	0.02%	0.13%

Table 114: Repairs and maintenance

COMPONENT A: SPENDING AGAINST CAPITAL BUDGET

ANALYSIS OF CAPITAL EXPENDITURE

5.5.1 Capital expenditure by new asset program

The table below indicates the capital expenditure on the purchasing of new assets:

Description	2019/20	2020/21		
	Actual	Original budget	Adjustment budget	Actual expenditure
R'000				
Other assets				0
General vehicles	0	0	300	0
Plant and equipment	0	10	15	4
Computers -hardware/equipment	46	195	503	108
Furniture and other office equipment	133	224	236	316
Other	0	0	0	414



Description	2019/20	2020/21		
	Actual	Original budget	Adjustment budget	Actual expenditure
R'000				
Other assets				0
Intangibles				
Computers - software and programming	15	0	50	31
Total capital expenditure on new assets	193	428	1 104	458

Table 115: Capital expenditure - New asset program

COMPONENT B: CASH FLOW MANAGEMENT AND INVESTMENTS

5.6 Cash Flow

The table below reflects the Municipality's cash flow for the year:

Description	2019/20	2020/21		
	Actual	Original budget	Adjusted budget	Actual
	R'000	R'000	R'000	R'000
Cash flow from operating activities				
Receipts				
Ratepayers and other	55 085	56 650	56 720	55 220
Government - operating	38 483	43 265	47 315	41 156
Government – capital	0	0	0	0
Interest	1 138	1 100	1 100	785
Dividends	0	0	0	0
Suppliers and employees	(86 125)	(99 581)	(102 494)	(89 063)
Finance charges	(4)	0	0	(10)
Transfers and grants	0	0	0	(1 054)
Net cash from/(used) operating activities	8 576	1 434	2 641	7 035
Proceeds on disposal of fixed assets	0	0	0	0
Purchase of intangible assets	(15)	0	0	(31)
Decrease/(increase) in non-current receivables	0	531	531	0
Capital assets	(179)	(428)	(1 104)	(428)
Increase in loan	0	0	0	0
Net cash from/(used) investing activities	(194)	103	(573)	(458)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	(69)	(36)	(36)	0
Increase (decrease) in consumer deposits	0	0	0	0
Payments				
Repayment of borrowing				0
Net cash from/(used) financing activities	(69)	(36)	(36)	0
Net increase/(decrease) in cash held	8 313	1 500	2 031	6 505
Cash/cash equivalents at the year begin:	7 052	4 085	4 085	15 386
Cash/cash equivalents at the year-end:	15 365	5 585	6 116	21 891

Table 116: Cash flow



5.7 Gross outstanding debtors per service

The table below indicates the gross outstanding debtors per service of the Municipality:

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2019/20	0	0	0	0	1 257	1 257
2020/21	0	0	0	0	980	980
Difference	0	0	0	0	277	277
% growth year on year	0	0			22%	22%
<i>Note: Figures include provision for bad debt</i>						

Table 117: Gross outstanding debtors per service

5.8 Borrowings and investments

Money not immediately required is invested within a timeframe of 1 to 12 months. The Investment Policy is approved and gives effect to regulations.

The tables below indicate the Municipality's borrowing and investment profile for the 2020/21 financial year:

5.8.1 Actual borrowings

Instrument	2019/20	2020/21
	R'000	
Long-term loans (annuity/reducing balance)	0	0
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	21	373
PPE liabilities	0	0
Finance granted by cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
Municipality Total	21	373

Table 118: Actual borrowings



5.9 Municipal investments

Investment type	2019/20	2020/21
	R'000	
Securities - National Government	0	0
Listed corporate bonds	0	0
Deposits – Bank	12 555	11 242
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers' acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Municipality total	12 541	11 242

Table 119: Municipal investments

COMPONENT C: OTHER FINANCIAL MATTERS

5.10 Supply Chain Management (SCM)

Management has developed a new SCM Policy which includes the SCM system and processes to be used by the Municipality. Standard operating procedures for SCM was develop during the year which included the Bid Committees, complaints and abuse of supply chain. The New PPPFA Policy was developed and approved by Council.

No Councillor was a member of the committees that dealt with supply chain processes.

5.11 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensure that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders

GRAP was fully implemented in the municipality in the 2010/11 financial year and the financial statements of 2020/21 are fully GRAP compliant.



APPENDICES

APPENDIX A: COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of committee
Finance and Corporate Services Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> - IDP and Budget - Income and Expenditure Management - Credit Control - Asset and SCM - Financial Services - IT & Data Management - Records Management - Environmental Health Services - Fleet Management - Disaster Management & Emergency Services - Legal Services - Council matters - Community Safety - Supply Chain Management - SDBIP - Skills Development and Training - Administration related to Shared Services - Councilor Training - Social issues / matters - Communication <p>Environmental Health Services:</p> <ul style="list-style-type: none"> - Drafting of Regulations - Air Quality Management - Water Quality Management - Waste Management - Food control - Communicable diseases - Community Pollution Management - Vector Control - Premises - Excavation / reclamation of human remains - Chemical safety - Health awareness and training
Municipal Services and Infrastructure Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> - IDP, Budget and SDBIP - Provincial Roads Function – Maintenance and construction - Public Transport - Civil Services to B-Municipalities - Capital projects: Infrastructure - OHS - Mechanical Work shop - Planning / Design - Plant
Human Resources Development Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> - IDP, Budget and SDBIP - Policies - Interviewing - Equal employment
Economic and Social Development Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> - IDP, Budget, SDBIP - LED & Tourism - Working for Water Project - Land Reform (Rural Development) - Community Development and empowerment initiatives - Youth and Gender equality <p>Office of the Municipal Manager:</p> <ul style="list-style-type: none"> - Internal Audit



Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of committee
	<ul style="list-style-type: none"> - Appointments - Labour Relations / Training

Table 120: Committees and Committee purposes

APPENDIX B: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	Director / Manager
Office of the Municipal Manager	Vacant
Corporate Services	Mr. Johannes Jonkers
Roads Infrastructure Services	Mr. A Koopman
Financial Services	Ms. Ursula Baartman

Table 121: Third Tier Structure

APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2019/20

No recommendations were made by the Municipal Audit and Performance Committee of the Central Karoo District Municipality during the year under review.

APPENDIX D: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts 2020/21			
Name of Service provider (Entity or Municipal Department)	Description of services rendered by the Service Provider	Project Manager	Contract Value
			R'000
Ignite Advisory Services	5 Year IDP Plan	Manager Strategic Services	As charged per tariff listing
Ignite Advisory Services	Performance Management	Manager Strategic Services	As charged per tariff listing
Mubesko Africa (Pty)Ltd	Accounting Services	Snr Manager: Financial Services	As charged per tariff listing
Moore Stephens	Internal Audit Services	Snr Manager: Financial Services	As charged per tariff listing
Ubertech	IT Support	Snr Manager: Corporate Services	As charged per tariff listing
Telkom	Telephone	Snr Manager: Corporate Services	As charged per tariff listing



Long Term Contracts 2020/21			
Name of Service provider (Entity or Municipal Department)	Description of services rendered by the Service Provider	Project Manager	Contract Value
			R'000
Ricoh	Rental of 4-in-1 copy machine	Snr Manager: Corporate Services	As charged per tariff listing
Nashua	Rental of 4-in-1 copy machine	Snr Manager: Corporate Services	As charged per tariff listing
B-Muns	Shared Services	Legal and Executive Support	As charged per tariff listing
Sebata	Financial System	Snr Manager: Financial Services	As charged per tariff listing

Table 122: Long term contracts and PPP's

APPENDIX E: DISCLOSURES OF FINANCIAL INTEREST

Declaration of interest forms were completed by the majority of employees, all Section 56/57 Managers and Councillors of the Central Karoo District Municipality to declare any interest for the 2020/21 with no employees declaring any related party transactions.

APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND SOURCE

APPENDIX F (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue collection performance by vote				
Description	2019/20	2020/21		
	Actual	Original Budget	Adjustment Budget	Actual
Vote 1 - Executive and Council	14 984	39 453	42 759	42 286
Vote 2 - Budget and Treasury Office	2 309	4 436	4 406	915
Vote 3 - Corporate Services	6 178	5 681	6 525	4 895
Vote 4 - Technical Services	64 834	51 444	51 444	51 832
Total revenue by vote	88 305	101 015	105 134	99 929

Table 123: Revenue collection performance by vote

APPENDIX F (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue collection performance by source				
Description	2019/20	2020/21		
	Actual	Original Budget	Adjustment Budget	Actual
Actuarial gains	1 345	0	0	1 066
Rentals of facilities and equipment	119	100	70	51
Interest earned - external investments	1 138	1 100	1 100	785
Licenses and permits	51	0	0	27
Agency services	4 073	4 793	4 793	4 793
Department of Transport - Roads service charges	44 406	0	0	51 959
Government grants and subsidies	35 985	43 225	47 275	41 119
Other income	993	51 797	51 897	125
Total revenue by source	88 305	101 015	105 134	99 929

Table 124: Revenue collection performance by vote



APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CENTRAL KAROO DISTRICT MUNICIPALITY - GRANT REGISTER Year end: 30 June 2021

	Budget	Opening Balance	Receipt	Expenditure	Repayment of Grant	Closing Balance	Unspent
National Treasury	37 302 000,00	2 014 036,56	37 002 000,00	37 048 843,75	-	1 967 192,82	1 967 192,86
Equitable Share	32 792 000	-	32 792 000	32 792 000	-	-	-
Rural Roads Asset Management Systems Grant	1 948 000	2 014 037	1 948 000	1 994 844	-	1 967 193	1 967 193
Expanded Public Works Programme Integrated Grant	1 262 000	-	1 262 000	1 262 000	-	-0	-
Local Government Financial Management Grant	1 000 000	0	1 000 000	1 000 000	-	-	-
Municipal Systems Improvement Grant	300 000	-	-	-	-	-	-
Provincial Treasury	2 750 000	2 257 650	2 650 000	2 239 272	-1 035 010	1 633 368	1 633 368
Financial Management Capacity Building Grant	400 000	430 166	300 000	95 625	-51 166	583 375	583 375
Safety implementation - whole of society approach (WOSA)	2 100 000	768 439	2 100 000	1 827 893	-	1 040 546	1 040 546
Municipal Drought Relief Grant	250 000	0	250 000	250 000	-	0	0
Western Cape Financial Management Support Grant (Audit System)	-	200 000	-	-	-200 000	-	-
Western Cape Financial Management Support Grant (ERM System)	-	173 000	-	-	-173 000	-	-
Western Cape Financial Management Support Grant (PDO Compliance)	-	220 025	-	-	-220 025	-	-
Western Cape Financial Management Support Grant (Internal Audit and Risk Management)	-	390 819	-	-	-390 819	-	-
LG Internship Grant (Disaster Management)	-	75 201	-	65 753	-	9 448	9 448
Other Grants	1 000 000	599 199	1 504 382	1 830 386	-	273 195	273 195
CHIETA - OLD PROJECTS	1 000 000	397 415	1 504 382	1 830 386	-	71 411	71 411
LGSeta	-	201 784	-	-	-	201 784	201 784
TOTAL	41 052 000	4 870 885	41 156 382	41 118 501	-1 035 010	3 873 756	3 873 756

Table 125: Conditional Grants received: Excluding MIG

APPENDIX H (I): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME

Not applicable as no expenditure was incurred in this regard in terms of Upgrade or renewal.

APPENDIX I: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 2020/21

No loans or grants have been made by the Central Karoo District Municipality for the 2020/21 financial year.

APPENDIX J: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

No returns were not made in due time under the MFMA S71 for the year under review.



Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Central Karoo District Municipality

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the municipality set out on pages 4 to 91, which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

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 this auditor's report.

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

As disclosed in note 28 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2021.



Other matters

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

Unaudited supplementary information

The supplementary information set out on pages 92 to 96 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion on it.

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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



Introduction and scope

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 objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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 also do not extend to any disclosures or assertions relating to 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.

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 objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Strategic objective	Pages in the annual performance report
Strategic objective 4 – improve and maintain district roads and promote roads transport	13

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information of the selected strategic objective:

- Strategic objective 4 – improve and maintain district roads and promote roads transport.

Report on the audit of compliance with legislation

Introduction and scope

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.

I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported in this auditor's report.

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.

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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work that I have performed, I conclude that there is a material misstatement in the other information, I am required to report that fact.

I have nothing to report in this regard.

Internal control deficiencies

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.

I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

14 December 2021



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 objectives 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 Central Karoo District 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.



APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2021



REPORT FROM THE AUDIT COMMITTEE OF THE CENTRAL KAROO DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2020

The Audit and Performance Audit Committee is a committee of the Council and in addition to having specific statutory responsibilities to the ratepayers and consumers in terms of the Municipal Finance Management Act, 2003 (No.56) of (MFMA), the committee assists the Council.

1. Terms of Reference

Section 166(2) of the MFMA states that an audit committee is an independent advisory body that must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

The Audit and Performance Audit Committee has reviewed the formal terms of reference (charter) that was approved by Council on 26 September 2019. The Committee has executed its duties during the past financial year in accordance with these terms of reference.

a) Functions of the Audit Committee

The Audit Committee has the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted by internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.



- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the audit plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- In addition to above the Audit Committee also performs the function of a performance audit committee. Functions of the Performance Audit Committee In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to –
 - i) review the quarterly reports produced and submitted by the internal audit process;
 - ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
 - iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

2. Members of the Audit and Performance Audit Committee

The Committee consists of three independent non-executive members.

As of 30 June 2020, the Audit and Performance Audit Committee comprised of the following members:

NAME	POSITION	PERIOD
MF Pike	Chairperson	01 July 2019 - October 2020
N Gabada	Member	01 July 2019 - 30 June 2020
Y Duimpies	Member	01 July 2019 - 30 June 2020

The Municipal Manager, the Chief Financial Officer, directors of departments and representatives from the internal auditors are standing invitees the committee meetings. The external and internal auditors have unrestricted access to the Audit Committee.

3. Meetings

The Audit Committee held three meetings during this period. Details of audit committee members attendance at meetings is set out in the table below:

MEMBER	29 August 2019	12 December 2019	24 June 2020

MF Pike	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N Gabada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Y Duimpies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Due to the impact of COVID-19 pandemic and the national state of disaster declared under Government Notice No 313 of 15 March 2020 in terms of section 27(1) of the Disaster Management Act, 2002, the Audit Committee could not hold the fourth Audit Committee as is required by the Audit Committee Terms of Reference and the MFMA. However, as per Government Notice No 429, issued on 30 March 2020, the Municipality was exempted from the legislative requirement as per the MFMA.

