

CENTRAL KAROO DISTRICT MUNICIPALITY



Draft
Annual
Report

2021 - 2022

"Working together in development and growth"

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CHAPTER 1: Mayor's Foreword and Executive Summary

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. G. MCKENZIE

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 2021/22 Annual Report reflects on the performance of the Central Karoo District Municipality for the period 1 July 2021 to 30 June 2022. 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:

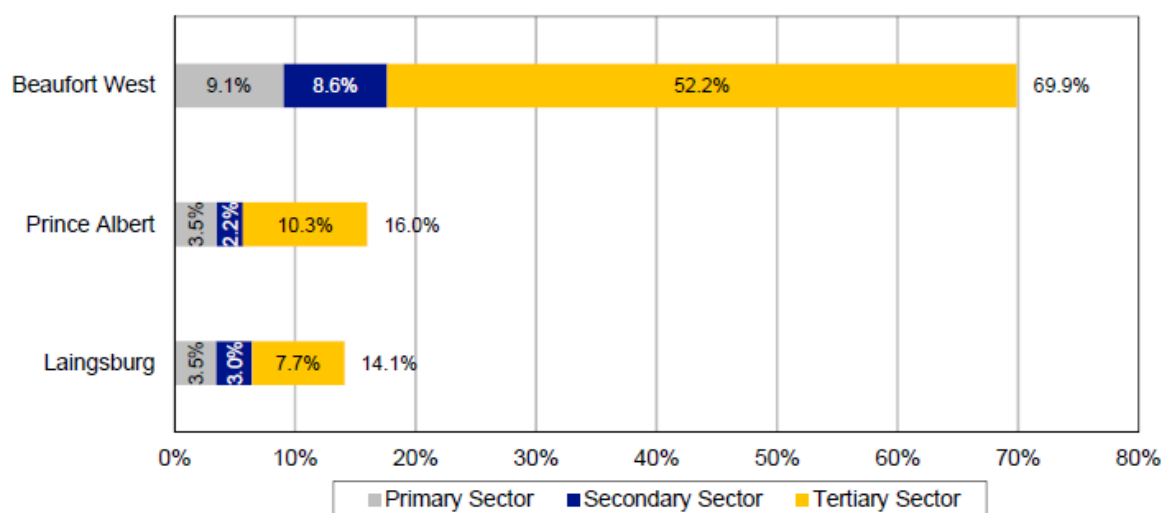


GDPR performance per sector: Central Karoo District

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

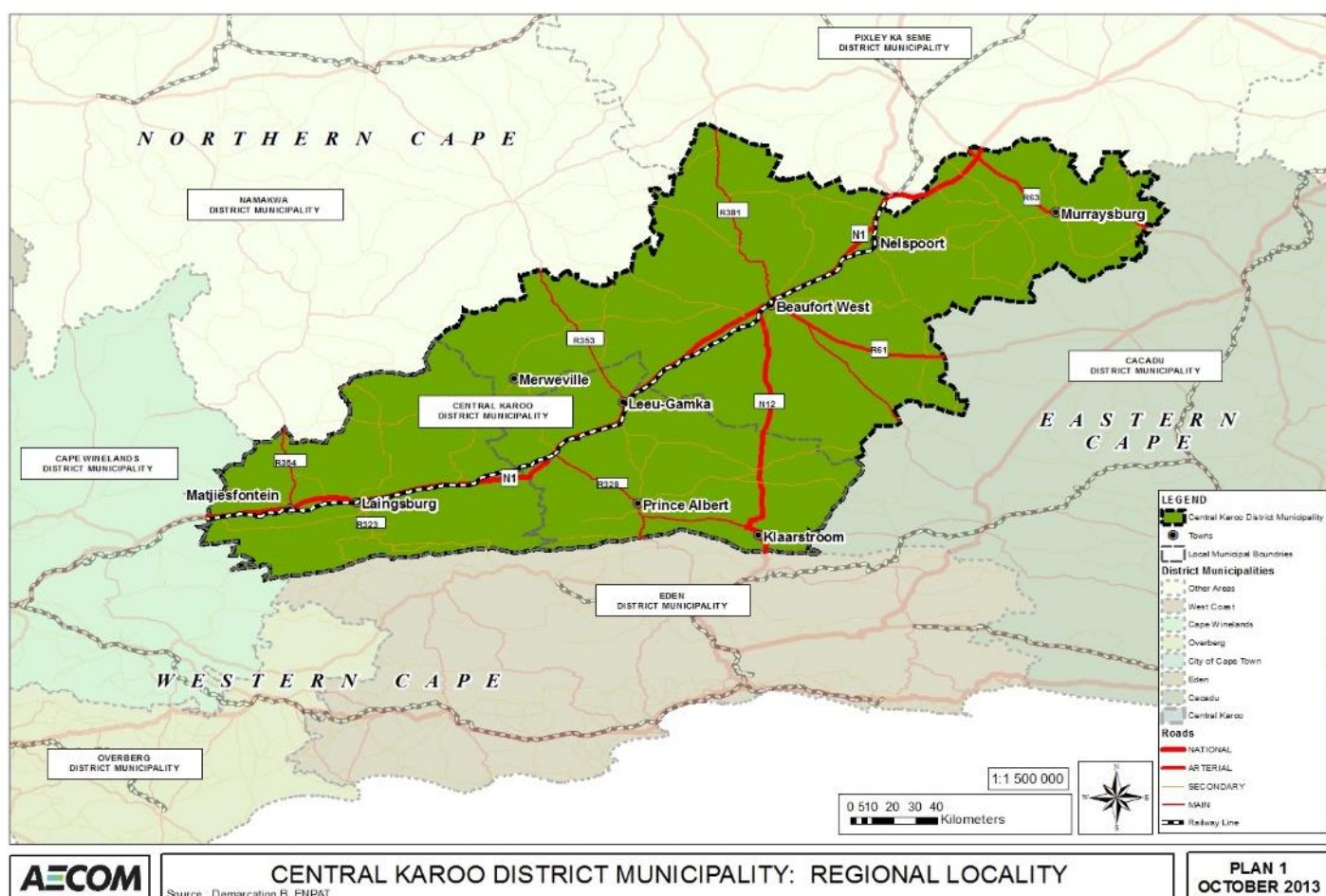
The Central Karoo District Municipality (CKDM) is one of the five Category C District municipalities in the Western Cape Province. The N1 (National Road) runs through the District Municipal area, connecting the area to Cape Town (300km south west) and Johannesburg (1200km) towards the north east.

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 Nieuveld Mountains (Beaufort West).

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



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. <u>The potential for the latter is adversely affected by poor roads and long distances to major centres</u>
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, Klarstroom 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	2020/21	2021/22
Cost coverage (Available cash+ investments): Monthly fixed operating expenditure	2 months	3 months

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	2020/21	2021/22
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)	12%	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:

DETAILS	2020/21	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		
	R 000			
INCOME				
Grants	41 119	47 838	48 216	40 508
Taxes, levies and tariffs	0	0	0	0
Other	58 810	60 402	62 135	62 683
SUB-TOTAL	99 929	108 240	110 351	103 191
Less expenditure	(93 627)	(108 238)	(110 612)	(99 644)
Net surplus/(deficit)	6 302	2	(261)	3 546

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	51	16
Repairs and maintenance	12	0	12
Finance charges and depreciation	18	1.67	16.33

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	2020/21	2021/22
	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	23 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. 15 March 2022 – Health Screening Day.



HIGHLIGHTS	DESCRIPTION
	<ul style="list-style-type: none"> Employees are assisted when wellness challenges are reported to the Human Resources Division.
Appointments finalized	Filled 13 vacancies compared to 10 vacancies 2020/21, 10 vacancies 2019/20, 23 vacancies 2018/19, 27 vacancies 2017/18 and 12 in 2016/17.
Provincial Disaster Management Support Grant	Mr N Mpame was appointed as Disaster Management Intern from 1 December 2021 to 30 June 2022. His appointment was funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided 21 bursaries to full-time students with the grant obtained since 2017. Five (5) new student bursaries were approved for 2021/22.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of 5 Interns are appointed. There were 2 vacancies at the end of June 2022.
In-service training	10 Students were assisted with in-service training during the 2021/22 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> Recruitment & Selection (in process) Travel & Accommodation (review approved – July 2021) In-Service Training (review approved – July 2021) Individual Performance Management System (approved) Cell phone (review approved – August 2021) Communication Policy (approved – May 2022) Dress Code (in process) Gender Mainstreaming (in process) POPI Policy (approved – May 2022) Study Bursary Policy (in process) Working Hours (review approved – August 2021)
Regional Skills Development	<ul style="list-style-type: none"> 18 Students in the Region was enrolled in Public Accountability studies. Bursaries were provided by LGSETA through discretionary funding.

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.	Due to the new Staff Regulations effective 1 July 2022 and new regulatory functions, it should be considered to appoint a Recruitment and Selection/PMS Clerk
Tools of Trade is outdated.	Budget to buy updated software, computer equipment, photocopy machines, etc.