The Chairperson of the Audit and Performance Audit Committee attended the following additional meetings:

- Meeting with the office of Auditor-General – 13 November 2019.
- Risk Management Committee– 26 June 2020

4. Statutory Duties

In execution of its statutory duties during the past financial year, the Audit Committee received no complaints relating to the accounting practices and internal audit of the municipality, the content or auditing of its financial statements, the internal financial controls of the municipality and other related matters.

Oversight of risk management

The committee has received assurance that the process and procedures followed by the internal auditors are adequate to ensure that financial risks are identified and monitored:

The committee satisfied itself that the following areas have been appropriately addressed:

- financial reporting risks;
- internal financial controls;
- governance and ethics; and
- fraud risks as it relates to financial reporting and Supply Chain Management.

The committee has reviewed the risk register and recommend that the Municipality should continue with its processes to ensure the risk register is updated on a continuous basis, to assist in the management of risks to an acceptable level.

Internal financial controls, governance and ethics

The Committee has:

- reviewed the effectiveness of the municipality's system of internal financial controls, including receiving assurance from management, internal and external audit;
- reviewed the effectiveness of internal controls, including amongst others, risks relating to the SCM system specifically, as it is one of the key fraud risk areas;
- reviewed the municipality's compliance with applicable laws and regulations, including compliance with the SCM regulations and
- reviewed significant issues raised by the internal audit process.

Although the matters raised by the Auditor-General with regards to information technology were not material in nature, it is still of a concern that previous year's findings have not been addressed.

The findings raised by the Auditor-General on Human Resources Management are also of a concern to the Committee, and should receive management attention.

Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the audit committee will monitor this ongoing forward.

Annual financial statements and reports as on 30 June 2020

The committee is pleased that the Auditor-General has once again issued an unqualified audit opinion on the financial statements for the year ended 30 June 2020, as well as a clean external audit outcome, a first for the Municipality.

Although not affecting the clean audit outcome of the Municipality, certain matters of emphasis were highlighted in the Audit Report of the Auditor-General, which relates to the underspending of conditional grants, the restatement of corresponding figures, unauthorised expenditure, provision for termination of contract and subsequent events.

No material matters of non-compliance to GRAP standards or the MFMA were identified by the external auditors in the auditor's report. The committee is comfortable that the annual financial statements have been prepared in terms of GRAP and the MFMA. The municipality continues to strive to adhere and uphold the relevant and applicable laws and regulatory frameworks, particularly the MFMA, DoRA etc. as non-conformance to these laws could impact negatively on the audit.

External audit

Based on processes followed and assurances received, nothing has come to the attention of the Audit Committee with regards to the external auditors' independence.

Finance function

Based on the processes and assurances obtained, the Committee believes the accounting practices are effective.

Internal audit

The committee has:

- reviewed and recommended the internal audit terms of reference for approval;
- evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate;
- satisfied itself that the internal audit function has the necessary resources, budget, standing and authority within the firm to enable it to discharge its functions;
- approved the internal audit plan; and
- encouraged cooperation between external and internal audit.

The head of the internal audit function reported functionally to the Audit Committee and had unrestricted access to all members of the committee. In reviewing Internal Audit's quarterly reports, the Committee satisfied itself that findings raised relating to financial matters, and recommendations made, in order to rectify shortcomings/deviations, did receive the required attention forthwith of Management.



Performance Management

The Audit and Performance Audit Committee has pleasure in reporting on the performance management, as required by section 14 of the Municipal Planning and Performance Management Act of 2001.

The Committee is satisfied that the municipality did utilise mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, including assessments of the functionality of the performance management system whether the system complied with the requirements of the MSA, and include assessments of the extent to which the performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators.

To ensure compliance of key performance indicators to measure the inputs of processes (economically and efficiently) are determined and compared against set norms/ standards; The internal auditors did audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the Committee.

In Summary the Audit and Performance Audit Committee confirms that:

- Sufficient controls are in place to ensure the Municipality utilised their available resources in the most economical, efficient and effective manner in the development of the IDP in setting development priorities and objectives.
- A proper process was followed in the maintenance and update of the Municipality's Performance Management System.
- The Municipality followed the process prescribed in the Performance Management System (PMS) to develop and improve its Key Performance Indicators (KPI's).
- The KPI's in general comply with the relevant statutory requirements.
- The Municipality followed the process prescribed in its PMS to set performance targets.
- The performance targets comply with the relevant requirements.
- The Municipality's actual service delivery process is performance target driven.
- The Municipality monitor its actual progress in terms of a formally documented process.
- The Municipality has followed the internal control procedures as prescribed in the PMS to monitor its performance.
- The Municipality followed the process prescribed in its PMS to measure and report on their performance.
- The Municipality followed the process prescribed in its PMS to revise their strategies and objectives.

Conclusion

The Committee congratulates the Council, staff and management of the municipality in all their efforts in assisting the Municipality to receive a clean external audit outcome. We concur and accept the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the audited Annual Financial Statements should be accepted and read together with the Report of the Auditor-General.

On behalf of the Audit Committee

Y Duimpies
Acting Chairperson of the Audit Committee
Central Karoo District Municipality
24 March 2021



VOLUME II: ANNUAL FINANCIAL STATEMENTS: CENTRAL KAROO DISTRICT MUNICIPALITY





CENTRAL KAROO DISTRICT MUNICIPALITY

**AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**



AUDITOR-GENERAL
SOUTH AFRICA

14 December 2021 Johan Jansen van Rensburg

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

GENERAL INFORMATION**LEGAL FORM OF ENTITY**

Central Karoo Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South Africa Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Central Karoo Municipality includes the following municipal areas:

Beaufort West Municipality
Prince Albert Municipality
Laingsburg Municipality

MUNICIPAL MANAGER

Dr SW Vatala

CHIEF FINANCE OFFICER

Ms. UM Baartman

REGISTERED OFFICE

63 Donkin Street, Beaufort West, 6970

AUDITORS

Auditor General of South Africa

BANKERS

First National Bank, Beaufort West
ABSA, Beaufort West
Nedbank, Beaufort West

ATTORNEYS

Crawfords Attorneys
Coetzee & van den Bergh Attorneys

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Employment Equity Act (Act no 55 of 1998)
Electricity Act (Act no 41 of 1987)
Housing Act (Act no 41 of 1997)
Infrastructure Grants
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations of Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Occupational Health and Safety Act (Act 85 of 1993)
SALBC Leave Regulations
Skills Development Levies Act (Act No 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1996)
Value Added Tax Act

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

INDEX

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

	PAGE
Approval of Annual Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 11
Appropriation Statement	12 - 15
Accounting Policies	16 - 41
Notes to the Audited Annual Financial Statements	42 - 89
Segment Reporting	90 - 91

The following supplementary information does not form part of the audited annual financial statements and is unaudited:

Appendixes:

Appendix A: Schedule of External loans	92
Appendix B: Segmental Statement of Financial Performance - GFS Classifications	93
Appendix C: Segmental Statement of Financial Performance - Municipal Votes Classifications	94
Appendix D: Segmental Analysis of Property, Plant and Equipment and Intangible Assets - GFS Classifications	95
Appendix E: Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	96

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Active councillors as at 30 June 2021:

Executive Mayor	IJ Windvogel
Deputy Mayor	M Jaffa
Speaker	MS Hangana
Councillor	SM Meyers
Councillor	AM Slabbert
Councillor	M Le Roux
Councillor	AL Rabie
Councillor	J Botha
Councillor	BJ van As
Councillor	ZJD Lambert
Councillor	O Haarvoor
Councillor	Q Louw
Councillor	E Wentzel

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2021, which are set out on pages 4 to 96 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides assurance that the financial records can be relied on.

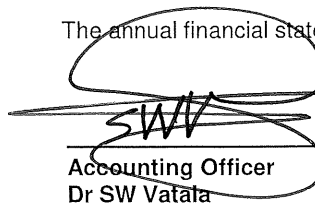
I have reviewed the Municipality's cash flow forecast for the year to 30 June 2021 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's audited annual financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

In terms of Section 13G, read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Please refer to note 33.

The annual financial statements were prepared on the going concern basis.


13/12/21
Accounting Officer
Dr SW Vatala

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		2021	2020 Restated*
	Note(s)		
Assets			
Current Assets			
Inventories	2	1 368 630	1 175 362
Receivables from non-exchange transactions	3	979 804	1 257 267
VAT Receivable	4	796 598	334 650
Employee Benefit Receivables	5	876 234	637 000
Cash and cash equivalents	6	21 879 019	15 365 035
		25 900 285	18 769 314
Non-Current Assets			
Property, plant and equipment	7	8 515 224	8 490 398
Intangible assets	8	79 968	97 499
Employee Benefit Receivable	5	7 079 153	7 445 000
		15 674 345	16 032 897
Total Assets		41 574 630	34 802 211
Liabilities			
Current Liabilities			
Current Employee benefit obligation	9	5 460 205	6 986 500
Finance lease obligation	11	131 508	20 668
Payables from exchange transactions	12	7 301 168	4 494 173
Unspent conditional grants and receipts	10	3 873 756	4 870 885
		16 766 637	16 372 226
Non-Current Liabilities			
Finance lease obligation	11	240 644	-
Employee benefit obligation	13	14 250 491	14 563 002
		14 491 135	14 563 002
Total Liabilities		31 257 772	30 935 228
Net Assets		10 316 858	3 866 983
Accumulated surplus		10 316 858	3 866 983
Total Net Assets		10 316 858	3 866 983

* See Note 28

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

STATEMENT OF FINANCIAL PERFORMANCE

		2021	2020 Restated*
	Note(s)		
Revenue			
Revenue from exchange transactions			
Operational Revenue	15	124 930	198 245
Rental from fixed assets		51 288	119 014
Straight Service Charges	14	4 793 044	4 072 739
Licences and permits		27 100	51 165
Department of Transport - Roads Service Charges	14	51 959 456	44 405 980
Interest received	6	785 166	1 137 968
Actuarial gains	13	1 066 419	1 345 236
Reversal on impairment loss	20	3 241	-
Total revenue from exchange transactions		58 810 644	51 330 347
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	16	41 118 501	35 984 735
Total revenue		99 929 145	87 315 082
Expenditure			
Employee related costs	17	(49 091 098)	(52 427 511)
Remuneration of councillors	18	(3 774 747)	(3 845 251)
Depreciation and amortisation	19	(761 585)	(615 057)
Impairment	20	-	(822)
Finance costs	21	(893 522)	(711 480)
Debt Impairment	3	(30 467)	(48 803)
Transfers and Subsidies	44	(1 053 700)	(1 615 599)
Loss on disposal of assets and liabilities	45	(106 501)	-
Contracted services	23	(8 922 006)	(8 973 589)
Inventory Consumed	24	(9 104 379)	(7 822 791)
Operational cost	22	(19 741 265)	(14 346 074)
Total expenditure		(93 479 270)	(90 406 977)
Surplus (deficit) for the year		6 449 875	(3 091 895)

* See Note 28



CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Opening balance as previously reported	8 213 252	8 213 252
Adjustments		
Correction of errors	(1 254 374)	(1 254 374)
Balance at 01 July 2019 as restated*	6 958 878	6 958 878
Changes in net assets		
Surplus for the year	(3 091 895)	(3 091 895)
Total changes	(3 091 895)	(3 091 895)
Restated* Balance at 01 July 2020	3 866 983	3 866 983
Changes in net assets		
Surplus for the year	6 449 875	6 449 875
Total changes	6 449 875	6 449 875
Balance at 30 June 2021	10 316 858	10 316 858

* See Note 28



CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

CASH FLOW STATEMENT

		2021	2020 Restated*
	Note(s)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Other revenue		55 219 624	55 047 518
Government grants		41 156 382	38 501 500
Interest income		785 166	1 137 968
		<u>97 161 172</u>	<u>94 686 986</u>
Payments			
Suppliers and employees		(89 063 307)	(86 106 639)
Finance costs		(9 522)	(4 341)
Transfers and Grants		(1 053 700)	-
		<u>(90 126 529)</u>	<u>(86 110 980)</u>
Net cash flows from operating activities	27	<u>7 034 643</u>	<u>8 576 006</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment	7	(427 553)	(178 935)
Purchase of Intangible assets	8	(30 599)	(14 832)
Decrease/(Increase) in Non-Current Debtors		-	-
Net cash flows from investing activities		<u>(458 152)</u>	<u>(193 767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in/(Repayment of) finance lease		(62 504)	(69 502)
Net cash flows from financing activities		<u>(62 504)</u>	<u>(69 502)</u>
Net increase/(decrease) in cash and cash equivalents		6 513 987	8 312 737
Cash and cash equivalents at the beginning of the year		15 365 035	7 052 298
Cash and cash equivalents at the end of the year	6	<u>21 879 022</u>	<u>15 365 035</u>

* See Note 28



CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

**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 Note 38
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Operational revenue	118 410	100 000	218 410	124 930	(93 480)	A
Rental from fixed asset	100 000	(30 000)	70 000	51 288	(18 712)	B
Agency services	4 987 443	-	4 987 443	4 793 044	(194 399)	C
Licences and permits	-	-	-	27 100	27 100	D
Department of Transport - Roads Service Charges	51 444 000	-	51 444 000	51 959 456	515 456	E
Interest received	1 100 000	-	1 100 000	785 166	(314 834)	F
Total revenue from exchange transactions	57 749 853	70 000	57 819 853	57 740 984	(78 869)	
Revenue from non- exchange transactions						
Transfer revenue						
Government grants & subsidies	43 265 000	4 049 640	47 314 640	41 118 501	(6 196 139)	G
Total revenue	101 014 853	4 119 640	105 134 493	98 859 485	(6 275 008)	
Expenditure						
Employee related costs	(55 535 428)	2 756 082	(52 779 346)	(49 091 098)	3 688 248	H
Remuneration of councillors	(4 352 873)	(460 810)	(4 813 683)	(3 774 747)	1 038 936	I
Depreciation and amortisation	(650 655)	(106 000)	(756 655)	(761 585)	(4 930)	J
Finance costs	-	-	-	(893 522)	(893 522)	L
Operational cost	-	-	-	(30 467)	(30 467)	M
Inventory consumed	(13 771 741)	13 681 241	(90 500)	(9 104 379)	(9 013 879)	N
Transfers and Subsidies	-	-	-	(1 053 700)	(1 053 700)	
Contracted services	(9 629 993)	9 234 831	(395 162)	(8 922 006)	(8 526 844)	O
General Expenses	(16 291 256)	(28 855 101)	(45 146 357)	(19 741 265)	25 405 092	P
Total expenditure	(100 231 946)	(3 749 757)	(103 981 703)	(93 372 769)	10 608 934	
Operating surplus	782 907	369 883	1 152 790	5 486 716	4 333 926	
Loss on disposal of assets and liabilities	-	-	-	(106 501)	(106 501)	Q
Actuarial gains/losses	-	-	-	1 066 419	1 066 419	R
Reversal of impairment losses	-	-	-	3 241	3 241	S
	-	-	-	963 159	963 159	
Surplus before taxation	782 907	369 883	1 152 790	6 449 875	5 297 085	

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

**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 Note 38
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	782 907	369 883	1 152 790	6 449 875	5 297 085	

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

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 Note 38
Statement of Financial Position						
Assets						
Current Assets						
Inventories	-	-	-	1 368 630	1 368 630	T
Receivables from exchange transactions	2 292 326	-	2 292 326	-	(2 292 326)	U
Receivables from non-exchange transactions	2 292 326	-	2 292 326	979 804	(1 312 522)	V
VAT Receivable	-	-	-	796 598	796 598	W
Employee Benefit Receivables	-	-	-	876 234	876 234	X
Cash and cash equivalents	5 584 764	531 132	6 115 896	21 879 019	15 763 123	Y
	10 169 416	531 132	10 700 548	25 900 285	15 199 737	
Non-Current Assets						
Property, plant and equipment	10 123 428	676 000	10 799 428	8 515 224	(2 284 204)	Z
Intangible assets	92 771	-	92 771	79 968	(12 803)	AA
Employee Benefit Receivable	10 550 931	-	10 550 931	7 079 153	(3 471 778)	BB
	20 767 130	676 000	21 443 130	15 674 345	(5 768 785)	
Total Assets	30 936 546	1 207 132	32 143 678	41 574 630	9 430 952	
Liabilities						
Current Liabilities						
Current Employee benefit obligation	-	-	-	5 460 205	5 460 205	CC
Finance lease obligation	39 000	-	39 000	131 508	92 508	DD
Payables from exchange transactions	8 219 545	676 000	8 895 545	7 301 168	(1 594 377)	EE
Unspent conditional grants and receipts	-	-	-	3 873 756	3 873 756	FF
	8 258 545	676 000	8 934 545	16 766 637	7 832 092	
Non-Current Liabilities						
Finance lease obligation	53 882	-	53 882	240 644	186 762	GG
Employee benefit obligation	18 954 855	-	18 954 855	14 250 491	(4 704 364)	HH
	19 008 737	-	19 008 737	14 491 135	(4 517 602)	
Total Liabilities	27 267 282	676 000	27 943 282	31 257 772	3 314 490	
Net Assets	3 669 264	531 132	4 200 396	10 316 858	6 116 462	
Net Assets						
Reserves						
Accumulated surplus	3 669 264	531 132	4 200 396	10 316 858	6 116 462	

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

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 Note 38
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Other Revenue	56 649 853	70 000	56 719 853	55 219 624	(1 500 229)	
Government grants	43 265 000	4 049 640	47 314 640	41 156 382	(6 158 258)	
Interest income	1 100 000	-	1 100 000	785 166	(314 834)	
	101 014 853	4 119 640	105 134 493	97 161 172	(7 973 321)	
Payments						
Suppliers and employees	(99 581 291)	(2 912 508)	(102 493 799)	(89 063 307)	13 430 492	
Finance costs	-	-	-	(9 522)	(9 522)	
Transfers and Grants	-	-	-	(1 053 700)	(1 053 700)	
	(99 581 291)	(2 912 508)	(102 493 799)	(90 126 529)	12 367 270	
Net cash flows from operating activities	1 433 562	1 207 132	2 640 694	7 034 643	4 393 949	
Cash flows from investing activities						
Purchase of property plant and equipment	(428 100)	(676 000)	(1 104 100)	(427 553)	676 547	
Purchase of other intangible assets	-	-	-	(30 599)	(30 599)	
Increase in non-current debtors	531 053	-	531 053	-	(531 053)	
Net cash flows from investing activities	102 953	(676 000)	(573 047)	(458 152)	114 895	
Cash flows from financing activities						
Increase in/(Repayment of) finance lease	(36 288)	-	(36 288)	(62 504)	(26 216)	
Net increase/(decrease) in cash and cash equivalents	1 500 227	531 132	2 031 359	6 513 987	4 482 628	
Cash and cash equivalents at the beginning of the year	4 084 536	-	4 084 536	15 365 035	11 280 499	
Cash and cash equivalents at the end of the year	5 584 763	531 132	6 115 895	21 879 022	15 763 127	

*Please see the budget reports submitted to Council for reasons for any adjustments made between the original and final budgets for the year.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

APPROPRIATION STATEMENT

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorise d expenditur e	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2021											
Financial Performance											
Investment revenue	1 100 000	-	1 100 000	-		1 100 000	785 166		(314 834)	71 %	71 %
Transfers recognised - operational	43 265 000	3 333 640	46 598 640	-		46 598 640	41 118 501		(5 480 139)	88 %	95 %
Other own revenue	56 649 853	70 000	56 719 853	-		56 719 853	58 022 237		1 302 384	102 %	102 %
Total revenue (excluding capital transfers and contributions)	101 014 853	3 403 640	104 418 493	-		104 418 493	99 925 904		(4 492 589)	96 %	99 %
Employee costs	(52 716 146)	(63 200)	(52 779 346)	-	-	(52 779 346)	(49 091 098)	-	3 688 248	93 %	93 %
Remuneration of councillors	(4 813 683)	-	(4 813 683)	-	-	(4 813 683)	(3 774 747)	-	1 038 936	78 %	78 %
Debt impairment	-	-	-			-	(30 467)	-	(30 467)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(650 655)	(106 000)	(756 655)			(756 655)	(761 585)	-	(4 930)	101 %	117 %
Finance charges	-	-	-	-	-	-	(893 522)	-	(893 522)	DIV/0 %	DIV/0 %
Materials and bulk purchases	(75 500)	(15 000)	(90 500)	-	-	(90 500)	(9 104 379)	-	(9 013 879)	10 060 %	12 059 %
Transfers and grants	-	-	-	-	-	-	(1 053 700)	-	(1 053 700)	DIV/0 %	DIV/0 %
Other expenditure	(42 137 212)	(3 404 308)	(45 541 520)	-	-	(45 541 520)	(28 769 772)	-	16 771 748	63 %	68 %
Total expenditure	(100 393 196)	(3 588 508)	(103 981 704)	-	-	(103 981 704)	(93 479 270)	-	10 502 434	90 %	93 %
Surplus/(Deficit)	621 657	(184 868)	436 789	-		436 789	6 446 634		6 009 845	1 476 %	1 037 %

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

Appropriation Statement

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	-	716 000	716 000	-		716 000	-		(716 000)	- %	DIV/0 %
Surplus (Deficit) after capital transfers and contributions	621 657	531 132	1 152 789	-		1 152 789	6 446 634		5 293 845	559 %	1 037 %
Reversal of Impairment loss	-	-	-	-		-	(3 241)		(3 241)	DIV/0 %	DIV/0 %
Surplus/(Deficit) for the year	621 657	531 132	1 152 789	-		1 152 789	6 449 875		5 297 086	560 %	1 038 %

Capital expenditure and funds sources

Total capital expenditure	428 100	676 000	1 104 100	-		1 104 100	872 139		(231 961)	79 %	204 %
Sources of capital funds											
Transfers recognised - capital	-	676 000	676 000	-		676 000	-		(676 000)	- %	DIV/0 %
Public contributions and donations	-	-	-	-		-	413 988		413 988	DIV/0 %	DIV/0 %
Internally generated funds	428 100	-	428 100	-		428 100	458 151		30 051	107 %	107 %
Total sources of capital funds	428 100	676 000	1 104 100	-		1 104 100	872 139		(231 961)	79 %	204 %

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

Appropriation Statement

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorise d expenditur e	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	1 433 562	1 207 132	2 640 694	-		2 640 694	7 034 643		4 393 949	266 %	491 %
Net cash from (used) investing	102 953	(676 000)	(573 047)	-		(573 047)	(458 152)		114 895	80 %	(445)%
Net cash from (used) financing	(36 288)	-	(36 288)	-		(36 288)	(62 504)		(26 216)	172 %	172 %
Net increase/(decrease) in cash and cash equivalents	1 500 227	531 132	2 031 359	-		2 031 359	6 513 987		4 482 628	321 %	434 %
Cash and cash equivalents at the beginning of the year	4 084 536	-	4 084 536	-		4 084 536	15 365 035		11 280 499	376 %	376 %
Cash and cash equivalents at year end	5 584 763	531 132	6 115 895	-		6 115 895	21 879 022		(15 763 127)	358 %	392 %

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

APPROPRIATION STATEMENT

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
2020				
Financial Performance				
Service charges				-
Investment revenue				1 137 968
Transfers recognised - operational				35 984 735
Other own revenue				50 192 379
Total revenue (excluding capital transfers and contributions)				87 315 082
Employee costs	-	-	-	(52 427 511)
Remuneration of councillors	-	-	-	(3 845 251)
Debt impairment	-	-	-	(48 803)
Depreciation and asset impairment	-	-	-	(615 879)
Finance charges	-	-	-	(711 480)
Transfers and grants	-	-	-	(1 615 599)
Other expenditure	(1 435 349)	-	(1 435 349)	(31 142 454)
Total expenditure	(1 435 349)	-	(1 435 349)	(90 406 977)
Surplus/(Deficit)				(3 091 895)
Surplus/(Deficit) for the year				(3 091 895)
Capital expenditure and funds sources				
Total capital expenditure				193 767
Sources of capital funds				
Internally generated funds				193 767
Cash flows				
Net cash from (used) operating				8 576 007
Net cash from (used) investing				(193 767)
Net cash from (used) financing				(69 502)
Net increase/(decrease) in cash and cash equivalents				8 312 738
Cash and cash equivalents at the beginning of the year				7 052 298
Cash and cash equivalents at year end				15 365 036

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2015) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenditure have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

In terms of Directive 11: "Changes in Measurement Bases following the Initial Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality elected to change the measurement bases selected for Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets on the initial adoption of Standards of GRAP.

1.1 Presentation currency

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months. Management considers key financial metrics and approved medium-term budgets to conclude that the going concern assumption used in the compiling of the Annual Financial Statements is appropriate. The recent COVID-19 pandemic and its effect on the Municipality's current and expected performance has been considered by management in the Going concern assumption.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.3 Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a Standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality is continually busy during the year with a process to align items in the annual financial statements with the Item Segment of mSCOA. The result of this process results in reclassifications and naming of items in the annual financial statements.

1.4 Amended Disclosure Policy

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include prior period error disclosure.

1.5 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.6 Presentation of budget information

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts is disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts
- actual amounts and final budget amounts

Explanations for differences between the approved and final budget are included in the Notes to the annual Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included in the notes to the annual financial statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.7 Consistent and new accounting policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements will be adjusted in accordance with GRAP 3.

The following GRAP standards became effective on 1 April 2020:

- GRAP 18 Segment Reporting
- GRAP 110 Living and non-living resources
- GRAP 34 Separate financial statements
- GRAP 35 Consolidated financial statements
- GRAP 36 Investment in Associates and Joint Ventures
- GRAP 37 Joint Arrangements
- GRAP 38 Disclosure of Interest in Other Entities

GRAP 110 and 34 - 38 will not have an influence on the operations of the municipality.

1.8 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 104 (Revised – April 2020)	<u>Financial Instruments</u> The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Guideline	<u>Application of Materiality of Financial Statements</u> The guideline is not authoritative but only encourage. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.9 Leases

Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.10 Borrowing cost

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

1.11 Unspent conditional government grants and receipts

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.11 Unspent conditional government grants and receipts (continued)

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12 Unpaid conditional government grants and receipts

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on grant conditions being met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.13 Unspent public contributions

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.14 Provisions

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, 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 of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.15 Employee benefits

Pension and Retirement Fund Obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality 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. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually using the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.15 Employee benefits (continued)

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Post-Retirement Medical Obligations

The Municipality provided post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 - Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The interest cost of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically, unless circumstances change significantly in which case it is done annually, by independent qualified actuaries.

Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically, unless circumstances change significantly in which case it is done annually, by independent qualified actuaries.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.15 Employee benefits (continued)

Ex-Gratia Pension Benefits

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries, and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as financial cost upon valuation as it meets the definition of Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically, unless circumstances change significantly in which case it is done annually, by independent qualified actuaries.

Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on the bonus accrued at year-end for each employee.

Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16 Property, Plant and Equipment

Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for used 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 year.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the Municipality.

Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.16 Property, Plant and Equipment (continued)

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred is recognised as part of the cost of the asset.

Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

	Years
<u>Land and Buildings</u>	
Land	Indefinite
Buildings (Civic and Other)	100
<u>Other Assets</u>	
Machinery and equipment	9 - 41
Disaster Management equipment	10 - 28
Furniture and office equipment	5 - 50
Computer equipment	5 - 25
Transport assets (General vehicles)	11 - 25
Transport assets (Fire Engines)	18 - 25
<u>Leased Assets</u>	
Furniture and office equipment	3 - 5

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.16 Property, Plant and Equipment (continued)

The depreciation charge is recognised in the Statement of Financial Performance.

Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Land and Buildings and Other Assets - Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For the Other Asset the depreciation cost method was used to establish the deemed cost as at 1 July 2007.

1.17 Intangible assets

Initial Recognition

An intangible asset is an identifiable asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding agreements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only 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.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.17 Intangible assets (continued)

- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset 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, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	1 - 5

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as at 1 July 2007.

1.18 Impairment of non-financial asset

Cash Generating Assets

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.18 Impairment of non-financial asset (continued)

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset, to a non-cash generating asset or from a non-cash-generating asset, to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

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

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.18 Impairment of non-financial asset (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

Non-Cash-Generating Assets

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.18 Impairment of non-financial asset (continued)

- depreciation replacement cost approach - the present value of the remaining service potential of an 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 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.
- restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- service unit approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP.

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

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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.

Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.19 Inventories

Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent Measurement

Inventories, consisting of consumable stores, finished goods, materials and supplies and work-in-progress, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

1.20 Financial Instruments

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilisation of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.20 Financial Instruments (continued)

Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset 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 a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Payables and Annuity Loans

Financial liabilities consist of trade and other payables and finance lease liabilities. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.20 Financial Instruments (continued)

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

Non-Current Investments

Investments which include investments in Municipal Entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

De-recognition

Financial Assets

A Financial Asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.20 Financial Instruments (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.21 Statutory receivables

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of asset is met.

Subsequent Measurement

The Municipality initially measures statutory receivables at their transaction amount. 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 reflect any:

- a) interest or other charges that may have accrued on the receivable;
- b) impairment losses; and
- c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable 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 is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is reversed 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 by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

Derecognition

The Municipality derecognises a statutory receivable when:

- a) the rights to the cash flows from the receivable are settled, expire or are waived;

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.21 Statutory receivables (continued)

b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

c) 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 Municipality:

- i. derecognises the receivable; and
- ii recognises separately any rights and obligations created or retained in the transfer.