Table 10: Municipal transformation and organisation development

1.6 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

1.6.1 Management Control Element

- Take note: MSCTBEE 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	2021/22
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
A AND J PARTS	398 833,43	Yes	-	-	0%	0%
A G OFFICE FURN	4 850,00	-	Yes	-	0%	0%
ADMIROR TRADING	43 988,63	-	Yes	-	0%	0%
AFRICAN ONLINE SCIENTIFIC INFORMATION SYSTEMS	5 584,33	-	Yes	-	0%	0%
AFRICAN OXYGEN	41 207,44	-	-	Yes	65%	13%
AGNES STOFFELS	9 073,91	-	Yes	-	100%	100%
AGRICO	273 906,85	-	-	Yes	0%	0%
ALFREDO ELRICO HERMANUS	54 396,76	Yes	-	-	100%	0%
ALLES VARS GROENTE MARK	347,74	Yes	-	-	0%	0%
ALTANTIC PLANT AND TRANSPORT (PTY) LTD	2 049 422,58	Yes	-	-	100%	100%
ANNA STOFFELS	2 550,00	Yes	-	-	100%	100%
ARCTIPOINT	47 796,30	-	Yes	-	52%	52%
ATKV SAKE (RF)	2 837,40	Yes	-	-	20%	20%
AVRIL WILMA JOHNSON	3 325,00	Yes	-	-	100%	100%
AYANDA MBANGA COMMUNICATIONS	58 905,60	-	Yes	-	100%	100%
BAB DEVELOPERS	599 478,26	Yes	-	-	100%	0%
BARLOWORLD SOUTH AFRICA	143 857,89	-	-	Yes	65%	28%
BARRYS HANDEL	3 493,44	-	Yes	-	0%	0%
Bayteck Fire	18 176,90	Yes	-	-	0%	0%
BEAUFORT ALARMS	29 851,80	Yes	-	-	0%	0%
BEAUFORT WES TYRES AND TREADS	206 995,73	-	Yes	-	51%	51%
BEAUFORT WEST LUXURY COACHES	8 990,00	Yes	-	-	100%	100%
BEAUFORT-WES LUGREELING EN VERKOELING	18 756,25	Yes	-	-	0%	0%
BEAUFORT-WES PRESISIE MOTOR INGENIEURSWERKE	75 744,18	Yes	-	-	0%	0%



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
BEAUWES PARTS CENTRE	114 816,89	Yes	-	-	0%	0%
BELL EQUIPMENT SALES SOUTH AFRICA	473 120,39	Yes	-	-	55%	17%
BELLAWIZ	21 748,60	Yes	-	-	100%	0%
BIDVEST OFFICE	168 067,39	-	Yes	-	68%	68%
BIDVEST SERVICES	73 594,79	-	Yes	-	0%	0%
BIDVEST STEINER	5 126,46	-	Yes	-	30%	17%
BONKERN PROJECTS	10 750,00	-	Yes	-	100%	100%
BRENT ON FIRE	5 695,00	Yes	-	-	0%	0%
BUFFELSDRIFT CLAY MINE	116 512,00	Yes	-	-	0%	0%
BWEST INVESTMENT GROUP	3 913,04	Yes	-	-	0%	0%
CAPE TOWN LODGE	2 947,82	-	Yes	-	51%	25%
CASEWARE	93 204,05	-	Yes	-		
CATERING IN THE KAROO	700,00	Yes	-	-	100%	50%
COCRE8 IT SERVICES	41 324,00	Yes	-	-	85%	0%
COMPACTION AND INDUSTRIAL EQUIPMENT SALES AND SERVICE	29 913,80	-	Yes	-	0%	0%
COUNTERPOINT TRADING	21 909,60	Yes	-	-	0%	0%
COURIER PRINTING (BEAUFORT WEST)	44 822,29	Yes	-	-	0%	0%
CZ ELEKTRIES	8 243,08	Yes	-	-	0%	0%
DAC WOOD	18 669,28	Yes	-	-	0%	0%
DAWID DANIEL VAN WYK	11 793,20	-	Yes	-	0%	0%
DE JAGERS LOODGIETER KONTRAKTEURS	8 776,02	-	Yes	-	51%	25%
DE ZALZE LODGE	2 608,70	-	Yes	-	0%	0%
DIT RUK SOUND AND PROJECTS	11 500,00	Yes	-	-	100%	0%
DOCUMENT WAREHOUSE COASTAL	5 903,50	-	Yes	-	0%	0%
DRIZIT ENVIRONMENTAL	7 225,68	-	Yes	-	0%	0%
EDRICK LODEWIKUS BRUWER	17 789,51	Yes	-	-	0%	0%
ELB EQUIPMENT HOLDINGS	122 369,38	-	Yes	-	26%	20%
ELCONA 166	3 478,25	-	Yes	-	0%	0%
ELOHIM ENTERPRISES	11 367,00	Yes	-	-	100%	100%
ESRI SOUTH AFRICA	128 400,00	-	Yes	-	26%	8%
ETL CONSULTING	77 500,00	-	Yes	-	100%	30%
EVELYN DE VILLIERS	32 400,00	Yes	-	-	0%	0%
FAIMEL AUTO ELECTRICAL AND SPARES	46 517,02	-	-	-	100%	50%
FIBERTEX SOUTH AFRICA	2 870,40	-	Yes	-	0%	0%
FRANZ JACOBUS ESTERHUYSE	14 508,50	Yes	-	-	0%	0%
GAP Management (PTY) LTD	68 885,70	-	Yes	-	100%	100%
GEORGE HENRY SCHROEDER	26 992,90	-	Yes	-	100%	0%
GOB SECURITY SERVICES	893 518,85	-	-	-		
HAMILTON STOFFEERDERS	12 945,00	Yes	-	-	100%	100%
HIGH POWER EQUIPMENT AFRICA	238 533,55	-	Yes	-	28%	16%
HIGHLINE SOLUTIONS	18 627,00	Yes	-	-	100%	0%
HUDACO TRADING	5 994,95	-	Yes	-	37%	11%
IGNITE ADVISORY SERVICES	339 979,14	Yes	-	-	42%	19%
ILANJA SWEISINGENIEURSWERKE	80 213,88	Yes	-	-	0%	0%
Inyameko trading 445 CC	18 550,00	Yes	-	-	100%	50%
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1 657 290,34	-	Yes	-	60%	12%
IT BRILLIANCE	20 085,22	Yes	-	-	0%	0%
J P C BESTER EN SEUNS MOTORHAWA	37 226,21	Yes	-	-	0%	0%
JOBOJALI	2 405,00	Yes	-	-	0%	0%
JOHANN PIENAAR MOTORS	38 831,88	Yes	-	-	0%	0%
JUVINON SYSTEMS	23 370,00	-	Yes	-	0%	0%
KAROO RADIO AND SATELITE Kempston Motor Group Trust	2 478,00	Yes	-	-	0%	0%
5 859,16	-	-	Yes	-	0%	0%
KGATELOPELE CAPITAL GROUP	65 600,00	Yes	-	-	100%	0%
KHARAFI HOSPITALITY	3 900,00	-	Yes	-	0%	0%



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
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	6 353,84	-	Yes	-		
KLEIN KAROO AGRI	203 018,45	-	Yes	-	0%	0%
KOHLER SIGNS	52 467,60	Yes	-	-	100%	10%
KOMATSU SOUTH AFRICA	105 604,13	-	-	Yes	25%	10%
KP UBUMNANDI GROUP	12 360,59	-	Yes	-	55%	0%
LAST SAMURAI PROPERTY HOLDINGS 2	367 737,65	-	Yes	-	100%	0%
LEXISNEXIS	11 382,00	-	Yes	-	19%	7%
LUMBER AND LAWN	4 287,98	-	Yes	-	51%	39%
M EN M EIENDOMME	198 890,00	-	Yes	-	0%	0%
MADAMS TRINITY SERVICES	2 450,53	Yes	-	-	100%	100%
Magrietha Heibreght Jacobs	830,00	Yes	-	-	0%	0%
Malowitz Group of Companies	31 095,12	-	Yes	-	100%	67%
Manewes Projects	20 039,50	Yes	-	-	100%	50%
MARAIS MOTORS (BEAUFORT WES)	23 362,43	Yes	-	-	0%	0%
MARKET DEMAND TRADING 306 T/A Ellefsen Golf Suites	3 113,04	-	Yes	-	0%	0%
MARKET DEMAND TRADING 319	1 652,17	Yes	-	-	0%	0%
MCWILLIAMS AND ELLIOTT	96 067,52	-	Yes	-	70%	0%
MEDIA 24	30 985,20	-	Yes	-	42,31%	22,63%
MONDOR PRINCE ALBERT	15 136,40	Yes	-	-	0%	0%
MOORE Stephens	93 608,48	-	Yes	-	55%	55%
MOORE STEPHENS (DIRECT)	1 182 434,37	-	Yes	-	55%	55%
MUBESKO AFRICA	1 142 800,01	-	Yes	-	0%	0%
NICO SWART CONSULTANCY	86 410,40	Yes	-	-	0%	0%
Nietvoorby Boerdery	14 784,00	Yes	-	-	0%	0%
NORCAZ PROMOTIONS	7 500,00	Yes	-	-	0%	0%
O P J BRAKE AND CLUTCH	5 980,00	-	Yes	-	0%	0%
OHS CARE	70 185,20	-	Yes	-	51%	51%
OHSCARE	19 609,40	-	Yes	-	51%	51%
Orik (Pty) Ltd	2 085,35	-	Yes	-	100%	34%
PENNYWORTH TRADING	93 950,39	-	Yes	-	51%	51%
PEX HYDRAULICS CAPE TOWN	16 145,57	Yes	-	-	0%	0%
PFP VAN EEDEN ELEKTRIES	2 398,90	Yes	-	-	0%	0%
PHIREWORX	24 990,00	Yes	-	-	100%	60%
PIENAAR BROTHERS	39 542,39	-	-	Yes	25,10%	25,10%
PRINT AT GROUP	49 330,47	Yes	-	-	0%	0%
PROUDLY KAROO	36 491,00	Yes	-	-	0%	0%
Q BOLT	4 794,60	Yes	-	-	0%	0%
QUIDITY	50 774,40	Yes	-	-	0%	0%
RALPH ALXANDER KOSTER T/A MATOPPO INN	7 159,13	Yes	-	-	0%	0%
RBI Asset Management	22 770,00	-	Yes	-	100%	100%
REEBOKSFONTEIN BELEGGINGS	4 869,57	Yes	-	-	0%	0%
Renu-Karoo Veld Restoration	20 815,00	Yes	-	-	0%	0%
RESHUB T/A Southern Sun The Cullinan	8 400,00	-	-	Yes	52,13%	28,34%
RUSLAMERE GUESTHOUSE	8 713,04	-	-	-	0%	0%
RWICILA CONSTRUCTION	37 600,00	Yes	-	-	100%	0%
SHORT'S NISSAN	50 513,95	-	yes	-	51%	26%
Silver Lake Trading 305 (Pty) Ltd	347 272,49	-	Yes	-	100%	100%
SMEC	31 534,00	-	-	Yes	94,29%	36,60%
SOUTH CAPE GALVANISING	5 153,50	-	Yes	-	0%	0%
SOUTH CAPE TRAVEL	39 362,35	-	Yes	-	0%	0%
SOUTHCAPE PETROLEUM	2 451 981,80	-	Yes	-	0%	0%
SPOT-ON DEALS FORTY THREE	34 110,92	-	-	Yes	0%	0%
Stanmar Motors	41 847,70	-	-	-	25,17%	0%
Startune Pty Ltd	264 118,89	-	Yes	-	0%	0%
STEEL PIPES FOR AFRICA (GEORGE)	14 395,75	-	Yes	-	0%	0%
SUMMAT TRAINING INSTITUTE	39 000,00	Yes	-	-	100%	75%
TG ELEKTRIES	44 266,17	Yes	-	-	0%	0%



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
THE ASSESSMENT TOOLBOX CC	33 747,07	Yes	-	-	0%	0%
THE PENNYPINCHERS BEAUFORT WEST TRUST	460,00	-	Yes	-	0%	0%
TICIVA TWENTY	338 454,33	-	Yes	-	0%	0%
Timbercity Beaufort Wes	170 601,47	-	Yes	-	0	0
TJEKA TRAINING MATTERS(PTY) LTD	32 619,75	-	Yes	-	58,52%	5,92%
TNA GENERAL SERVICES PTY LTD	4 255,00	Yes	-	-	100%	0%
TRADEPOST 163	239,20	Yes	-	-	0%	0%
TRAVELGROUND	70 230,37	-	Yes	-	0%	0%
TRENTYRE	403 877,84	-	-	-		
Truck City (pty)Ltd	5 744,39	-	Yes	-	0%	0%
TSOGO SUN CALEDON	2 359,13	-	Yes	-	62,43%	34,25%
TTM TRADING AND PROJECTS (PTY) LTD	4 170 614,38	-	Yes	-	100%	0%
TYRES AND TREADS	9 310,00	-	Yes	-	51,21%	51,21%
UBER TECHNOLOGIES	387 637,74	Yes	-	-	0%	0%
VALMAC OFFICE NATIONAL	38 561,40	-	Yes	-	100%	0%
VDW GROUP	22 917,47	Yes	-	-	0%	0%
VEXOSCORE FIRE	1 298 622,00	Yes	-	-	100%	50%
WAGON WHEEL	8 330,44	Yes	-	-	0%	0%
Werner Van Meersbergen	48 708,00	Yes	-	-	0%	0%
Willem Gabriel J Matthee	81 752,00	Yes	-	-	0%	0%
WURTH SOUTH AFRICA CO	4 526,40	-	Yes	-	0%	0%
ZITANDA SHOPS	43 569,68	-	Yes	-	0%	0%

INDICATORS	2021/22
Value of the 2% of Net Profit After Tax (NPAT) or 0.2% of allocated budget for supplier development	-

INDICATORS	2021/22
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
A AND J PARTS	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	398 833,43
A G OFFICE FURN	George	Manufacture of furniture (for manufacture of furniture of ceramics, concrete and stone	-	Yes	0%	4 850,00
ADMIROR TRADING	Beaufort West	Retail trade, except of motor vehicles and motorcycles	-	Yes	0%	43 988,63
AFRICAN ONLINE SCIENTIFIC INFORMATION SYSTEMS	Cape Town	Publishing activities	-	Yes	0%	5 584,33



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
AFRICAN OXYGEN	Germiston	Professional, scientific and technical activities	-	-	65%	41 207,44
AGNES STOFFELS	Beaufort West	Cleaning Services, Cleaning Suppliers, Events	-	Yes	100%	9 073,91
AGRICO	Bellville	Other personal service activities	-	-	0%	273 906,85
ALFREDO ELRICO HERMANUS	Grahamstown	Retail trade, except of motor vehicles and motorcycles	Yes	-	100%	54 396,76
ALLES VARS GROENTE MARK	Beaufort West	Food and beverage service activities	Yes	-	0%	347,74
ALTANTIC PLANT AND TRANSPORT (PTY) LTD	Athlone	Civil engineering	Yes	-	100%	2 049 422,58
ANNA STOFFELS	Beaufort West	Food and beverage service activities	Yes	-	100%	2 550,00
ARCTIPOINT	Steenberg	Information service activities	-	Yes	52%	47 796,30
ATKV SAKE (RF)	Rawsonville	Accommodation	Yes	-	20%	2 837,40
AVRIL WILMA JOHNSON	New Town	Food and beverage service activities	Yes	-	100%	3 325,00
AYANDA MBANGA COMMUNICATIONS	Cape Town	Advertising and market research	-	Yes	100%	58 905,60
BAB DEVELOPERS	Epping	Other personal service activities	Yes	-	100%	599 478,26
BARLOWORLD SOUTH AFRICA	Bellville	Building and Constructing Machinery and Accessories	-	-	65%	143 857,89
BARRYS HANDEL	Worcester	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	3 493,44
Bayteck Fire	Midrand	Specialised construction activities	Yes	-	0%	18 176,90
BEAUFORT ALARMS	Beaufort West	Security and investigation activities	Yes	-	0%	29 851,80
BEAUFORT WES TYRES AND TREADS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	51%	206 995,73
BEAUFORT WEST LUXURY COACHES	Beaufort West	Land transport and transport via pipelines	Yes	-	100%	8 990,00
BEAUFORT-WES LUGREELING EN VERKOELING	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	18 756,25
BEAUFORT-WES PRESISIE MOTOR INGENIEURSWERKE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	75 744,18
BEAUWES PARTS CENTRE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	114 816,89
BELL EQUIPMENT SALES SOUTH AFRICA	Boksburg	Retail trade, except of motor vehicles and motorcycles	Yes	-	55%	473 120,39
BELLAWIZ	Beaufort West	Food and beverage service activities	Yes	-	100%	21 748,60
BIDVEST OFFICE	George	Retail trade, except of motor vehicles and motorcycles	-	Yes	68%	168 067,39
BIDVEST SERVICES	George	Activities of membership organizations	-	Yes	0%	73 594,79



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
BIDVEST STEINER	George	Activities of membership organizations	-	Yes	30%	5 126,46
BONKERN PROJECTS	Beaufort West	Food and beverage service activities	-	Yes	100%	10 750,00
BRENT ON FIRE	George	Accommodation and food service activities	Yes	-	0%	5 695,00
BUFFELSDRIFT CLAY MINE	Oudtshoorn	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see divisions 16 and 25)	Yes	-	0%	116 512,00
BWEST INVESTMENT GROUP	Beaufort West	Accommodation	Yes	-	0%	3 913,04
CAPE TOWN LODGE	Cape Town	Accommodation	-	Yes	51%	2 947,82
CASEWARE	Midrand	Financial Services	-	Yes	0%	93 204,05
CATERING IN THE KAROO	Beaufort West	Food and beverage service activities	Yes	-	100%	700,00
COCRE8 IT SERVICES	Midrand	Information service activities	Yes	-	85%	41 324,00
COMPACTION AND INDUSTRIAL EQUIPMENT SALES AND SERVICE	Cape Town	Retail trade, except of motor vehicles and motorcycles	-	Yes	0%	29 913,80
COUNTERPOINT TRADING	George	Other manufacturing	Yes	-	0%	21 909,60
COURIER PRINTING (BEAUFORT WEST)	Beaufort West	Printing and reproduction of recorded media	Yes	-	0%	44 822,29
CZ ELEKTRIES	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	8 243,08
DAC WOOD	Beaufort West	Other manufacturing	Yes	-	0%	18 669,28
DAWID DANIEL VAN WYK	Newlands	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	11 793,20
DE JAGERS LOODGIETER KONTRAKTEURS	Beaufort West	Specialised construction activities	-	Yes	51%	8 776,02
DE ZALZE LODGE	Stellenbosch	Accommodation	-	Yes	0%	2 608,70
DIT RUK SOUND AND PROJECTS	Beaufort West	Motion picture, video and television program production, sound recording and music publishing activities	Yes	-	100%	11 500,00
DOCUMENT WAREHOUSE COASTAL	Eppingdust	Warehousing and support activities for transportation	-	Yes	0%	5 903,50
DRIZIT ENVIRONMENTAL	Umbilo	Consulting Services	-	Yes	0%	7 225,68
EDRICK LODEWIKUS BRUWER	George	Other personal service activities	Yes	-	0%	17 789,51
ELB EQUIPMENT HOLDINGS	Anderbolt	Specialised construction activities	-	Yes	26%	122 369,38
ELCONA 166	Beaufort West	Hotel and Lodging	-	Yes	0%	3 478,25
ELOHIM ENTERPRISES	Beacon Bay	Construction	Yes	-	100%	11 367,00
ESRI SOUTH AFRICA	Midrand	Agriculture, forestry and fishing	-	Yes	26%	128 400,00



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
ETL CONSULTING	Bryanston	Architectural and engineering activities; technical testing and analysis	-	Yes	100%	77 500,00
EVELYN DE VILLIERS	Beaufort West	Accommodation	Yes	-	0%	32 400,00
FAIMEL AUTO ELECTRICAL AND SPARES	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	100%	46 517,02
FIBERTEX SOUTH AFRICA	Hammarsdale	Manufacturing of textiles	-	Yes	0%	2 870,40
FRANZ JACOBUS ESTERHUYSE	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	14 508,50
GAP Management (PTY) LTD	Port Elizabeth	Consulting Services	-	Yes	100%	68 885,70
GEORGE HENRY SCHROEDER	Beaufort West	Food and beverage service activities	-	Yes	100%	26 992,90
GOB SECURITY SERVICES	Beaufort West	Security and investigation activities	-	-	0%	893 518,85
HAMILTON STOFFEERDERS	Newlands	Repair and installation of machinery and equipment	Yes	-	100%	12 945,00
HIGH POWER EQUIPMENT AFRICA	Boksburg	Specialised construction activities	-	Yes	28%	238 533,55
HIGHLINE SOLUTIONS	Benoni	Retail trade, except of motor vehicles and motorcycles	Yes	-	100%	18 627,00
HUDACO TRADING	Germiston	Specialised construction activities	-	Yes	37%	5 994,95
IGNITE ADVISORY SERVICES	Durban	Activities of head offices; management consultancy activities	Yes	-	42%	339 979,14
ILANJA SWEISINGENIEURSWERKE	Beaufort West	Other personal service activities	Yes	-	0%	80 213,88
Inyameko trading 445 CC	Oudtshoorn	Food and beverage service activities	Yes	-	100%	18 550,00
INZALO ENTERPRISE MANAGEMENT SYSTEMS	Centurion	Computer programming, consultancy and related activities	-	Yes	60%	1 657 290,34
IT BRILLIANCE	Oudtshoorn	Computer programming, consultancy and related activities	Yes	-	0%	20 085,22
J P C BESTER EN SEUNS MOTORHAWA	Victoria West	Accommodation	Yes	-	0%	37 226,21
JOBOJALI	Beaufort West	Food and beverage service activities	Yes	-	0%	2 405,00
JOHANN PIENAAR MOTORS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	Yes	-	0%	38 831,88
JUVINON SYSTEMS	George	Information service activities	-	Yes	0%	23 370,00
KAROO RADIO AND SATELITE	Beaufort West	Undifferentiated goods- and servicesproducing activities of private households for own use	Yes	-	0%	2 478,00