Transitional Provisions

Every effort is made to ensure compliance with the standard, but due to the risk of omission of some items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and measurement for Statutory Receivables. Over time our understanding and insights as to the requirements of a new standard improves, therefore the municipality is choosing to make use of the transitional provision.

The transitional period commences from 1 June 2019 and will be utilised until the period ending 30 June 2022.

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

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.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.22 Revenue

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and;
- the fair value of the asset can be measured reliably.

Grants, transfers and donations received, or receivable, are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue when the asset is recognised.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a 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 present 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 will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related 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.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

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;

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

- 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 costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

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

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services. The Municipality performs an function on behalf of the Provincial Administration: Western Cape for the proclaimed roads within its area.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.23 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.

The following are regarded as related parties of the Municipality:

a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipality.
Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
- is a member of the management of the Municipality or its controlling entity.

b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- a) are married or live together in a relationship similar to a marriage; or
- b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- all members of the governing body of the Municipality;

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.23 Related parties (continued)

- a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- the senior management team of the Municipality, including the Chief Executive Officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.24 Unauthorised Expenditure

Unauthorised Expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, Municipality or Organ of State and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Irregular expenditure

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Fruitless and wasteful expenditure

Fruitless and Wasteful Expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.27 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

1.28 Significant accounting judgements and estimates

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement Medical Obligations, Long Service Awards and Ex Gratia Gratuities

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are 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. Major assumptions used are disclosed in note 13 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables. When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels. Aggregation is based on best practice. Thereafter receivables are assessed based on historical information available.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings 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 judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.28 Significant accounting judgements and estimates (continued)

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other Municipalities' asset registers, given that the other Municipality has the same geographical setting as the Municipality and that the other Municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. 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.

Reference was made to intangibles used within the Municipality and other Municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee. This provision will be realised as employees take leave or when employment is terminated.

Provision for Performance Bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

ACCOUNTING POLICIES

1.28 Significant accounting judgements and estimates (continued)

Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality. In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.29 Taxes - value added tax

Revenue, expenses and assets are recognised net of the amounts of Value Added Tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.30 Capital commitments

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred subsequent to the specific reporting date.

1.31 Events after reporting date

Events after the 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).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.32 Segment Reporting

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.

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements

On the first-time adoption of GRAP 18, comparative segment information is not required in terms of the transitional provisions.

CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
2. Inventories		
Maintenance Materials - At cost	1 368 630	1 175 362
Inventories recognised as an expense during the year	9 104 379	7 822 791

Inventory pledged as security

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

3. Receivables from non-exchange transactions

Other receivables	1 062 059	1 309 056
Less: Provision for debt impairment	(82 255)	(51 789)
	979 804	1 257 267

Balance previously reported		1 768 055
Correction of error - refer to note 28		(510 788)
Restated balance		1 257 267

Other receivables (Ageing)

Debtors are payable with 30 days.
This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

The ageing of amounts past due but not impaired is as follows:

Current (0-30 days)	175 498	627 619
31 - 60 Days	266 908	8 433
61 - 90 Days	69 952	13 169
+ 90 Days	467 446	608 046
	979 804	1 257 267

Reconciliation of Provision for Debt Impairment

Balance at the beginning of year	51 789	2 986
Contribution to provision/(Reversal of provision)	30 466	48 803
	82 255	51 789

Provisions are made for all debtors handed over to lawyers for collection, except for debtors disclosed in note 32 which have to be collected in terms of the MFMA.

The fair value of other receivables approximate their carrying value.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
4. VAT Receivables		
VAT	796 598	334 650
Balance previously reported		69 794
Correction of error - refer to note 28		264 856
Restated balance		334 650
5. Employee Benefit Receivable		
Actual		
Department of Transport: Roads - Post Employment Health Care Benefits	6 105 000	6 028 000
Department of Transport: Roads - Long Service Awards	1 681 000	1 653 000
Department of Transport: Roads - Ex Gratia Pension Benefits	169 387	401 000
	7 955 387	8 082 000
Less: Current portion transferred to current receivables		
Departement of Transport: Roads - Post Employment Health Care Benefits	(393 871)	(418 000)
Department of Transport: Roads - Long Service Awards	(331 465)	(120 000)
Department of Transport: Roads - Ex-Gratia Pension Benefits Municipal	(150 898)	(99 000)
	(876 234)	(637 000)
Total Non-current Employee benefit receivables	7 079 153	7 445 000
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1 300	1 300
Bank balances	10 635 167	2 808 573
Call Investments Deposits	11 242 552	12 555 162
	21 879 019	15 365 035

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalent. Except for cash and cash equivalents that relate to unspent conditional grants, it has to remain cash backed.

The carrying value approximates the fair value of the asset.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****6. Cash and cash equivalents (continued)****The municipality had the following bank accounts**

Account description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
ABSA Bank Account Number 1540 0000 14 (Cheque account)	952 948	535 155	745 958	952 948	373 662	745 958
First National Bank Account Number 6206 2151 429 (Cheque Account)	342 936	797 902	28 167	342 936	1 425 395	28 167
Nedbank Account Number 1178835510 (Cheque Account)	9 335 868	3 529 959	389 886	9 339 284	1 009 516	389 193
Total	10 631 752	4 863 016	1 164 011	10 635 168	2 808 573	1 163 318

Call Investment deposits

Nedbank - 03/7881114568	2 305 221	2 227 030
First Rand Bank Limited - 6223 6004 355	-	97
Nedbank - 03/7881125551	2 187 609	2 107 123
Nedbank - 03/7881121858	3 754 398	3 627 052
Nedbank - 03/7881150777	1 503 208	1 452 221
Nedbank - 03/7881151625	1 463 016	3 113 598
First Rand Bank Limited - 628 352 72361	29 003	28 041
	11 242 455	12 555 162

Interest Received for the year

Bank Balances	183 327	258 339
Call Investment Deposits	601 839	879 628
	785 166	1 137 967

CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS
Figures in Rand

7. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 207 650	-	1 207 650	1 207 650	-	1 207 650
Buildings	5 940 333	(2 390 835)	3 549 498	5 940 333	(2 331 889)	3 608 444
Machinery and Equipment	714 338	(364 680)	349 658	990 132	(415 160)	574 972
Furniture and Office Equipment	2 408 600	(1 322 858)	1 085 742	2 227 342	(1 288 463)	938 879
Transport Assets	3 088 731	(1 667 658)	1 421 073	3 088 731	(1 481 993)	1 606 738
Computer Equipment	1 267 811	(734 469)	533 342	1 323 827	(783 365)	540 462
Leased Furniture and Office Equipment	413 988	(45 727)	368 261	204 369	(191 116)	13 253
Total	15 041 451	(6 526 227)	8 515 224	14 982 384	(6 491 986)	8 490 398

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment reversal	Total
Land	1 207 650	-	-	-	-	1 207 650
Buildings	3 608 444	-	-	(58 946)	-	3 549 498
Machinery and equipment	574 972	4 218	(68 178)	(161 354)	-	349 658
Furniture and Office Equipment	938 879	315 652	(10 275)	(159 006)	492	1 085 742
Transport Assets	1 606 738	-	-	(185 665)	-	1 421 073
Computer Equipment	540 462	107 682	(16 063)	(101 488)	2 749	533 342
Leased Furniture and Office equipment	13 253	413 988	-	(58 980)	-	368 261
Total	8 490 398	841 540	(94 516)	(725 439)	3 241	8 515 224

CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS
Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Impairment loss	Total
Land	1 207 650	-	-	-	1 207 650
Buildings	3 667 553	-	(59 109)	-	3 608 444
Machinery and Equipment	672 077	-	(97 105)	-	574 972
Furniture and Office Equipment	919 964	133 411	(113 972)	(524)	938 879
Transport Assets	1 791 727	-	(184 989)	-	1 606 738
Computer Equipment	577 287	45 524	(82 051)	(298)	540 462
Leased Furniture and Office equipment	61 254	-	(48 001)	-	13 253
	8 897 512	178 935	(585 227)	(822)	8 490 398

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****7. Property, plant and equipment (continued)****Pledged as security**

Leased Property, Plant and Equipment of R372 152 is secured for leases as set out in Note 11.

There are no contractual commitments for the acquisition of property.

Property, plant and equipment in the process of being constructed or developed

There are no Property, Plant and Equipment in the process of being constructed or developed.

Expenditure incurred to repair and maintain property, plant and equipment**Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance**

Contracted services	102 613	19 617
Sale of goods/Inventory	19 336	-
	<u>121 949</u>	<u>19 617</u>

Other Information

No service concession arrangements are applicable to the municipality.

There is no Land appointed in terms of legislation which CKDM controls without legal ownership or custodianship.

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.

Change in Estimate

The useful lives of certain plant and equipment were estimated in 2019/20 to be a certain number of years as per the Fixed asset register. In the current period management have revised their estimate. The effect of this revision has caused the depreciation charges for the current and future periods to be affected as follows:

Asset type	2019/2020	2020/2021	2021/2022
Computer equipment	(10 688)	(21 443)	(17 561)
Furniture and office equipment	(26 779)	(52 564)	(35 804)
Machinery and equipment	(64 462)	(129 302)	(105 765)
	<u>(101 929)</u>	<u>(203 309)</u>	<u>(159 130)</u>

CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS
Figures in Rand

8. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	134 612	(54 644)	79 968	299 237	(201 738)	97 499

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	97 499	30 599	(11 984)	(36 146)	79 968

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	112 241	14 832	(29 574)	97 499

Intangible assets in the process of being constructed or developed

There are no Intangible assets in the process of being constructed or developed.

The following material intangible assets are included in the carrying value above

Microsoft software and other software.	-	97 499
--	---	--------

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****8. Intangible assets (continued)****Other Information**

No Intangible assets were assessed as having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title are restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

No service concession arrangements are applicable to the municipality.

9. Current employee benefits**Designated at fair value**

Current Portion of Ex Gratia Benefits - Refer to Note 13	150 898	99 000
Current Portion of Long Service Provisions - Refer to Note 13	504 000	194 000
Current Portion of Post Retirement Benefits - Refer to Note 13	840 000	970 000
Provision for Performance Bonusses	623 364	394 027
Provision for Severance Pay	-	2 033 641
Provision for Staff Leave	2 129 676	2 197 838
Staff Bonusses Accrued	1 212 267	1 097 994
	<u>5 460 205</u>	<u>6 986 500</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
9. Current employee benefits (continued)		
The movement in current employee benefits are reconciled as follows:		
Provision for Staff Leave		
Balance at beginning of year	2 197 838	1 932 846
Contribution to current portion	184 220	431 985
Expenditure incurred	(252 382)	(166 993)
	2 129 676	2 197 838
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or resign.		
Provision for Performance Bonusses		
Balance at beginning of year	394 027	368 567
Contribution to current portion	229 337	470 155
Expenditure incurred	-	(444 695)
	623 364	394 027
The performance bonus for the 2019/2020 financial year will only be paid out in the 2021/2022 financial year contingent upon the 2020/2021 Annual report being approved. The same will apply to the 2020/2021 performance bonus.		
Staff Bonusses Accrued		
Balance at beginning of year	1 097 994	1 026 867
Contribution to current portion	2 154 310	2 493 228
Expenditure incurred	(2 040 037)	(2 422 101)
	1 212 267	1 097 994
Bonusses are being paid to all permanent municipal staff, excluding the bonus payable to section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.		
Provision for Termination of Contract		
Balance at beginning of year	2 033 641	-
Contribution to current portion	-	2 033 641
Expenditure incurred	(2 033 641)	-
	-	2 033 641
Council resolved to terminate the contract of employment of the Municipal Manager, Mr S Jooste as a result of breach of the relationship of trust between the Municipal Manger and the Council from 30 June 2020. Council resolved to pay a final severance amount of 18 months cost to company to Mr S Jooste.		

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
10. Unspent conditional grants and receipts		
National Government Grants	1 967 193	2 014 037
Provincial Government Grants	1 633 368	2 257 649
Other Grant Providers	273 195	599 199
	3 873 756	4 870 885

Reconciliation of Unspent Conditional Grants and Receipts

Rural Roads Asset Management Grant	1 967 192	2 014 037
FMG Graduate Internship Programme (Disaster Management)	9 448	75 201
Financial Management Capacity Building Grant	583 375	430 166
WCFMSG Internal Audit and Risk Management	-	390 819
Safety implementation - whole of society approach (WOSA)	1 040 546	768 439
FMG ERM System	-	173 000
WC PDO Compliance	-	220 025
FMG Audit System	-	200 000
CHIETA	71 411	397 415
LGSETA	201 784	201 783
	3 873 756	4 870 885

All the unspent conditional grants are cash backed. Due to the Covid-19 lockdown, spending targets could not be met.

The Municipality is currently busy with the Roll-over application process.

11. Finance lease obligation

Minimum lease payments due		
- within one year	153 393	20 761
- in second to fifth year inclusive	255 655	-
	409 048	20 761
less: future finance charges	(36 896)	(93)
Present value of minimum lease payments	372 152	20 668
Present value of minimum lease payments due		
- within one year	131 508	-
- in second to fifth year inclusive	240 644	-
	372 152	-
Non-current liabilities	240 644	-
Current liabilities	131 508	20 668
	372 152	20 668

Refer to Appendix A for the detailed capitalised lease liability.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
12. Payables from exchange transactions		
Trade payables	5 275 010	2 065 868
Debtors with credit balances	24 319	7 694
Sundry creditors	587 604	878 928
Department of transport and public works	1 414 235	1 541 683
	7 301 168	4 494 173
Balance previously reported		2 444 791
Correction of error - refer to note 28		2 049 381
Restated balance		4 494 172
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days of receipt of invoice or statement as prescribed by the MFMA, unless the account is in dispute.		
This credit period granted is considered to be consistent with the terms used in the public sector through established practices and legislation.		
Discounting of trade and other payables on initial recognition is not deemed necessary. Interest and penalties on late payments may arise if payment is not done within 30 days.		
13. Employee benefit obligations		
Post Retirement Medical Aid Benefits		
Present value of fund obligation at the beginning of the year	12 772 000	13 921 487
Contribution for the year	205 000	333 054
Interest cost	1 516 000	1 235 596
Benefits paid	(864 182)	(868 322)
Actuarial (Gain)/Loss	(608 818)	(1 849 815)
Less: Transfer of Current Portion - Refer to Note 9	(840 000)	(970 000)
	12 180 000	11 802 000
Long Service Awards		
Present value of fund obligation at the beginning of the year	2 653 000	2 207 518
Contribution for the year	251 000	223 346
Interest cost	222 000	170 380
Benefits paid	(220 749)	(249 778)
Actuarial (Gain)/Loss	(349 251)	301 534
Less: Transfer of Current Portion - Refer to Note 9	(504 000)	(194 000)
	2 052 000	2 459 000

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

13. Employee benefit obligations (continued)

Ex-Gratia Benefits

Present value of fund obligation at the beginning of the year	401 000	372 396
Interest Cost	22 000	22 000
Benefits paid	(145 263)	(196 441)
Actuarial Loss/(Gain)	(108 350)	203 045
Less: Transfer of Current Portion - Refer to Note 9	(150 898)	(99 000)
	18 489	302 000

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Opening balance	15 826 000	16 501 401
Contribution for the year	456 000	556 400
Interest cost - Refer to Note 21	1 760 000	1 427 976
Benefits paid	(1 230 194)	(1 314 539)
Actuarial Gain for the year	(1 066 419)	(1 345 236)
Transfer of Current portion - Note 9	(1 494 898)	(1 263 000)
	14 250 489	14 563 002

13.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

Current (In Service) Members	32	30
Continuation members (e.g. Retirees, widows, orphans)	22	25
Total members	32	30

The amount recognised in the Statement of Financial Position:

Current (In Service) members	2 918 000	3 723 000
Continuation members	9 151 000	9 049 000
	12 069 000	12 772 000

The liability in respect of periods commencing prior to the comparative year has been estimatead as follows:

	2019	2018	2017
Total liability	13 921 000	16 087 000	16 359 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
 LA Health;
 Samwymed; and

Key Actuarial assumptions used:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****13. Employee benefit obligations (continued)****Rate of Interest**

Discount rate	Yield curve	9,65 %
Health Care Cost Inflation Rate	CPI + 1,5%	6,55 %
Net-of-health-care-cost-inflation Discount Rate	Yield curve based	2,91 %

Grap 25 defines the determination of the Discount rate assumption to be used as follow:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates for longer maturities by extrapolating current market rates along the yield curve."