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
Kempston Motor Group Trust	East London	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	5 859,16
KGATELOPELE CAPITAL GROUP	Midrand	Food and beverage service activities	Yes	-	100%	65 600,00
KHARAFI HOSPITALITY	George	Accommodation	-	Yes	0%	3 900,00
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	George	Accommodation	-	Yes	0%	6 353,84
KLEIN KAROO AGRI	Oudtshoorn	Crop and animal production, hunting and related service activities	-	Yes	0%	203 018,45
KOHLER SIGNS	Cape Town	Manufacture of fabricated metal products, except machinery and equipment	Yes	-	100%	52 467,60
KOMATSU SOUTH AFRICA	Isando	engineered mining, construction, earthmoving and utility equipmen	-	-	25%	105 604,13
KP UBUMNANDI GROUP	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	55%	12 360,59
LAST SAMURAI PROPERTY HOLDINGS 2	Bellville	Civil engineering	-	Yes	100%	367 737,65
LEXISNEXIS	Woodmead	Legal and accounting activities	-	Yes	19%	11 382,00
LUMBER AND LAWN	Paarl	Retail trade, except of motor vehicles and motorcycles	-	Yes	51%	4 287,98
M EN M EIENDOMME	Beaufort West	Undifferentiated goods- and servicesproducing activities of private households for own use	-	Yes	0%	198 890,00
MADAMS TRINITY SERVICES	Beaufort West	Activities of households as employers of domestic personnel	Yes	-	100%	2 450,53
Magrietha Heibregt Jacobs	Beaufort West	Civil engineering	Yes	-	0%	830,00
Malowitz Group of Companies	Beaufort West	Construction and Maintenance	-	Yes	100%	31 095,12
Manewes Projects	Beaufort West	Transportation and storage	Yes	-	100%	20 039,50
MARAIS MOTORS (BEAUFORT WES)	Beaufort West	Wholesale and retail trade, repair of motor vehicles and motorcycle	Yes	-	0%	23 362,43
MARKET DEMAND TRADING 306 T/A Ellefsen Golf Suites	Laingsburg	Hotel and Lodging	-	Yes	0%	3 113,04
MARKET DEMAND TRADING 319	Laingsburg	Accommodation and food service activities	Yes	-	0%	1 652,17
MCWILLIAMS AND ELLIOTT	Port Elizabeth	Professional, scientific and technical activities	-	Yes	70%	96 067,52
MEDIA 24	Cape Town	Media	-	Yes	42,31%	30 985,20
MONTDOR PRINCE ALBERT	Prince Albert	Accommodation and food service activities	Yes	-	0%	15 136,40
MOORE Stephens	George	Consulting Services	-	Yes	55%	93 608,48
MOORE STEPHENS (DIRECT)	George	Consulting Services	-	Yes	55%	1 182 434,37



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
MUBESKO AFRICA	Oudtshoorn	Financial and insurance activities	-	Yes	0%	1 142 800,01
NICO SWART CONSULTANCY	Somerset West	Financial and insurance activities	Yes	-	0%	86 410,40
Nietvoorby Boerdery	Laingsburg	Water supply, sewerage, waste management and remediation activities	Yes	-	0%	14 784,00
NORCAZ PROMOTIONS	Alberton	Education	Yes	-	0%	7 500,00
O P J BRAKE AND CLUTCH	George	Manufacturing	-	Yes	0%	5 980,00
OHS CARE	Kempton Park	Human health and social work activities	-	Yes	51%	70 185,20
OHSCARE	Kempton Park	Human health and social work activities	-	Yes	51%	19 609,40
Orik (Pty) Ltd	Milnerton	Fuel and Lubricants	-	Yes	100%	2 085,35
PENNYWORTH TRADING	George	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	Yes	51%	93 950,39
PEX HYDRAULICS CAPE TOWN	Milnerton	Manufacturing	Yes	-	0%	16 145,57
PFP VAN EEDEN ELEKTRIES	Laingsburg	Electricity, gas, steam and air conditioning supply	Yes	-	0%	2 398,90
PHIREWORX	Cape Town	Manufacturing and Construction	Yes	-	100%	24 990,00
PIENAAR BROTHERS	Cape Town	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	-	25,10%	39 542,39
PRINT AT GROUP	Beaufort West	Manufacturing	Yes	-	0%	49 330,47
PROUDLY KAROO	Beaufort West	Manufacturing and Accommodation and food service activities	Yes	-	0%	36 491,00
Q BOLT	Oudtshoorn	Manufacturing and Wholesale and retail trade, repair of motor vehicles and motorcycles	Yes	-	0%	4 794,60
QUIDITY	Wellington	Information and communication	Yes	-	0%	50 774,40
RALPH ALXANDER KOSTER T/A MATOPPO INN	Beaufort West	Accommodation and food service activities	Yes	-	0%	7 159,13
RBI Asset Management	Boksburg	Professional, scientific and technical activities	-	Yes	100%	22 770,00
REEBOKSFONTEIN BELEGGINGS	Beaufort West	Accommodation and food service activities	Yes	-	0%	4 869,57
Renu-Karoo Veld Restoration	Prince Albert	Agriculture, forestry and fishing and Professional, scientific and technical activities	Yes	-	0%	20 815,00
RESHUB T/A Southern Sun The Cullinan	Waterfront	Accommodation and food service activities	-	-	52,13%	8 400,00
RUSLAMERE GUESTHOUSE	Cape Town	Chartered accountancy	-	-	0%	8 713,04
RWICILA CONSTRUCTION	Beaufort West	Construction	Yes	-	100%	37 600,00
SHORT'S NISSAN	George	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	yes	51%	50 513,95



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
Silver Lake Trading 305 (Pty) Ltd	Bloemfontein	Financial and insurance activities	-	Yes	100%	347 272,49
SMEC	George	Construction	-	-	94,29%	31 534,00
SOUTH CAPE GALVANISING	George	Manufacturing of Machinery and Equipment	-	Yes	0%	5 153,50
SOUTH CAPE TRAVEL	George	Travel Agency	-	Yes	0%	39 362,35
SOUTHCAPE PETROLEUM	Mossel Bay	Fuel and Lubricants	-	Yes	0%	2 451 981,80
SPOT-ON DEALS FORTY THREE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	-	-	0%	34 110,92
Stanmar Motors	George	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	25,17%	41 847,70
Startune Pty Ltd	Johannesburg	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see divisions 16 and 25)	-	Yes	0%	264 118,89
STEEL PIPES FOR AFRICA (GEORGE)	George	Agriculture, forestry and fishing	-	Yes	0%	14 395,75
SUMMAT TRAINING INSTITUTE	Germiston	Professional, scientific and technical activities	Yes	-	100%	39 000,00
TG ELEKTRIES	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	44 266,17
THE ASSESSMENT TOOLBOX CC	Bellville	Other personal service activities	Yes	-	0%	33 747,07
THE PENNYPINCHERS BEAUFORT WEST TRUST	Beaufort West	Specialised construction activities	-	Yes	0%	460,00
TICIVA TWENTY	Beaufort West	Other personal service activities	-	Yes	0%	338 454,33
Timbercity Beaufort Wes	Beaufort West	Specialised construction activities	-	Yes	0	170 601,47
TJEKA TRAINING MATTERS(PTY) LTD	Krugersdorp	Education	-	Yes	58,52%	32 619,75
TNA GENERAL SERVICES PTY LTD	Beaufort West	Other personal service activities	Yes	-	100%	4 255,00
TRADEPOST 163	George	Agriculture, forestry and fishing	Yes	-	0%	239,20
TRAVELGROUND	Cape Town	Accommodation	-	Yes	0%	70 230,37
TRENTYRE	Steelpoort	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	0%	403 877,84
Truck City (pty)Ltd	Cape Town	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	5 744,39
TSOGO SUN CALEDON	Caledon	Accommodation	-	Yes	62,43%	2 359,13
TTM TRADING AND PROJECTS (PTY) LTD	Pretoria	Electricity, gas, steam and air conditioning supply	-	Yes	100%	4 170 614,38
TYRES AND TREADS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	51,21%	9 310,00
UBER TECHNOLOGIES	Bloemfontein	Computer programming,	Yes	-	0%	387 637,74



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
		consultancy and related activities				
VALMAC OFFICE NATIONAL	Port Elizabeth	Other personal service activities	-	Yes	100%	38 561,40
VDW GROUP	Oudtshoorn	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	22 917,47
VEXOSCORE FIRE	Roodeport	Computer programming, consultancy and related activities	Yes	-	100%	1 298 622,00
WAGON WHEEL	Beaufort West	Accommodation	Yes	-	0%	8 330,44
Werner Van Meersbergen	Laingsburg	Crop and animal production, hunting and related service activities	Yes	-	0%	48 708,00
Willem Gabriel J Matthee	Rietbron	Water collection, treatment and supply	Yes	-	0%	81 752,00
WURTH SOUTH AFRICA CO	Edenvale	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	4 526,40
ZITANDA SHOPS	Bellville	Postal and courier activities	-	Yes	0%	43 569,68

1.6.4 Socio Economic Development Element

INDICATORS	2021/22
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	2021/22
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	2016/17	2018/19	2019/20	2020/21	2021/22
STATUS	Unqualified	Unqualified	Clean audit	Clean audit	Unqualified

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 2021/22 financial year:



COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	REPRESENTATION OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE	COUNCIL MEETINGS NON-ATTENDANCE
				NUMBER	NUMBER
1. Cllr. I.J. Windvogel [July 2021 – October 2021]	Executive Mayor	KGP	Proportional	9	-
2. Cllr J. Botha [30 November 2021 – 31 March 2022]		ANC		19	-
3. Cllr G. McKenzie [11 April 2022 – current]		PA		5	-
Cllr. M. Jaftha [July 2021 – October 2021]	Deputy Mayor	KGP	Ward Councillor	12	-
Cllr T. Prince 30 November 2021 – 30 May 2022		PA	Proportional	10	-
Cllr. G. Pietersen [01 June 2022 – current]		PA	Proportional	2	-
Cllr. M.S. Hangana [July 2021 – October 2021]	Speaker/Full Time Councillor	ANC	Proportional	12	-
Cllr. L. Paulse [30 November 2021 – current]		ANC		12	-
Cllr. J. Botha [July 2021 – October 2021]	Full Time Councillor	ANC	Proportional		
Cllr/Dr. A.L. Rabie [July 2021 – 14 September 2021]		DA	Proportional	4	4
Cllr. A.M. Slabbert [July 2021 – October 2021]	Part-time Councillor	DA	PR Councillor	6	6
Cllr. M. Le Roux [July 2021 – October 2021]	Part-Time councillor	DA	PR Councillor	6	6
Cllr. S. Meyers [July 2021 – October 2021]	Part-time Councillor	DA	Proportional	6	6
Cllr. N. Constable [30 November 2021 – current]	Part-Time Councillor	KDF	Proportional	12	-
Cllr. E. Wentzel [July 2021 – October 2021]	Part-Time Councillor	DA	Ward Councillor	6	6
Cllr. ZJD Lambert [July 2021 – October 2021]	Part-Time Councillor	ANC	Proportional	12	-
Cllr. Q. Louw [July 2021 – October 2021]	Part-Time Councillor	ANC	Proportional	12	-
Cllr. A P Swanepoel [23 September – current]	Part Time Councillor	DA	Proportional	9	5
Cllr. O. Haarvoor [July 2021 – October 2021]	Part-time Councillor	DA	Ward Councillor	3	9
Cllr E. Botha [30 November 2021 – current]	Part-Time Councillor	PA	Ward Councillor	12	-
Cllr. R. Louw 26 July 2021 – 23 September 2021]	Part-Time Councillor	KOP	Proportional	7	-
Cllr. I Brown [11 October 2021 – 30 October 2021]	Part-Time Councillor	ANC	Proportional	2	2



COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	REPRESENTATION OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE	COUNCIL MEETINGS NON-ATTENDANCE
				NUMBER	NUMBER
Cllr J. Reynolds [30 November 2021 – current]	Part-Time Councillor	DA	Ward Councillor	6	6
Cllr. J. van der Linde [30 November 2021 – current]	Part-Time Councillor	DA	Proportional	11	1
Cllr D. Welgemoed [30 November 2021 – current]	Part-Time Councillor	DA	Proportional	9	3
Cllr I.A. Jacobs [30 November 2021 – current]	Full-Time Councillor	KDF	Proportional	10	2
Cllr.L.B.J. Mdudumani [30 November 2021 – current]	Part-Time Councillor	ANC	Ward Councillor	11	1
Cllr. R. Skuza [30 November 2021 – current]	Part-Time Councillor	ANC	Ward Councillor	11	1
Cllr. A. MacKay [30 November 2021 – current]	Part-Time Councillor	PA	Ward Councillor	12	-
Cllr. S.D. Koonthea [30 November 2021 – current]	Part-Time Councillor	DA	Ward Councillor	8	4

Table 12: Councillors

Below is a table which indicates the Council meeting attendance for the 2021/22 financial year:

MEETING DATES	COUNCIL MEETING ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
15 July 2021	13	-
26 July 2021	13	-
27 July 2021	7	4 with an apology 2 without an apology
30 July 2021	7	6
10 August 2021	7	6
16 August 2021	7	6
24 August 2021	12	1
27 August 2021	10	3
10 September 2021	13	-
23 September 2021	12	-
08 October 2021	6	6 without an apology
19 October 2021	7	6 without an apology
28 October 2021	7	6 without an apology
30 November 2021	15	-
15 December 2021	15	-



MEETING DATES	COUNCIL MEETING ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
28 January 2022	15	-
23 February 2022	15	-
22 March 2022	13	2 with an apology
28 March 2022	13	2 with an apology
30 March 2022	11	4 with an apology
11 April 2022	14	1 with an apology
19 May 2022	11	4 with an apology
26 May 2022	15	-
06 June 2022	12	3 with an apology
09 June 2022	11	4 with an apology

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 2021 to 30 June 2022:

NAME OF MEMBER	PORTFOLIO COMMITTEE	MEETING DATES
I.J. Windvogel [July 2021 – October 2021]	Financial & Corp Services	06 July 2021
M. Jaftha [July 2021 – October 2021]	Human Resource Development	10 August 2021
J. Botha [July 2021 – March 2022]	Municipal Services & Infrastructure Services	06 September 2021
G McKenzie [11 April 2022 – current]	Finance Committee	20 January 2022 22 February 2022
T.C.J. Prince [30 November 2021 – 30 May 2022]	Human Resource Development	26 April 2022
G Pietersen [01 June 2022 – current]	Human Resource Development	06 June 2022
E Botha [30 November 2021 – March 2022]	Economic & Socio Development	
L.B.J. Mdudumani [April 2022 – current]		



NAME OF MEMBER	PORTFOLIO COMMITTEE	MEETING DATES
I.A. Jacobs [30 November 2021 – current]	Municipal Services & Infrastructure	

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 2021/22 mayoral term and their chairpersons are as follow:

i) Financial and Corporate Services Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. J Botha [Chairperson]	16 February 2022
Cllr. T. Prince	
Cllr. N. Constable	
Cllr. D. Welgemoed	
Cllr. J. de Bruyn	

Table 15: Financial and Corporate Services Portfolio Committee

ii) Training Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. N. Constable (Chairperson)	13 April 2022
Cllr. E. Botha	
Alderman J. van der Linde	
Cllr. J. de Bruyn	
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. I.A. Jacobs [Chairperson]	2 March 2022
Cllr. L. Mdudumani	
Cllr. A. MacKay	
Cllr. J. Reynolds	
Cllr. J. de Bruyn	

Table 17: Municipal Services and Infrastructure Portfolio Committee

iv) Human Resource Development Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. T. Prince [Chairperson]	01 March 2022
Cllr. R. Skuza	



NAME OF MEMBER	MEETING DATES
Cllr. J. van der Linde	
Cllr. N. Constable	
Cllr. J. de Bruyn	

Table 18: Human Resource Development Portfolio Committee

v) Socio Economic Development Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. E. Botha [Chairperson]	04 March 2022
Cllr. J. Mdudumani	
Cllr. I.A. Jacobs	
Cllr. A. Swanepoel	
Cllr. J. de Bruyn	

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)
Dr S W Vatala	Municipal Manager	Yes
Dr R R Links	Director: Corporate Services	Yes
Mr M R Abdullah	Director: Financial Services	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 cooperate 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 February 2022 13 April 2022	JDMA Projects/ Programmes
			Clean Audit
			Shared Services
			Mayors 100-day challenge



NAME OF STRUCTURE	MEMBERS	DATES OF MEETINGS	OUTCOMES OF ENGAGEMENTS/TOPICS DISCUSSED
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 2021/22 financial year:

2.3.1 Labour Forum

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
Cllr. I.A. Jacobs	Chairperson	08 February 2022 10 May 2022 6 June 2022 13 June 2022
Cllr. J. Mdudumani		
Cllr. J. de Bruyn		
Cllr. S. Koonthea		
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. G McKenzie	Executive Mayor: CKDM	3 February 2022 13 April 2022
Cllr. J Botha	Executive Mayor: Laingsburg Municipality	
Cllr. T Prince	Executive Mayor: Beaufort West Municipality	
Cllr. M Jafta	Executive Mayor: Prince Albert Municipality	
Dr. SW Vatala	Municipal Manager: CKDM	
Mr. J. Penxa	Municipal Manager: Beaufort West Municipality	



NAME OF REPRESENTATIVE/ORGANISATION PRESENTING	CAPACITY	MEETING DATES
Mr. J. Booyesen	Municipal Manager: Laingsburg Municipality	
Mr. A. Hendrickse	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 31 August 2020. 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 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)	Road Infrastructure Services	Road Infrastructure Services	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



	Risk	Section	Directorate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
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 / Dr S Vatala	Chairperson	<i>No meetings took place during the financial year in question.</i>
Mr R Abdullah	Member	
Mr A Koopman / Mr W Strong	Member	
Ms B Koopman	Member	
Mr Y Duimpies	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 30 July 2021 to 30 June 2024:

NAME	POSITION	PERIOD
N Gabada	Chairperson	30 July 2021 to 30 June 2024
K Mc Kay	Member	30 July 2021 to June 2024
Y Duimpies	Member	30 July 2021 to 30 June 2024
A Augustyn	Member	30 July 2021 to 30 June 2024

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 –

- (a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- (b) 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	15 February 2022
PERFORMANCE MANAGEMENT QUARTER 2	Strategic	110	07 March 2022
PERFORMANCE MANAGEMENT QUARTER 3	Strategic	110	24 June 2022
PERFORMANCE MANAGEMENT QUARTER 4	Strategic	110	Finalising fieldwork
CONTRACT MANAGEMENT	All departments	40	Rolled-over to 2022/2023
SUPPLY CHAIN MANAGEMENT	Finance	280	Rolled-over to 2022/2023
ENTERPRISE RISK MANAGEMENT	Strategic	40	02 March 2022
OCCUPATIONAL HEALTH AND SAFETY	All departments	160	21 October 2021
GOVERNANCE STRUCTURES & ETHICS	All departments	120	09 February 2022
ICT REVIEW: ACCESS CONTROLS	Corporate & Strategic	90	09 February 2022
GRANTS	Finance	160	Rolled-over to 2022/2023
AIR QUALITY	Municipal Health	96	24 June 2022
PROTECTION OF PERSONAL INFORMATION (POPI ACT)	All departments	80	21 February 2022
Total hours		1506	