Consequently, a discount rate of 9.65% per annum has been used. The corresponding index-linked yield at this term is 2.91%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021.

Mortality Rates

Mortality before retirement has been based on the SA 85-90 mortality tables, adjusted for female lives.

These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA(90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Continuation of Membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Family Profile

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****13. Employee benefit obligations (continued)**

It has been assumed that female spouses will be four years younger than their male counterparts.

Furthermore, we've assumed that 60% of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependent. For current retiree members, actual subsidised spouse dependents were used and the potential for remarriage was ignored.

Reconciliation of present value of fund obligation

Present value of fund obligation at the beginning of the year	12 772 000	13 921 487
Current service cost	205 000	333 054
Interest cost	1 516 000	1 235 596
Benefits paid	(866 439)	(868 322)
Actuarial (Gains)/Losses	(606 561)	(1 849 815)
Transfer of Current Portion - Note 9	(840 000)	(970 000)
Non - current Portion	12 180 000	11 802 000

Sensitivity Analysis on the Accrued Liability**Mortality Rate:**

Illustrated is the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 1 year respectively.

	-1 year Mortality Rate	Valuation Assumption	+1 year Mortality Rate
Total Accrued Liability	13 427 000	13 020 000	12 612 000
Current Service Cost	218 000	205 000	193 000
Interest Cost	1 630 000	1 516 000	1 422 000

Health care inflation:

The effect of a 1% per annum change in the health care inflation assumption is as follows:

	-1% Health Care Inflation	Valuation Assumption	+1% Health Care Inflation
Total Accrued Liability	11 866 000	13 020 000	14 073 000
Current Service Cost	193 000	205 000	213 000
Interest Cost	R 1 437 000	R 1 516 000	R 1 578 000

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage.

There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****13. Employee benefit obligations (continued)****13.2 Long Service Awards**

The Long service awards (LSA) plans are defined benefit plans.

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

Employees eligible for Long service awards:

Roads	103	111
Other	43	45
As at year end, the following number of employees were eligible for Long Service Bonuses	146	156

Key Actuarial assumptions used:**Rate of Interest**

Discount rate	Yield Curve	9,20%
General earnings Inflation rate (long-term)	Equal to CPI+1%	5,78%
Net Effective Discount Rate applied to earning-related Long Service Bonuses	Yield curve based	3,23%

Grap 25 defines the determination of the Discount rate assumption to be used as follow:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Consequently, a discount rate of 9.20% per annum has been used. This yield was obtained by calculating the duration of the liability and then taking the yield from the yield curve at that duration using an iterative process (because the yield depends on the duration, which in turn depends on the liability). The corresponding liability-weighted index-linked yield is 3.74%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021. The duration of the total liability was estimated to be 9.25 years.

Average Retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

13. Employee benefit obligations (continued)

Withdrawal from Service

If an employee leaves, the employer's liability in respect of that employee ceases.

Mortality Rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

		2021	2020
13. Employee benefit obligations (continued)			
The amount recognised in the Statement of Financial Position are as follows:			
Present value of fund obligations		2 556 000	2 653 000
		2 556 000	2 653 000
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
	2019	2018	2017
	2 208 000	2 119 000	1 778 965
Reconciliation of present value of fund obligation (LSA):			
Present value of fund obligation at the beginning of the year		2 653 000	2 207 518
Current service cost		251 000	223 346
Interest cost		222 000	170 380
Benefits paid		(247 793)	(249 778)
Actuarial losses		(322 207)	301 534
Transfer of Current Portion - Note 9		(504 000)	(194 000)
Non - current Portion		2 052 000	2 459 000

Sensitivity Analysis on the Unfunded Accrued Liability

Withdrawal Rate:

Illustrated is the effect of a higher and lower withdrawal rates by increasing two-fold and decreasing the withdrawal rate by 50%:

	-50% Withdrawal Rate	Valuation Assumption	Two fold increase Withdrawal Rate
Total Accrued Liability	2 848 000	2 556 000	2 127 000
Current Service cost	284 000	231 000	163 000
Interest cost	239 000	222 000	173 000

General earnings inflation rate:

The effect of a 1% per annum change in the general earnings inflation assumption:

	-1% Normal Salary inflation	Valuation Assumption	+1% Normal Salary inflation
Total Accrued Liability	2 426 000	2 556 000	2 698 000
Current Service cost	213 000	231 000	252 000
Interest cost	201 000	212 000	(226 000)

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****13. Employee benefit obligations (continued)**

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

13.3 Ex Gratia Benefits

The Ex-Gratia plans are defined benefit plans..

Number of employees eligible for Ex-Gratia Benefits:

Roads	4	7
-------	---	---

Key actuarial assumptions used:

Discount rate	8,34%	7,35%
Benefit increase rate (CPI inflation)	4,49%	3,14%
Net Effective Discount Rate	3,68%	3,08%

Grap 25 defines the determination of the Discount rate assumption to be used as follow:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Consequently, a discount rate of 8.34% per annum has been used. The corresponding index-linked yield at this term is 3.21%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2021.

Average retirement age

The normal retirement age of employees is 65.

It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed retirement age, have been assumed to retire at their next birthday.

Pre-retirement Mortality

SA85-90 ultimate table was used, adjusted for female lives.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****13. Employee benefit obligations (continued)****Mortality Rates and Spouses**

Mortality before retirement has been based on the PA(90) mortality tables. These are the most commonly used tables in the industry. It was assumed that female spouses would be five years younger than their male spouses and vice versa.

Reconciliation of present value of fund obligation (Ex-Gratia)

Present value of fund obligation at the beginning of the year	401 000	372 396
Interest paid	22 000	22 000
Benefits paid	(145 263)	(196 441)
Actuarial losses/(gains)	(108 350)	203 045
Transfer of Current Portion - Note 11	(150 898)	(99 000)
	18 489	302 000

Sensitivity Analysis on the Unfunded Accrued Liability

The effect of a 1% increase and decrease in the assumed general salary inflation rate:

	-1% Pension inflation	Valuation Assumption	+1% Pension inflation
Total Accrued liability	167 393	169 387	171 477
Interest Cost	22 000	22 000	23 000

13.4 Retirement Funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claimed that the pensioner data is confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2019 - 100,7%)

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
13. Employee benefit obligations (continued)		
Contributions paid recognised in the Statement of Financial Performance	6 757 764	6 505 583
CONSOLIDATED PENSION FUND FOR LOCAL GOVERNMENT		
<p>The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2016 - 100%). Whilst this has increased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95%.</p>		
Contributions paid recognised in the Statement of Financial Performance	193 685	175 386
SAMWU PROVIDENT FUND		
<p>The contribution rate payable is 7.50% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2015 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.</p>		
Contributions paid recognised in the Statement of Financial Performance	926 625	970 210
14. Straight Service Charge		
Department of Transport and Public Works	4 793 044	4 072 739
<p>The Municipality has a service level agreement with the Department of Transport Western Cape for rendering of services regarding the roads function within the jurisdiction of the Central Karoo District Municipality. The commission is calculated at a pre-determined rate on the total received from the Department of Transport of Public Works. The amount received for the current financial year amounted to R 51 959 456.</p>		
<p>Grap 109 is not applicable as the relationship between the municipality and the Department of Public Works and Transport of the Western Cape, does not meet the principal agent criteria as determined by the standard.</p>		
<p>To align to the accounting treatment for the funding received from the Department of Transport and Public Works with regards to the road maintenance, the prior year naming convention for this funding source was changed from agency services to Straight service charge. Both the prior year and current year naming convention is therefore consistent. This allows the users of the Annual Financial Statements to have a clear understanding of the substance to this funding.</p>		

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
15. Operational Revenue		
Admin fee	8 765	75 788
Commission	38 013	35 560
LG Seta admin fee	53 395	79 741
Sale of tender documents	24 670	6 805
Photocopies and faxes	87	351
	124 930	198 245
Balance previously reported		195 254
Correction of error - refer to note 28		2 991
Restated balance		198 245
16. Government grants and subsidies		
Operating grants		
Government Grants and Subsidies - Operational	41 118 501	35 984 735
Capital grants		
Government Grants and Subsidies - Capital	-	-
	41 118 501	35 984 735
Conditional and Unconditional Government Grants:		
Included in above are the following grants and subsidies received:		
Conditional grants received	32 792 000	30 642 000
Unconditional grants received	8 326 501	5 342 736
	41 118 501	35 984 736
Revenue recognised per vote as required by Section 123 (c) of the MFMA		
Equitable share	32 792 000	30 642 000
Public safety	-	4 800
Executive and Council	250 000	561 835
Budget and Treasury	-	1 280 000
Corporate services	4 986 032	753 565
Planning and Development	-	2 742 536
Finance	1 000 000	-
Municipal Manager	2 090 469	-
	41 118 501	35 984 736
Conditions still to be met - remain liabilities (see note 10).		

CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
16. Government grants and subsidies (continued)		
Local Government Financial Management Grant (FMG)		
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 10).		
Other Grants		
Balance unspent at beginning of year	4 870 838	2 372 848
Current-year receipts	8 364 382	4 342 736
Conditions met - transferred to revenue	(8 326 501)	(1 844 746)
Repayments during the year	(1 035 010)	-
	<u>3 873 709</u>	<u>4 870 838</u>

Various grants were received from other spheres of Government.

Refer to Appendix E for the detailed disclosure of Grants and Subsidies.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
17. Employee related costs		
Employee Related Costs - Salaries and Wages	35 244 234	36 866 750
Bonuses	2 383 647	2 782 322
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	7 925 687	8 992 944
Overtime payments	1 381 172	1 297 067
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	1 260 213	1 518 995
Current service cost	211 000	251 774
Housing Benefits and Allowances	336 910	334 247
Leave Provision	144 622	446 300
Provision adjustment - Employee benefits	203 613	(62 888)
	49 091 098	52 427 511
Remuneration of Municipal Manager		
Annual Remuneration	596 641	994 095
Car Allowance	36 000	240 000
Performance Bonuses	-	123 255
Cellphone allowance	21 000	40 500
Contributions to UIF, Medical and Pension Funds	892	35 387
Other benefits and allowances	44 347	86 279
Severance pay	-	2 033 641
	698 880	3 553 157
Remuneration of the Chief Financial Officer		
Annual Remuneration	692 677	692 898
Car Allowance	159 018	159 350
Performance Bonuses	-	187 020
Cellphone allowance	35 000	22 500
Contributions to UIF, Medical and Pension Funds	164 930	172 332
Other benefits and allowances	91 729	66 070
Acting Allowance - Municipal Manager	2 712	-
	1 146 066	1 300 170
Remuneration of Manager: Corporate Services		
Annual Remuneration	781 174	769 618
Car Allowance	144 000	144 000
Cellphone allowance	35 000	22 500
Performance Bonuses	-	134 420
Contributions to UIF, Medical and Pension Funds	100 277	113 213
Other benefits and allowances	82 725	63 819
Acting Allowance - Municipal Manager	28 294	44 077
	1 171 470	1 291 647

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
18. Remuneration of councillors		
Executive Mayor	906 635	914 753
Executive Committee Members	1 135 719	1 123 643
Councillors	1 732 393	1 806 855
	<u>3 774 747</u>	<u>3 845 251</u>
In-kind benefits		
The Councillors occupying the positions of Mayor, Speaker and certain members of the Executive Committee of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.		
19. Depreciation and amortisation		
Property, plant and equipment	725 439	585 483
Intangible assets	36 146	29 574
	<u>761 585</u>	<u>615 057</u>
Balance previously reported		610 188
Correction of error - refer to note 28		4 869
Restated balance		<u>615 057</u>
20. Impairment of assets		
Impairments		
Property, plant and equipment	-	822
Due to wear and tear the condition of Property, Plant and Equipment was re-evaluated.		
Reversal of impairments		
Property, plant and equipment	(3 241)	-
Total impairment losses (recognised) reversed	<u>(3 241)</u>	<u>822</u>
21. Finance costs		
Employee benefits	1 760 000	1 427 976
Less: Employee benefits transferred to Roads	(876 000)	(720 837)
Finance leases	9 522	4 341
	<u>893 522</u>	<u>711 480</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
22. Operational cost		
Administration costs - Roads	5 512 000	4 683 650
Advertising	148 496	40 090
Auditors remuneration	3 252 043	2 007 154
Bank charges	26 820	32 386
Bursaries (Employees)	100 050	48 582
Computer expenses	2 635 509	1 241 890
Resettlement Costs	27 145	75
Disallowed VAT claims	-	148 130
Electricity, water & sanitation	685 667	606 612
Employee wellness	1 250	20 129
Entertainment	7 386	-
Insurance	534 709	414 540
Courier Fees	75 840	-
Membership fees	589 935	607 658
Printing	501 860	365 266
Rates	227 388	164 289
Registration and Congress Fees	81 987	2 200
Samples and specimens	30 085	-
Sundry Projects	2 765 637	968 522
Telephone & postage	618 543	609 960
Travel and Subsistence	1 286 837	1 275 354
Travel and Subsistence: Council	359 280	878 940
Vehicle licences	24 453	5 207
Workmen's Compensation Contributions	248 345	225 440
	19 741 265	14 346 074
Balance previously reported		13 787 600
Correction of error - refer to note 28		558 474
Restated balance		14 346 074
23. Contracted services		
Presented previously		
Other Contractors	8 922 006	8 973 589
Balance previously reported		11 196 389
Correction of error - refer to note 28		(2 222 800)
Restated balance		8 973 589
24. Inventory Consumed		
Materials, supplies and other consumables	(9 104 379)	(7 822 791)
	(9 104 379)	(7 822 791)