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	26 May 2022	N/A
SUPPLY CHAIN MANAGEMENT POLICY	26 May 2022	N/A
VIREMENT POLICY	26 May 2022	N/A
CASH MANAGEMENT AND INVESTMENT POLICY	26 May 2022	N/A
BORROWING POLICY	26 May 2022	N/A
FUNDING AND RESERVE POLICY	26 May 2022	N/A
ASSET MANAGEMENT POLICY	26 May 2022	N/A
RISK MANAGEMENT POLICY	26 May 2022	N/A
ANTI-CORRUPTION AND FRAUD PREVENTION POLICY	26 May 2022	N/A
BUDGET POLICY	26 May 2022	N/A
UNFORESEEN AND UNAVOIDABLE EXPENDITURE POLICY	26 May 2022	N/A
TARIFF POLICY	26 May 2022	N/A
WHISTLE BLOWING POLICY	26 May 2022	N/A
THE RELIEF FUND POLICY	26 May 2022	N/A
INFRASTRUCTURE PROCUREMENT POLICY	26 May 2022	N/A
MUNICIPAL ENTITIES POLICY	26 May 2022	N/A



POLICIES DEVELOPED/REVISED	DATE ADOPTED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF POLICY YES/NO
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	26 May 2022	N/A
TOOLS OF TRADE POLICY	26 May 2022	N/A
OVERTIME POLICY	26 May 2022	N/A
RECRUITMENT AND SELECTION POLICY	26 May 2022	N/A
ANNUAL LEAVE	26 May 2022	N/A
ACTING POLICY	26 May 2022	N/A
GRANTS IN AID POLICY	26 May 2022	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	26 May 2022
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 21A 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



DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
MUNICIPAL CONTACT DETAILS (SECTION 47 OF THE PROMOTION OF ACCESS TO INFORMATION ACT)	
POSTAL ADDRESS OF THE MUNICIPALITY	YES
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
DRAFT BUDGET 2021/22	YES
ADJUSTED BUDGET 2021/22	YES
ASSET MANAGEMENT POLICY	YES
INVESTMENT AND CASH MANAGEMENT POLICY	YES
SUPPLY CHAIN MANAGEMENT POLICY	YES
TARIFF POLICY	YES
SDBIP 2021/22	YES
DELEGATIONS	YES
REVIEWED IDP FOR 2021/22	YES
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
ANNUAL REPORT OF 2020/21	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

CHAPTER 3

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 2021/22

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 2021/22 was approved by Council on 27 July 2021. 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 23 August 2021. 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 2021/22 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 2021/22 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
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

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

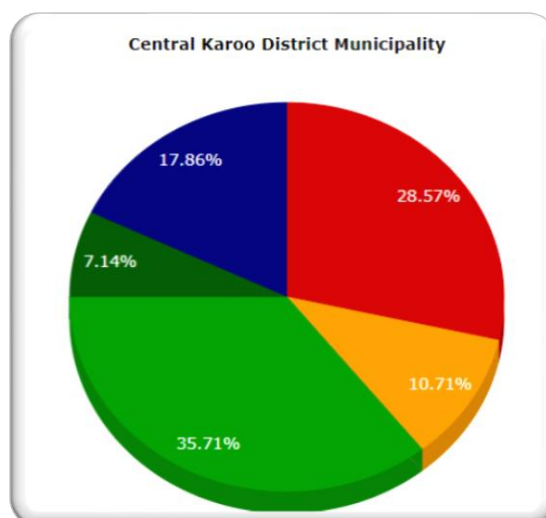


Figure 1: Overall Performance - CKDM



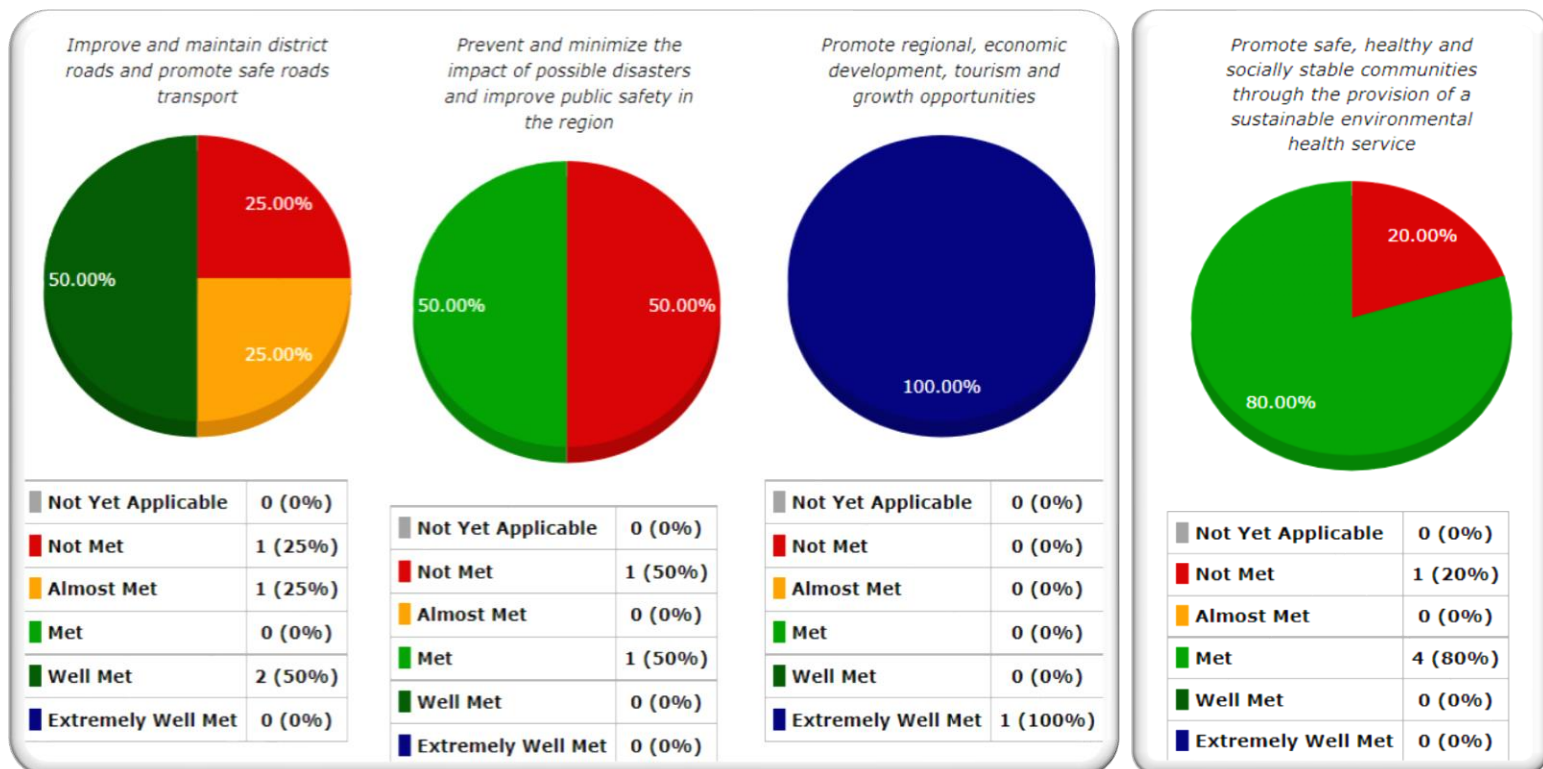
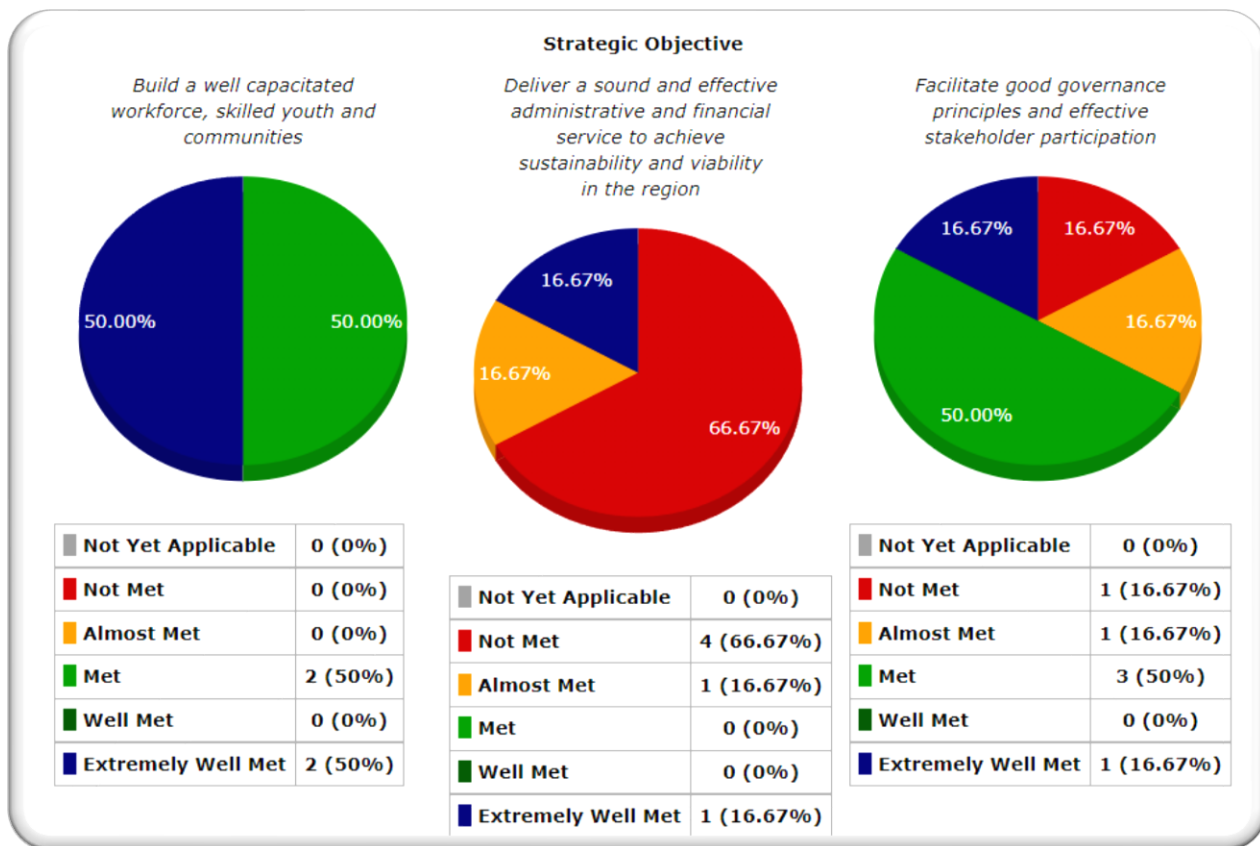


Figure 2: Overall Performance per Strategic Objective



3.2.2 Actual performance as per Top Layer SDBIP according to strategic objectives

Strategic Objective: 1: Build a well capacitated workforce, skilled youth and communities

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL56	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2022	Proof of submission	0	0	0		0	0		0	0		1	1		1	1
TL58	Spend 0.5% of the municipality's personnel budget on training by 30 June 2022 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	Report generated from the financial system	1.50%	0.50%	0.00%		0.00%	0.00%		0.00%	0.00%		0.50%	0.76%		0.50%	0.76%
TL59	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2022	Proof of submission	1	0	0		0	0		0	0		1	1		1	1
TL60	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	Signed of Excel spread sheet - File Name: Personnel	0	0	0		0	0		0	0		1	11		1	11

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

SO1

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 ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL53	Spend 90% of the municipal capital budget by 30 June 2022 {(Actual amount spent /Total amount budgeted) X100}	Capital expense report generated from the financial system	57.00%	25.00%	0.00%	[D8] Municipal Manager: System will be updated with figures within the next quarter. (September 2021)	45.00%	0.00%	[D8] Municipal Manager: Capital expenditure will increase before end of the next quarter when the items are all received and finalised. (December 2021)	65.00%	7.00%	[D8] Municipal Manager: Spending will increase significantly once the above-mentioned capital items have been delivered. (March 2022)	90.00%	79.00%	[D8] Municipal Manager: In the process of procuring laptops again and paying the rest of the money for the fire engine. This will possibly be adjusted in the financial statements. (June 2022)	90.00%	80.00%
TL72	Review 15 budget related policies and submit to Council for approval by 31 May 2022	Proof of submission to Senior Clerk: Committee Services	18	0	0		0	0		0	0		15	0		15	20
TL73	Review and submit the MFMA delegation register to Council for approval by 31 May 2022	Proof of submission to Senior Clerk: Committee Services	1	0	0		0	0		0	0		1	0		1	1
TL74	Compile and submit the financial statements to the Auditor-General by 31 August 2021	Proof of submission to the Auditor-General	1	1	0		0	0		0	0		0	0		1	1
TL75	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	Annual Financial Statements and calculation sheet	5.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%		10.00%	0.00%		10.00%	0.39%

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
	Term Lease) / Total Operating Revenue - Operating Conditional Grant)																
TL76	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))	Annual Financial Statements and calculation sheet	26	0	0		0	0		0	0		1.5	0		1.5	1.57

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 ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL54	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2022	Proof of submission	0	0	0	0	0	0	0	0	0	1	1	[D9] Municipal Manager: N/A (June 2022)	1	1	
TL55	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]	RBAP, Quarterly progress reports and minutes of the Audit Committee	26.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	70.00%	67.00%	[D10] Municipal Manager: Audits will be included as part of the 2022/2023 financial year and sufficient budget will be allocated. (June 2022)	70.00%	67.00%	
TL57	Review Corporate and HR policies and submit to Council for approval by 30 June 2022	Proof of submission	6	0	0	0	0	0	0	0	0	2	7		2	7	
TL66	Submit the draft Annual Report in Council by 31 January 2022	Proof of submission	1	0	0	0	0	0	1	0	0	0	0		1	1	
TL67	Review and submit the IDP and Budget Process Plan and District Framework to Council by 31 August 2021	Proof of submission	1	1	1	0	0	0	0	0	0	0	0		1	1	
TL71	Submit the final IDP to Council by 31 May 2022 for approval	Proof of submission	1	1	0	0	0	0	0	0	0	0	1		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 ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL77	Employ workers in temporary positions in terms of skills and labour needs within identified road projects by June 2022	Statistics submitted and temporary worker employment contracts	49	0	0		10	30		20	0		40	32	[D140] Senior Manager: Roads and Infrastructure: Obtain names from a database kept by HR or ask HR to obtain names from Department of Labour job seekers list. Names should not be obtained from councillors. (June 2022)	40	54
TL78	Spend 95% of the total approved Roads budget by 30 June 2022 [(Actual expenditure divided by approved allocation received) x100]	Summary of Road Capital Expenses from ABAKUS (Claimed)	101.00%	10.00%	0.00%	[D141] Senior Manager: Roads and Infrastructure: The financial system, SEBATA, is being updated and I am informed that it should be able to give figures in the next week. (September 2021)	40.00%	42.86%		65.00%	0.00%		95.00%	0.00%		95.00%	96.00%
TL79	Regravel 40 kilometres of road by 30 June 2022	Signed off project file	27.4	10	10.73		20	30.58		30	0		40	48.81		40	48.81
TL80	Spend 95% of the total approved blading maintenance budget by 30 June 2022 [(Actual expenditure divided by approved allocation received) x100]	Claims submitted to Department Transport and Public Works	NEW KPI	10.00%	0.00%	[D143] Senior Manager: Roads and Infrastructure: The financial system, SEBATA, is being updated and I am informed that it should be able to give figures in the next week. (September 2021)	40.00%	41.66%		65.00%	0.00%		95.00%	98.90%		95.00%	107.00%

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 ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL69	Conduct monthly Covid 19 DJOC meetings with relevant stakeholders	Minutes of meetings	27	3	5	[D97] Municipal Manager: Meetings already took place. (September 2021)	3	3	[D97] Municipal Manager: N/A Target met. (December 2021)	3	3	[D97] Municipal Manager: Not applicable (March 2022)	3	1	[D97] Municipal Manager: Th standard operating procedures will be amended for the change in the frequency of meetings taking place. (June 2022)	12	12
TL70	Spend 90% of the approved WOSA Safety Grant by 30 June 2022	Report generated from the financial system	100.00%	10.00%	64.00%		35.00%	0.00%		65.00%	0.00%		90.00%	67.00%	[D98] Director: Corporate and Strategic Support Services: Not applicable (April 2022) [D98] Director: Corporate and Strategic Support Services: Not applicable (May 2022)	90.00%	67.00%

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 ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL65	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2022	Signed contracts	68	0	0		0	0		0	0		25	54		25	54

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 services

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER			QUARTER ENDING DECEMBER			QUARTER ENDING MARCH			QUARTER ENDING JUNE			OVERALL PERFORMANCE FOR QUARTER ENDING SEPTEMBER TO QUARTER ENDING JUNE	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL61	Compile and submit bi-annual Water Quality Evaluation Reports to the Water Service Authorities by 30 June 2022	Reports & proof of dispatch via email to Water Service Authorities (WSA's)	6	0	0		3	3		0	0		3	3		6	6
TL62	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2022	Reports & proof of dispatch via email to Local Authorities	3	0	0		0	0		0	0		3	3		3	3
TL63	Compile and distribute a Municipal Health Information Document to Local Authorities by 31 January 2022	Information Documents & proof of dispatch via email to Local Authorities	1	0	0		0	1		1	0		0	0		1	1
TL64	Compile and submit bi-annual Informal Settlement Evaluation Reports with recommendations to Local Authorities by 30 June 2022	Reports & proof of dispatch via email to Local Authorities	10	0	0		5	5		0	0		5	5		10	10
TL68	Review the Disaster Management Plan and submit to Council by 31 May 2022	Proof of submission	1	0	0		0	0		0	0		1	0		1	0

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 7, 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 7, 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