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
25. Settlement by National Treasury		
The Auditor General - Audit fees over and above 1% contributed by National Treasury	-	-
Balance previously reported		993 252
Correction of error - refer to note 28		(993 252)
Restated balance		-
26. Auditors' remuneration		
Fees	3 252 043	2 007 154
27. Cash generated from operations		
Surplus (deficit)	6 449 875	(3 091 895)
Adjustments for:		
Depreciation and amortisation	761 585	615 058
(Gain)/Loss on disposal of assets and liabilities	106 501	-
NTs audit fee assistance above 1% no longer received	-	993 252
Contribution to provisions – bad debt	30 467	-
Interest on employee benefits	-	1 427 976
Impairment of PPE	-	822
Reversal of impairment loss	(3 241)	-
Government Grants and Subsidies paid back	(1 035 010)	-
Contribution to current employee benefits	(1 526 294)	5 429 009
Benefits paid current employee benefits	-	(3 033 789)
Contribution to non-current employee benefits	753 908	18 400
Benefits paid non-current employee benefits	-	(1 314 541)
Actuarial (Gains)/Losses	(1 066 419)	(1 345 236)
Non - cash movement employee benefits	365 847	1 856 817
Government Grants and Subsidies received	41 156 382	38 501 500
Government Grants and Subsidies recognised as revenue	(41 118 501)	(35 984 735)
Changes in working capital:		
Inventories	(193 267)	(193 421)
Receivables from exchange transactions	-	5 266 160
Receivables from non-exchange transactions	(239 234)	(59 037)
Employee Benefit Receivables	246 997	-
Payables from exchange transactions	2 806 995	(518 258)
Decrease in taxes	(461 948)	7 924
	7 034 643	8 576 006

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
28. Prior period errors		
Accumulated Surplus		
Balance previously reported		5 578 488
Correction made to Outstanding audit fees due to National Treasury no longer paying a portion thereof and not notifying the municipality		(1 765 705)
Correction made due to Sebata Credit note not qualifying as a debtor during the previous years audit		(532 599)
Correction to operational income - LGSETA revenue		21 811
Correction to Diverse income amount incorrectly posted		(10 566)
Unallocated deposits incorrectly posted to income		(8 253)
Correction made to the Employee benefit receivable debtor, where the current portion was deducted twice.		538 000
First time recognition of assets		50 678
Depreciation on first time recognition assets		(4 869)
Restated Balance		3 866 985
Property, plant and equipment		
Balance previously reported		8 444 589
First time recognition of assets		50 678
Depreciation on first time recognition assets		(4 869)
Restated Balance		8 490 398
Receivables from non-exchange transactions		
Balance previously reported		1 768 055
Correction made due to Sebata Credit note not qualifying as a debtor during the previous years audit		(532 599)
Correction to operational income - LGSETA revenue		21 811
Restated Balance		1 257 267
Payables from exchange transactions		
Balance previously reported		2 444 791
Correction made to Outstanding audit fees due to National Treasury no longer paying a portion thereof and not notifying the municipality		2 030 560
Correction to Diverse income amount incorrectly posted		10 566
Unallocated deposits incorrectly posted to income		8 253
Restated Balance		4 494 170
VAT		
Balance previously reported		69 794
Correction made to Outstanding audit fees due to National Treasury no longer paying a portion thereof and not notifying the municipality		264 856
Restated Balance		334 650

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****28. Prior period errors (continued)****Settlement by National Treasury**

Balance previously reported

993 252

National treasury no longer contributed to the payment of audit fees.

(993 252)

Restated Balance-**Operational Revenue**

Balance previously reported

195 254

LGSETA revenue from 2019/20 posted in current year

21 811

Correction to Diverse income amount incorrectly posted

(10 566)

Unallocated deposits incorrectly posted to income

(8 253)

Restated Balance198 246**Contracted services**

Balance previously reported

11 196 389

Transfers and subsidies now separately disclosed

(215 647)

Moved Audit Remuneration to Operational cost due to MSCOA

(2 007 154)

Restated Balance8 973 588**Operational Cost**

Balance previously reported

13 787 040

Moving Debt impairment to the face of the Statement of financial performance

(48 803)

Moving Bursaries and allocations to B Municipalities to Transfers and subsidies

(1 399 953)

Moved Audit Remuneration to Operational cost due to MSCOA

2 007 154

Resettlement fees corrected

75

Restated Balance14 345 513**Depreciation**

Balance previously reported

610 188

Depreciation on first time recognition assets

4 869

Restated Balance615 057

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****28. Prior period errors (continued)****Transfers and Subsidies**

Balance previously reported

Accounting for Bursaries and allocations to B Municipality's separately

-

1 615 599

Restated Balance1 615 599**Employee Benefit Receivable**

Balance previously reported

Correction made to the Employee benefit receivable debtor, where the current portion was deducted twice.

6 907 000

538 000

Restated Balance7 445 000**Disclosure amendments made relating to the prior year:**

Statutory receivables is no longer shown on the face of the Statement of Financial Position. According to GRAP108 only note disclosure is required. Taxes have now been disclosed on the face of the Statement of financial position.

The prior years Financial instrument note was updated to agree to the restated Balance sheet amounts.

The prior years COVID 19 note was updated to be in line with this years disclosure.

The Operational Revenue note has amendments to revenue item descriptions within the note in order to be more accurate.

The contribution to debt impairment for the year is now disclosed on the face of the Statement of Financial Performance.

See below for a summary of GRAP 3 amendments effect on the financial statements:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

28. Prior period errors (continued)

Statement of financial performance	Balance as previously reported	Re-classifications	Prior period errors	Restated Balance
	-	-	-	-
	-	-	-	-
Actuarial gains	1 345 236	-	-	1 345 236
Straight service charges	4 072 739	-	-	4 072 739
Department of Transport - Roads Service Charges	44 405 980	-	-	44 405 980
Interest received	1 137 968	-	-	1 137 968
Licences and permits	51 165	-	-	51 165
Operational Revenue	195 254	-	2 992	198 246
Rental from fixed assets	119 014	-	-	119 014
Settlement by National Treasury	993 252	-	(993 252)	-
Government grants and subsidies	35 984 735	-	-	35 984 735
Employee related cost	(52 965 586)	75	538 000	(52 427 511)
Remuneration of Councillors	(3 845 251)	-	-	(3 845 251)
Depreciation and amortisation	(610 188)	-	(4 869)	(615 057)
Impairment	(822)	-	-	(822)
Finance costs	(711 480)	-	-	(711 480)
Debt Impairment	-	-	(48 803)	(48 803)
Transfers and Subsidies	-	-	(1 615 599)	(1 615 599)
Inventory consumed	(7 822 791)	-	-	(7 822 791)
Contracted services	(11 196 389)	2 007 154	215 647	(8 973 588)
Operational Cost	(13 787 600)	(2 007 228)	1 448 756	(14 346 072)
	(2 634 764)	1	(457 128)	(3 091 891)

29. Unauthorised expenditure

Opening balance as previously reported	8 795 509	7 360 160
Opening balance as restated	8 795 509	7 360 160
Add: Current Year Operating Expenditure	69 693	1 435 349
Add: Expenditure identified - prior period	-	-
Less: Approved/condoned/authorised by council	-	-
Closing balance	8 865 202	8 795 509

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

29. Unauthorised expenditure (continued)

Unauthorised expenditure for the year can be summarised as follows:

2021	Budget Expenditure	Actual Expenditure	Variance	Recalculate Unauthorised
Finance	13 159 144	10 441 565	2 717 579	-
Corporate Services	28 826 318	24 104 556	4 721 762	-
Municipal Manager	4 446 048	2 268 281	2 177 767	-
Executive and Council	5 992 164	5 037 384	954 780	-
Technical Services	51 558 030	51 627 723	(69 693)	(69 693)
	103 981 704	93 479 509	10 502 195	(69 693)
2020	Budget Expenditure	Actual Expenditure	Variance	Recalculate Unauthorised
Budget and Treasury	13 674 946	10 752 267	2 922 679	-
Corporate Services	12 357 809	10 914 411	1 443 398	-
Public Safety	1 685 374	1 651 079	34 295	-
Executive and Council	10 802 214	12 237 563	(1 435 349)	(1 435 349)
Health	4 323 256	4 173 970	149 286	-
Planning and Development	7 707 556	6 101 084	1 606 472	-
Road Transport	50 144 424	45 109 735	5 034 689	-
	100 695 579	90 940 109	9 755 470	(1 435 349)

30. Fruitless and wasteful expenditure

Opening balance as previously reported	165 885	165 885
Opening balance as restated	165 885	165 885
Add: Expenditure identified - current	343	-
Add: Expenditure identified - prior period	353	-
Less: Amounts recoverable - current	(343)	-
Less: Amounts recoverable - prior period	(353)	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	165 885	165 885

The opening balance of Fruitless and wasteful expenditure formed part of a forensic investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure performed during the past financial year - in which amounts are being recovered from certain individuals in the Irregular expenditure note 31.

The effect of the investigation on fruitless and wasteful expenditure's recoverability is not known at this time.

The Fruitless and Wasteful expenditure noted in this financial year related to interest and penalty's on the EMPISA statements from SARS. This is recoverable from the responsible employees and has been treated accordingly.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
31. Irregular expenditure		
Opening balance as previously reported	30 959 244	30 959 244
Opening balance as restated	30 959 244	30 959 244
Add: Irregular Expenditure - current	-	-
Add: Irregular Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	30 959 244	30 959 244

Amounts recoverable

After a forensic investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure was performed during the financial year, the council decided to follow the recommendations and commence proceedings to recover the following amounts from these parties:

Mr S Jooste (Previous Municipal Manager)	5 119 500	-
Africa Creek Investment (Pty) Ltd	4 507 500	-
Mr Jonton Snyman	4 507 500	-
NB Wilson & Associates	612 000	-
Mr Lance Wilson	612 000	-
Mrs Lorraine Wilson	612 000	-
	15 970 500	-

Recoverability, condonement and disciplinary steps of all other irregular expenditure will be evaluated by Council in terms of section 32 of MFMA.

R3 068 154 of this amount is Irregular expenditure identified in the 2019 financial year relating to the previous years. The total amount disclosed relates to a technical interpretation difference as identified by the Auditor General. All these contracts were entered into during the 2017 year.

There was no further movement with regards to Irregular expenditure for the current financial year.

32. Additional disclosure in terms of Municipal Finance Management Act**Contributions to organised local government - [MFMA 125 (1)(c)] - SALGA**

Opening balance		
Current year subscription / fee	534 805	553 924
Amount paid - current year	(534 805)	(553 924)
Amount paid - previous years	-	-
	-	-

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
32. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees - [MFMA 125 (1)(c)]		
Opening balance	1 765 705	-
Correction of prior period error	-	772 453
Restated opening balance	1 765 705	772 453
Current year fee	3 252 043	2 007 154
Amount paid - current year	(877 487)	(1 013 902)
Amount paid - previous years	-	-
	4 140 261	1 765 705
PAYE, SDL and UIF - [MFMA 125 (1)(c)]		
Opening balance	790 363	582 348
Current year subscription / fee	8 420 657	7 753 755
Amount paid - current year	(8 420 657)	(7 545 740)
Amount paid - previous years	(790 363)	-
	-	790 363
Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year subscription / fee	10 820 544	10 759 234
Amount paid - current year	(10 820 544)	(10 759 234)
Amount paid - previous years	-	-
	-	-
VAT - [MFMA 125 (1)(c)]		
VAT receivable	796 598	334 650

VAT output payables and VAT input receivables are shown in note 4.

All VAT returns have been submitted by the due date throughout the year.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****32. Additional disclosure in terms of Municipal Finance Management Act (continued)****Councillors' outstanding debt to municipality**

The following Councillors and former Councillors had arrear amounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor J Bostander	-	46 714	46 714
Councillor M Furman	-	22 552	22 552
Councillor EZ Njadu	-	43 388	43 388
Councillor G de Vos	-	6 923	6 923
Councillor M Daniels	-	737	737
Councillor J Jonas	-	4 515	4 515
Councillor T Prince	-	439	439
Councillor GP Adolph	-	2 511	2 511
	-	127 779	127 779
30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor MS Hangana	-	22 301	22 301
Councillor J Bostander	-	46 714	46 714
Councillor M Furmen	-	22 552	22 552
Councillor EZ Njadu	-	44 944	44 944
Councillor G de Vos	-	13 905	13 905
Councillor J Jonas	-	4 515	4 515
Councillor T Prince	-	439	439
Councillor GP Adolph	-	2 511	2 511
	-	157 881	157 881

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

32. Additional disclosure in terms of Municipal Finance Management Act (continued)

Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

2021

	Up to R30 000	Between R30 000 and R200 000
Emergency	17 240	778 016
Impractical	574 943	1 674 239
Sole Supplier	1 198 262	868 320
Prior period regulation 32 contract continuation	47 985	30 382
	1 838 430	3 350 957

	Amount	Sole Supplier/ Agent	Impractical	Emergency
July	709 196	15	8	2
August	819 589	11	2	1
September	140 117	14	3	0
October	75 012	5	4	1
November	625 982	11	7	0
December	295 999	13	4	0
January	186 428	11	5	0
February	217 136	11	10	0
March	1 083 933	28	20	1
April	132 692	10	4	0
May	271 780	16	7	1
June	631 522	18	10	0
	5 189 386	163	84	6

2020

	Up to R30 000	Between R30 000 and R200 000
Emergency	426 212	57 760
Impractical	700 344	868 427
Sole Supplier	545 295	831 758
Prior period regulation 32 contract continuation	310 088	4 202 407
	1 981 939	5 960 352

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

32. Additional disclosure in terms of Municipal Finance Management Act (continued)

	Amount	Sole Supplier/ Agent	Impractical	Emergency
Prior period regulation 32 contracts	431 180	0	6	0
July	409 180	12	12	0
August	737 577	12	13	0
September	330 202	18	10	0
October	355 213	14	20	0
November	318 657	9	18	0
December	59 062	2	5	0
January	926 437	7	18	2
February	2 784 475	23	24	0
March	826 126	11	19	3
April	261 981	1	4	1
May	363 956	2	12	4
June	138 245	8	7	1
	7 942 291	119	168	11

The ten major deviations, in total, for the current financial year were as follows:

SMEC South Africa	Sole Implementing agent for the Rural Roads Asset Management Programme	1 083 887
Bell Equipment sales SA	Agent for the supply of specific parts	934 581
Buffelsdrift Clay Mine	Emergency flood damage repairs	721 564
ELB Equipment Holdings	Agent for the supply of specific parts	203 099
Ignite	Original contract ended 30 June 2020, Due to the national lockdown, no tenders could be advertised.	197 616
Elandsvlei Sand	Only one quotation received.	193 381
Short's Commercial Vehicle	Agent for the supply of specific parts	136 514
Ilanja Sweisingenieurswerke	Only supplier in town to quote.	119 426
Hino George	Agent for the supply of specific parts	116 767
Arctipoint t/a Civil designer	Sole supplier of civil designer software.	95 325

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****32. Additional disclosure in terms of Municipal Finance Management Act (continued)**
The ten major deviations, in total, for the previous financial year were as follows:

Moore Consulting George (Pty) Ltd	Prior period regulation 32 contract continuation	3 204 727
Ignite advisory	Prior period regulation 32 contract continuation	710 350
Barloworld Equipment	Agent for the supply of specific parts	329 632
M & M Eiendomme	There are only two suppliers for fuel in Murraysburg	315 187
Bell Equipment Sales Limited	Agent for the supply of specific parts	299 964
Mubesko Africa (Pty) Ltd	Prior period regulation 32 contract continuation	240 151
Buffelsdrift Clay Mine CC	Emergency flood damage repair	229 954
Nuweveld Aptek	Urgent requirement of thermometers	147 121
Hino George	Agent for the supply of specific parts	139 241
Beaufort Wes Presisie Motor Ingenieurswerke	Strip & quote	114 758

The following purchases were made during the year where a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months:

Ann's Deli and Projects	15 905	1 345
Beaufort West Luxury Coaches	89 600	18 950
Admiror Trading	31 929	-
AH Enterprises	110 078	-
Clear-cut events	10 125	-
Mubesko Africa	490 230	1 055 495
Illanja Sweiswerke t/a B en B Sweiswerke	180 181	45 273
	928 048	1 121 063

33. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

	2021	2020
34. Financial instruments disclosure		
Financial assets		
Receivables from non-exchange transactions	979 804	1 257 267
Call Investment Deposits	11 242 552	12 555 162
Bank balances	10 635 167	2 808 573
Cash on hand	1 300	1 300
	22 858 823	16 622 302
Balance previously reported		17 100 875
Correction of error - refer to note 28		(478 573)
Restated balance		16 622 302
Financial liabilities		
Non-current Capitalised Lease Liability	240 644	-
Trade payables	5 275 010	2 065 868
Sundry creditors	587 604	878 928
Debtors with credit balances	24 319	7 694
Current capitalised lease liability	131 508	20 668
	6 259 085	2 973 158
Balance previously reported		943 329
Correction of error - refer to note 28		2 029 829
Restated balance		2 973 158

35. Financial sustainability

The indicators of conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Current assets exceeded current liabilities with the current ratio being 1.54:1 (2021)
 Current assets exceeded current liabilities with the current ratio being 1.15:1 (2020)
 Liquidity ratio of 1.41:1 (2021)
 Liquidity ratio of 1.04:1 (2020)
 Accumulated surplus of R10 316 858 (2021)
 Accumulated surplus of R3 866 983 (2020)

The definition of going concern is that there is no reason to believe that an institution will have to close down or liquidate in the foreseeable future and at least, but not limited to 12 months. The financial statements for this Municipality has been prepared, as indicated in the accounting policy, on a going concern assumption as allocations of equitable share have been promulgated in the Division of Revenue Act for the three financial years following the reporting date.

These annual financial statements have been prepared on a going concern basis.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****35. Financial sustainability (continued)****COVID-19 Background**

The coronavirus outbreak has been international news since December 2019, but the South African National Institute for Communicable Diseases only confirmed the first positive case of COVID-19 in South Africa on 5 March 2020. On the 23rd of March 2020, President Cyril Ramaphosa announced the nationwide lockdown.

Since this time there have been various levels of lockdown announced.

COVID-19 Impact on Municipality

Due to the national state of disaster, various regulatory requirements were instituted in order to ensure that the impact of the spread of the virus is limited. The impact has been devastating to the most vulnerable in our community. As a result of the robust financial model applied by the municipality however, the overall going concern and financial position remains relatively unchanged due to continued support by those members of the community who can afford to do so.

COVID-19 - Response Expenditure

Type of expenditure	Nature of expenditure		
Cloth masks	Inventory consumed	28 480	22 552
Sanitiser, sanitiser dispensers and equipment	Inventory consumed	90 809	85 997
Disinfection of premises	Contracted services	44 976	-
Disposable and surgical masks	Inventory consumed	40 880	28 600
Face Shields	Inventory consumed	5 217	4 250
Gloves	Inventory consumed	1 767	-
Paper towels	Inventory consumed	3 679	-
Protective Clothing	Inventory consumed	170	-
Soap	Inventory consumed	1 121	-
Surface Cleaner	Inventory consumed	12 426	-
Thermometers	Inventory consumed	11 680	43 846
Covid Law Enforcement Monitoring Officers	Employee Related Cost	204 000	-
		445 205	185 245

The COVID-19 response expenditure is funded from the following sources:

Type of expenditure		
Own Funding	-	-
Department of Transport - Roads	65 000	65 000
Grant funding	380 205	120 245
	445 205	185 245

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****36. Contingent Liabilities****CKDM//DEPARTMENT OF TRANSPORT AND PUBLIC WORKS -
WESTERN CAPE GOVERNMENT**

Case no: 550/19

PA 190415 - 18 August 2016,

Ford Bakkie swept away in river current: R139 025.52

Case no: 222/19

PA 180 217 & PA 180 220 - 14 April 2016,

Collision of Swartberg Pass: R184 904.41

Both claims are being opposed by the Municipality and further engagement will be taking place in terms of Section 41 of the Constitution 1996, Section 40(b) of intergovernmental regulation framework Act, 2005 and clause 29 of the Agreement.

**CKDM // CAPX INVOICE DISCOUNTING (PTY) LTD HIGH COURT CASE
NO: 6615/2017**

CKDM has been summonsed by the Plaintiff for payment of the amount of R 2 000 000, alternatively R 1 000 000. The cause of the action relates to the LGSETA project, in terms of which the implementing agent (Africa Creek) ceded its rights in terms of the Turnkey Service Level Agreement between CKDM and Africa Creek to CAPX Invoice Discounting (Pty) Ltd. The Plaintiff now wishes to enforce its rights in terms of the Session Agreement for monies which is due to them by Africa Creek.

This claim is being defended by CKDM on the basis that the Turnkey Service Agreement between itself and Africa Creek has been validly terminated and that there is accordingly no funds payable to Africa Creek. The prospects in defending this claim is very good and there has been no movement on this matter for almost over a year now.

This matter is still ongoing and we are still awaiting a trial date in the High Court.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

36. Contingent Liabilities (continued)

CKDM & AFRICA CREEK // ENTREPRENEURIAL BUSINESS SCHOOL (PTY) LTD / CB WILLIAMS TRAINING CC / BRIGHT IDEA PROJECTS 447 (PTY) LTD HIGH COURT CASE NO:1723/2018

The Plaintiff's cause of action against CKDM also relates to the LGSETA project, where Africa Creek was appointed as implementing agent and Africa Creek failed to pay the three Plaintiffs (Training Providers), monies which was due to the Plaintiff.

This claim has been defended by CKDM on the basis that Africa Creek is the party that is responsible for the payment of the Training Providers and not CKDM.

With regards to the prospects of success it is difficult to make a pronouncement of our prospects, as the Plaintiffs hold the municipality liable on the basis that Africa Creek acted as its agent and that the Central Karoo District Municipality as principal is therefore responsible for paying the Plaintiff's fees. This matter could go either way and it will in all probability have to be tried in Court.

The Plaintiff's attorneys have filed a Notice of Condonation, to condone the lateness and we have after thorough research found that they do not have to file a Notice of Condonation. We have in the meantime filed a Notice of Withdrawal of our Opposition.

The costs exposure for the Central Karoo District Municipality could range between R100 000.00 and R300 000.00.

FINANCIAL PERFORMANCE GUARANTEES FOR THE REHABILITATION OF LAND DISTURBED BY PROSPECT MINING IN TERMS OF THE EXECUTION OF ENVIRONMENTAL MANAGEMENT PLAN/PROGRAMME

On 12 September 2012 the municipality entered into 16 financial performance guarantees with the Department of Mineral Resources amounting to R1 301 980 relating to the future rehabilitation of burrow pits. No movement on any of the guarantees have taken place since 2012 and there is no expectation that it will be taken up in the foreseeable future.

CKDM//AFRICA CREEK HIGH COURT CASE NO:21067/2019

In this matter the Central Karoo District Municipality received a Summons for the amount of R2 595 750.00.

The cause of action relates to the LG SETA project in terms of which Africa Creek was appointed as the Implementing Agent.

The cause of action relates to monies that is due to Africa Creek as a result of certain services that was rendered to CKDM by Africa Creek.

We confirm that we have served a Notice of Intention to defend the matter and a few Special Plea's as well as our Plea of Plaintiff's legal representatives.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

36. Contingent Liabilities (continued)

Up until date we have not received any further pleadings or correspondence from the Plaintiff's legal representatives and at this stage it is unclear if the Plaintiff's will proceed with litigation in respect of this claim.

The financial exposure for the Central Karoo District Municipality could range between R100 000.00 and R250 000.00

37. 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.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash or the availability of funding through proper budgeting.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Payables from exchange transactions	7 301 168	-	-	-
Unspent Conditional Government Grants and Receipts	3 873 756	-	-	-
Short-term Liabilities	131 508	240 644	-	-
• Capital repayments	153 393	255 655	-	-
• Finance cost	(21 885)	(15 011)	-	-
At 30 June 2020	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	-	-	-	-
Payables from exchange transactions	4 494 173	-	-	-
Unspent Conditional Government Grants and Receipts	4 870 885	-	-	-
Short-term Liabilities	20 668	-	-	-
• Capital repayments	20 761	-	-	-
• Finance cost	(93)	-	-	-

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS**2021****2020****37. Risk management (continued)****Credit risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consists mainly of cash deposits, cash equivalents, trade and other receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Unspent government grants have to be cash-backed and as a result R3 873 756 are pledged as security for financial liabilities.

Long-term Receivables and Other receivables are individually evaluated annually at reporting date for impairment.

Financial assets exposed to credit risk at year end were as follows:

	2021	2020
Cash and Cash equivalents	21 877 719	15 363 735
Receivables from non-exchange transactions	954 582	1 225 053

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The Municipality did not hedge against any interest rate risks during the current year.

The following was taken into consideration when determining interest rate risk:

Cash and Cash Equivalents
Long term Finance Lease Obligation

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:

(2021: 0,50%) (2020: 1%) Increase in interest rates	108 185	153 650
(2021: -0,25%) (2020: 0,5%) Decrease in interest rates	(54 093)	(76 825)



CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

37. Risk management (continued)

Foreign exchange risk

The Municipality does not engage in foreign currency transactions.

Price risk

The Municipality is not exposed to price risks.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2021

2020

38. Budget versus Actual information

Explanation of variances between final budget and actual amount. Amounts under R5 000 or a percentage change of less than 10% were seen as not material.

STATEMENT OF FINANCIAL PERFORMANCE

- A** Impact of covid-19 on functions of municipality.
- B** Covid-19 relief given to renters.
- C** Acceptable difference
- D** Budget was included in operational revenue.
- E** Acceptable difference
- F** Impact of covid-19 on interest rates in South Africa
- G** Underspending of conditional grants due to covid-19
- H** Appointments could not be made in vacant posts due to covid-19
- I** No increase on allowances was given to councillors
- J** Acceptable variance
- L** Actuarial movements unpredictable because of external factors impacting on variables used in calculations.
- M** Budget included under general expenditure
- N** Budget included under general expenditure
- O** Inventory consumed and contracted services budget included here
- P** Budget included inventory costs and operational expenditure.
- Q** Asset adjustment for 3 years
- R** Actuarial movements unpredictable because of external factors impacting on variables used in calculations.
- S** Acceptable variance

STATEMENT OF FINANCIAL POSITION

- T** Actual expenditure did not meet projections due to COVID-19 National Disaster and lockdown
- U** Roads sundry debtor less than normal due to COVID-19 lockdown and impact on operations
- V** Impact of Covid-19 on operations
- W** SARS payment delayed due to audit
- X** Actuarial movements unpredictable because of external factors impacting on variables used in calculations
- Y** Growth in bank by surplus amount
- Z** Underspending on capital budget due to COVID-19
- AA** Acceptable difference
- BB** Actuarial movements unpredictable because of external factors impacting on variables used in calculations.
- CC** Actuarial movements unpredictable because of external factors impacting on variables used in calculations.
- DD** Photocopiers tender impacted actuals
- EE** Actual expenditure did not meet projections due to COVID-19 National Disaster and lockdown
- GG** Photocopiers tender impacted actuals
- HH** Actuarial movements unpredictable because of external factors impacting on variables used in calculations.

CASH FLOW STATEMENT

Motivations for amendments made to the original budget is present in the Adjustment Budget report.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

39. Related parties**Related party balances**

Amounts included in Trade receivables are outstanding money(s) to be recovered from Councillors, and mayor, due to upper limits changes and travel and lodging claimed, but not spent:

Councillor MS Hangana	-	22 301
Councillor J Bostander	46 714	46 714
Councillor M Furmen	22 552	22 552
Councillor M Daniels	737	-
Councillor EZ Njadu	43 388	44 944
Councillor G de Vos	6 923	13 905
Councillor J Jonas	4 515	4 515
Councillor T Prince	439	439
Councillor GP Adolph	2 511	2 511
	127 779	157 881

Related party loans

The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Including any director of Central Karoo District Municipality.

Compensation of key management personnel

The compensation of key management personnel is set out in note 17 to the Annual Financial Statements.

Remuneration of management**Current Employee Benefits**

The Municipality has the following current employee benefit obligation and made other non-Employee Related Cost payments towards senior management.

2021	Staff Leave Obligation	Staff Bonus Obligation	Travel and Subsistence	Total
Municipal Manager	-	-	48 897	48 897
Chief Financial Officer	12 100	311 682	11 023	334 805
Head Corporate Services	15 710	311 682	22 405	349 797
	27 810	623 364	82 325	733 499
2020	Staff Leave Obligation	Staff Bonus Obligation	Travel and Subsistence	Total
Municipal Manager	41 304	149 135	53 284	243 723
Chief Financial Officer	24 135	122 446	92 654	239 235
Head Corporate Services	39 780	122 446	108 191	270 417
	105 219	394 027	254 129	753 375

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

40. Commitments

The Municipality did not have any outstanding capital commitments as at 30 June 2021.

41. Events after the reporting date

Within the municipal space, the effects of COVID-19 is ongoing and will require constant evaluation to determine the extent to which developments after the reporting date, should be recognised in the current reporting period.

National Treasury came to a decision to no longer contribute to paying the audit fees of the municipality. This has resulted in the Municipality now being liable for audit fees going back to the financial year of 2017/2018. The municipality negotiated with the Department of Road Transport after year end to pay a portion of these audit fees amounting to R2 627 645.64, and they agreed to do so. The payment was made in August 2021

The South African Revenue Service selected the municipality for a VAT audit of period 202106. During this audit certain input tax was denied that will be reclaimed in the new financial year. This resulted in an understatement penalty of R10 933 that will be disputed by the municipality and further disclosed accordingly in the new year once finalised.

The MTREF 2021/2022 Budget was not approved by Council in terms of the MFMA section 24, this resulted in the Municipality being placed under provisional administration in July 2021. This came to an end when council approved the budget on 27 July 2021.

The Accounting Officer further is not aware of any other matter or circumstance arising since the end of the financial year.

42. Statutory Receivables

Statutory receivables general information

Transaction(s) arising from statute

Statutory Receivables applicable to Central Karoo District Municipality arises from the Value Added Tax Act (89 of 1991)

Taxes		
Vat Receivable	796 598	334 650
	<u>796 598</u>	<u>334 650</u>
Balance previously reported		69 794
Correction of error - refer to note 28		264 856
Restated balance		<u>334 650</u>

Determination of transaction amount

Statutory receivables are initially measured at transaction value, and subsequently at cost.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June 2021

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

43. Contingent Assets

During the past financial year an investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure was performed and the Council decided that the following amounts are recoverable from the individuals/party's listed below.

Summons have been issued, but the process has been slowed down due to Covid 19 impacting the tender process for legal services required by the Municipality.

Mr S Jooste (Previous Municipal Manager)	5 119 500	-
Africa Creek Investment (Pty) Ltd	4 507 500	-
Mr Jonton Snyman	4 507 500	-
NB Wilson & Associates	612 000	-
Mr Lance Wilson	612 000	-
Mrs Lorraine Wilson	612 000	-
	15 970 500	-

44. Transfers and Subsidies**Other subsidies**

Bursaries and study assistance provided	253 700	415 599
Money allocations to B Municipalities	800 000	1 200 000
	1 053 700	1 615 599
Balance previously reported		-
Correction of error - refer to note 28		1 615 599
Restated balance		1 615 599

45. Loss on disposal of assets and liabilities

Intangible assets	11 984	-
Property, plant and equipment	94 516	-
	106 500	-

46 REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2021

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS				
Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.1 - Council General Expenses	Aggregated	Governance and Administration	Supporting service departments
	1.2 - EDA	Aggregated	Governance and Administration	Supporting service departments
Vote 2 - Municipal Manager	2.1 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Internal Audit	Aggregated	Governance and Administration	Supporting service departments
Vote 3 - Financial Services	3.1 - Financial Services	Aggregated	Governance and Administration	Supporting service departments
	3.2 - District Council Levies	Aggregated	Governance and Administration	Supporting service departments
	3.3 - Finance Management Grant	Aggregated	Governance and Administration	Supporting service departments
Vote 4 - Corporate Services	4.1 - Corporate Services	Aggregated	Governance and Administration	Supporting service departments
	4.2 - Tourism	Aggregated	Governance and Administration	Supporting service departments
	4.3 - Strategic Planning	Aggregated	Governance and Administration	Supporting service departments
	4.4 - Environmental health	Individually Reported	Environment health	Inspected landfills sites, air quality monitoring, health inspections at shops
	4.5 - Civil Defence	Individually Reported	Disaster Management	Fire Service Support
	4.6 - LED	Aggregated	Governance and Administration	Supporting service departments
	4.7 - Work for water	Aggregated	Governance and Administration	Supporting service departments
	4.8 - IDP	Aggregated	Governance and Administration	Supporting service departments
	4.8 - Human Resources	Aggregated	Governance and Administration	Supporting service departments
Vote 5 - Technical Services	5.1 - Roads	Individually Reported	Roads Function	Administering the roads function on behalf of Province.

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The cost to develop this separately would be excessive.



CENTRAL KAROO DISTRICT MUNICIPALITY						
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021						
	Governance and Administration	Environment health	Disaster Management	Roads Function	Non-Reportable	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	6 742 931	27 100	216	52 040 354	-	58 810 641
Rental of Facilities and Equipment	51 288	-	-	-	-	51 288
Interest Earned - External Investments	704 227	-	-	80 939	-	785 166
Licences and Permits	-	27 100	-	-	-	27 100
Other Revenue	5 987 416	-	216	51 959 456	-	57 947 087
External revenue from non-exchange transactions	41 052 748	-	65 753	-	-	41 118 501
Licences and Permits	-	-	-	-	-	-
Transfers Recognised - Operational	41 052 748	-	65 753	-	-	41 118 501
Other Revenue	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	47 795 679	27 100	65 969	52 040 354	-	99 929 142
SEGMENT EXPENDITURE						
Employee Related Costs	16 754 943	3 719 322	1 023 949	27 593 483	-	48 091 697
Remuneration of Councilors	3 774 747	-	-	-	-	3 774 747
Debt Impairment	20 467	-	-	-	-	20 467
Depreciation and Asset Impairment	376 860	15 166	344 201	25 358	-	761 585
Finance Charges	893 522	-	-	-	-	893 522
Other Materials	620 171	-	-	8 304 208	-	8 924 379
Contracted Services	4 074 452	150	2 673	4 844 301	-	8 922 006
Transfers and Grants	1 053 700	-	-	-	-	1 053 700
Other Expenditure	8 693 732	159 075	134 787	10 660 172	-	19 847 766
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	36 452 193	3 893 743	1 505 611	51 627 722	-	93 479 269
Surplus/(Deficit)	11 343 485	(3 866 643)	(1 439 641)	412 673	-	6 449 873
Transfers Recognised - Capital	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	11 343 485	(3 866 643)	(1 439 641)	412 673	-	6 449 873
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	11 343 485	(3 866 643)	(1 439 641)	412 673	-	6 449 873
Attributable to M-entities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	11 343 485	(3 866 643)	(1 439 641)	412 673	-	6 449 873
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	11 343 485	(3 866 643)	(1 439 641)	412 673	-	6 449 873

* A reconciliation is not required between the Segment Report's revenue and expenditure and that of the Annual Financial Statements, as they are in balance.



APPENDIX A - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021

EXTERNAL LOANS	Rate	Redeemable	Balance at 30 June 2020	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2021
LEASE LIABILITY							
Ricoh MPC 2003 SP	13.00%	21/03/2021	11 099	-	-	(11 098)	-
Ricoh MPC 6003 SP	13.00%	26/09/2020	7 079	-	-	(7 079)	-
Nashau E 337M320248	10.50%	31/07/2020	498	-	-	(498)	-
Nashua E 337M320229	10.50%	31/07/2020	498	-	-	(498)	-
Nashua E 337M320249	10.50%	31/07/2020	498	-	-	(498)	-
Nashau E 337M320230	10.50%	31/07/2020	498	-	-	(498)	-
Nashua E 337M320252	10.50%	31/07/2020	498	-	-	(498)	-
Ricoh IMC3500 3110R610607	7.00%	01/03/2021	-	-	84 225	(8 511)	75 714
Ricoh IMC3500 3110R610518	7.00%	01/03/2021	-	-	84 225	(8 511)	75 714
Ricoh IMC3500 3110R610806	7.00%	01/03/2021	-	-	84 224	(8 511)	75 712
Ricoh MP6503SP G659C970117	7.00%	01/03/2021	-	-	161 314	(16 302)	145 013
Total Lease Liabilities			20 668	-	413 988	(62 504)	372 152
TOTAL EXTERNAL LOANS			20 668	-	413 988	(62 504)	372 152



APPENDIX B - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R		2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
14 859 133	(11 378 016)	3 481 117	Governance and Administration	39 977 554	(6 277 875)	33 699 679
25 251 469	(22 021 674)	3 229 795	Executive and council	4 728 231	(22 089 696)	(17 361 465)
			Finance and administration			
			Community and Public Safety			
4 800	(1 622 385)	(1 617 585)	Public safety	65 969	(1 601 664)	(1 535 695)
51 165	(4 174 084)	(4 122 919)	Health	27 100	(3 925 228)	(3 898 128)
			Economic and Environmental Services			
2 742 536	(6 058 629)	(3 316 093)	Planning and development	3 089 893	(7 940 299)	(4 850 405)
44 405 980	(45 109 735)	(703 755)	Road transport	52 040 394	(51 627 723)	412 672
-	(42 455)	(42 455)	Other	-	(16 785)	(16 785)
87 315 082	(90 406 978)	(3 091 895)	Sub Total	99 929 142	(93 479 270)	6 449 872
-	-	-	Less Inter-Departmental Charges	-	-	-
87 315 082	(90 406 978)	(3 091 895)	Total	99 929 142	(93 479 270)	6 449 872



APPENDIX C - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
MUNICIPAL VOTES CLASSIFICATIONS

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R		2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
10 433 000	(7 117 806)	3 315 194	Executive and Council	33 042 754	(5 037 202)	28 005 552
-	-	-	Council General Expenses	-	-	-
			EDA			
			Municipal Manager			
4 426 133	(4 260 210)	165 923	Municipal Manager	6 934 800	(1 240 673)	5 694 127
125 000	(889 157)	(764 157)	Internal Audit	-	(1 027 608)	(1 027 608)
			Finance			
20 743 560	(9 804 238)	10 939 322	Financial Services	38 055	(9 490 633)	(9 452 579)
-	-	-	District Council Levies	-	-	-
1 000 000	(949 248)	50 751	Finance Management Grant	1 000 000	(950 932)	49 068
			Corporate Services			
58 309	(6 270 161)	(6 211 853)	Corporate Services	2 466	(5 243 496)	(5 241 031)
-	(42 455)	(42 455)	Tourism	-	(16 785)	(16 785)
2 742 536	(5 350 275)	(2 607 739)	Strategic Planning	3 089 893	(7 671 965)	(4 582 072)
51 165	(4 174 084)	(4 122 919)	Environmental Health	27 100	(3 925 228)	(3 898 128)
4 800	(1 622 385)	(1 617 585)	Civil Defence	65 969	(1 601 664)	(1 535 695)
-	(338 037)	(338 037)	LED	-	136	136
-	-	-	Work for Water	-	-	-
-	(370 318)	(370 318)	IDP	-	(268 469)	(268 469)
3 324 601	(4 108 869)	(784 269)	Human Resources	3 687 711	(5 377 028)	(1 689 316)
			Technical Services			
44 405 980	(45 109 735)	(703 755)	Roads	52 040 394	(51 627 723)	412 672
87 315 082	(90 406 978)	(3 091 895)	Sub Total	99 929 142	(93 479 270)	6 449 872
-	-	-	Less Inter-Departmental Charges	-	-	-
87 315 082	(90 406 978)	(3 091 895)	Total	99 929 142	(93 479 270)	6 449 872



APPENDIX D - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2021
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation						Accumulated Depreciation					Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals/ Impairment	Closing Balance	
Executive and council	2 552 571	-	240 777	-	(145 351)	2 647 997	917 405	-	116 144	(133 710)	899 639	1 748 159
Finance and administration	4 282 061	-	615 078	-	(492 779)	4 404 360	2 438 626	-	257 821	(471 562)	2 224 884	2 179 476
Internal audit	36 555	-	-	-	(496)	36 059	17 883	-	2 895	(448)	20 340	15 719
Public safety	4 890 877	-	2 981	-	(294 011)	4 599 848	2 265 204	-	344 201	(225 271)	2 384 134	2 215 714
Health	19 852	-	-	-	-	19 852	470	-	2 743	-	3 213	16 639
Road transport	3 250 500	-	-	-	-	3 250 500	888 806	-	25 358	-	914 164	2 336 336
Environmental protection	242 445	-	13 303	-	(38 280)	216 469	159 554	-	11 988	(38 088)	133 454	83 015
Other	6 759	-	-	-	(5 782)	978	5 767	-	436	(5 358)	845	133
	15 281 620	-	872 140	-	(977 697)	15 176 063	6 693 725	-	761 585	(874 437)	6 580 873	8 595 190



APPENDIX E - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2020	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Impairment of Grant	Balance 30 June 2021	Unspent 30 June 2021 (Creditor)	Unpaid 30 June 2021 (Debtor)
National Government Grants									
Equitable Share	-	32 792 000	-	(32 792 000)	-	-	-	-	-
Finance Management Grant	-	1 000 000	-	(1 000 000)	-	-	-	-	-
EPWP	-	1 262 000	-	(1 262 000)	-	-	-	-	-
Rural Asset Management Grant (RAMS)	2 014 037	1 948 000	-	(1 994 844)	-	-	1 967 193	1 967 193	-
Total National Government Grants	2 014 037	37 002 000	-	(37 048 844)	-	-	1 967 193	1 967 193	-
Provincial Government Grants									
Financial Management Capacity Building Grant	430 166	300 000	(51 166)	(95 625)	-	-	583 375	583 375	-
Safety Implementation - whole of society approach (WOSA)	768 439	2 100 000	-	(1 827 893)	-	-	1 040 545,82	1 040 546	-
Municipal Drought Relief Grant	-	250 000	-	(250 000)	-	-	-	-	-
Western Cape Financial Management Support Grant (Audit System)	200 000	-	(200 000)	-	-	-	-	-	-
Western Cape Financial Management Support Grant (ERM System)	173 000	-	(173 000)	-	-	-	-	-	-
Western Cape Financial Management Support Grant (PDO Compliance)	220 025	-	(220 025)	-	-	-	-	-	-
Western Cape Financial Management Support Grant (IA & RM)	390 819	-	(390 819)	-	-	-	-	-	-
LG Internship Grant (Disaster Management)	75 201	-	-	(65 753)	-	-	9 448	9 448	-
Total Provincial Government Grants	2 257 650	2 650 000	(1 035 010)	(2 239 272)	-	-	1 633 368	1 633 368	-
Other Grant Providers									
CHIETA	397 415	1 504 382	-	(1 830 386)	-	-	71 411	71 411	-
LG SETA	201 784	-	-	-	-	-	201 784	201 784	-
Total Other Grant Providers	599 199	1 504 382	-	(1 830 386)	-	-	273 195	273 195	-
Total Grants	4 870 885	41 156 382	(1 035 010)	(41 118 501)	-	-	3 873 756	3 873 756	-