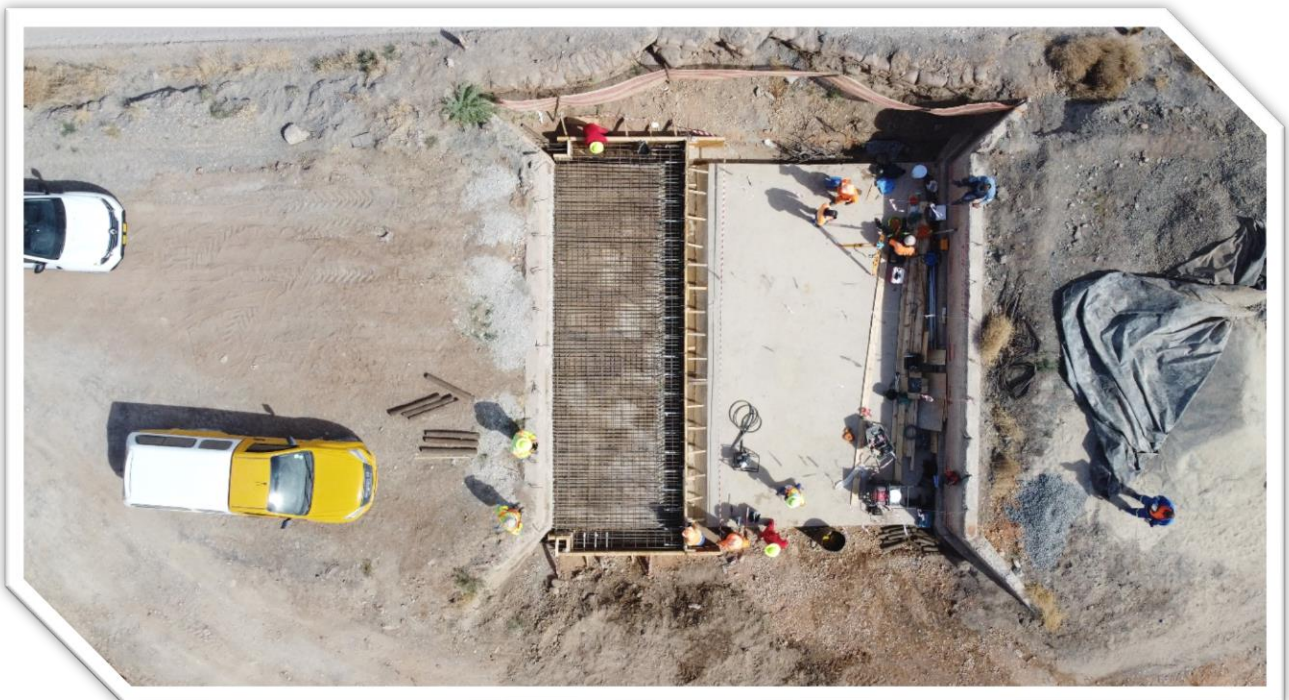
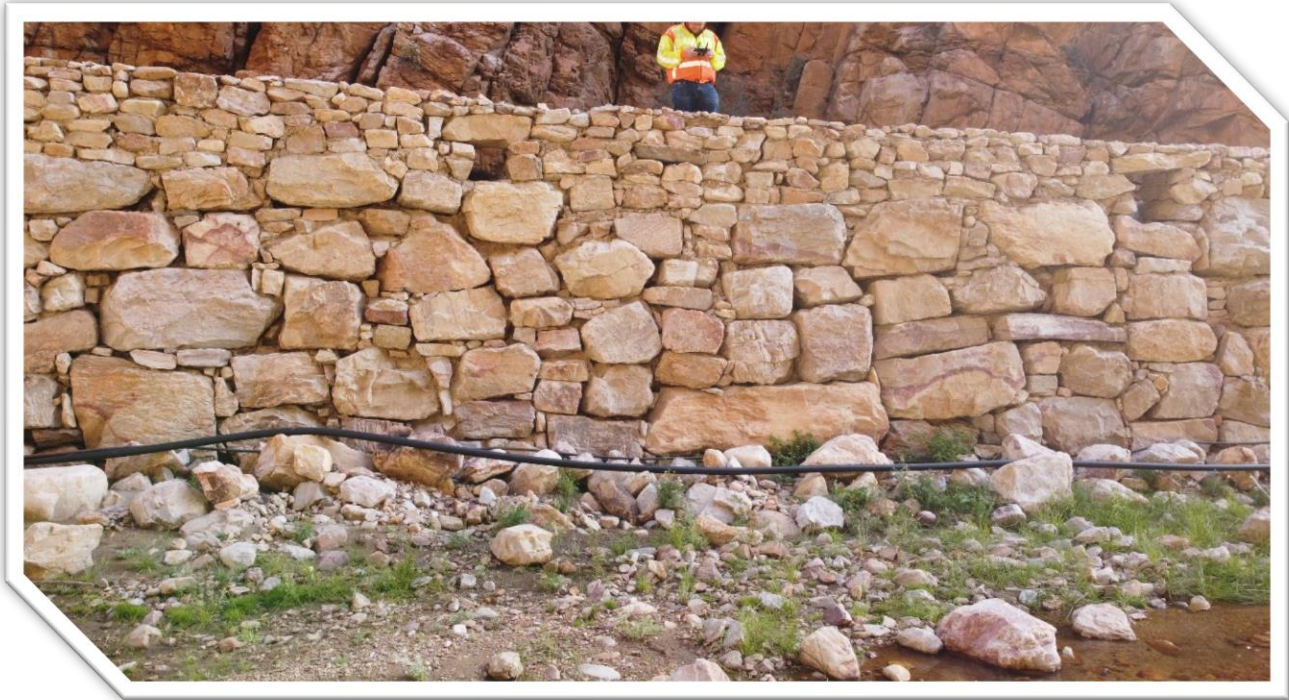


3.5 Component A: Road infrastructure services

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



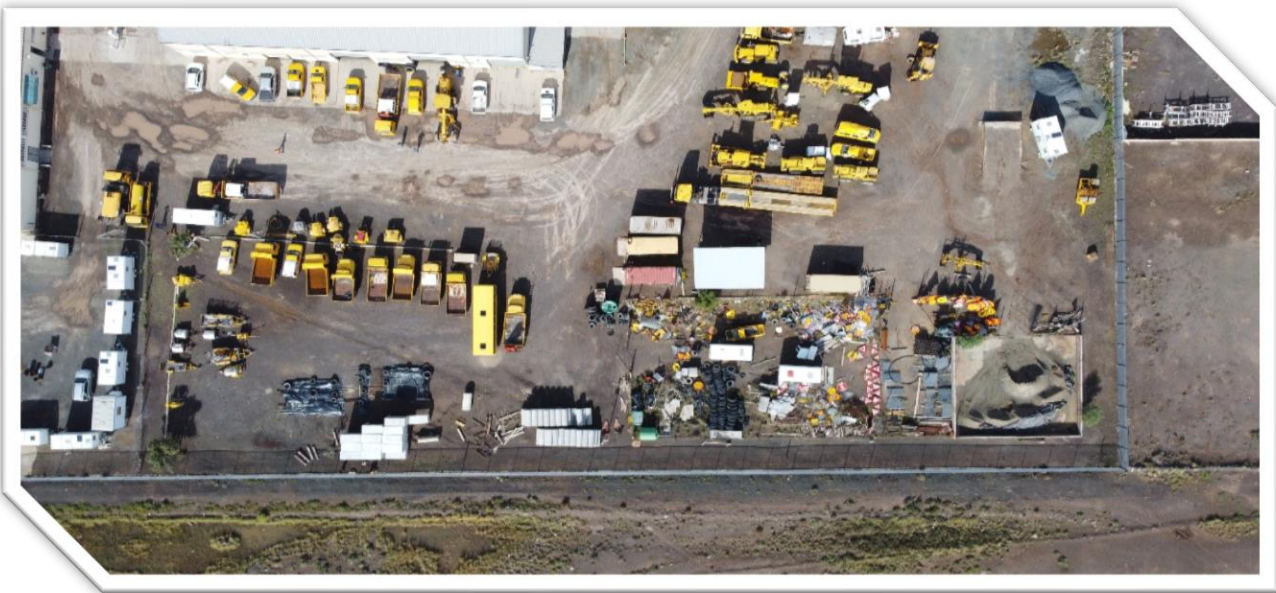
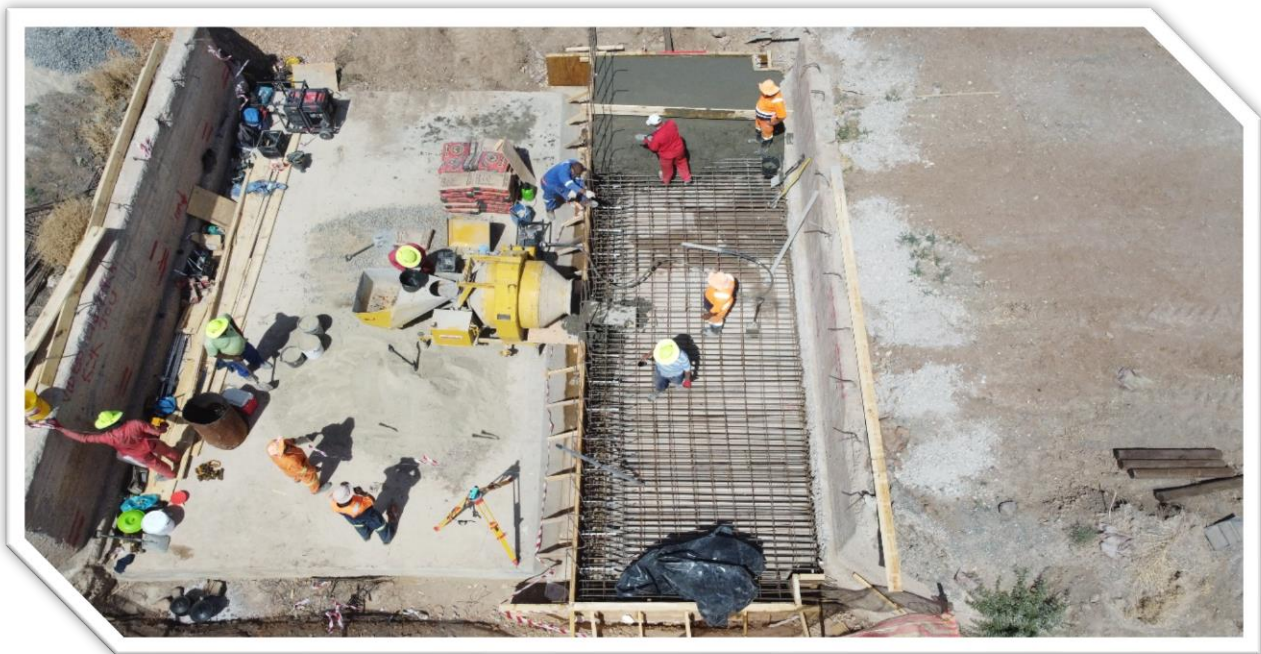


Figure 5: Roads Infrastructure projects



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 2020/21	MAINTAINED 2021/22
	KMS	
Trunk road	82.47	82.47
Main road	629.95	629.95
Divisional road	1691.36	1691.36
Minor road	1188.68	1188.68
Total	3636.30	3636.30

Table 45: Provincial roads allocated for maintenance

ROADS	BLADED 2021/22	BLADED 2022/23
	KMS	
Trunk road	172	281.49
Main road	2188.43	2330.25
Divisional road	4009.08	4553.73
Minor road	1494.88	1188.68
Total	7864.39	8354.15

Table 46: Provincial roads allocated for construction

ROADS	REGRAVELLED 2021/22	REGRAVELLED 2021/22
	KMS	
Trunk road	0.00	10.52
Main road	39.54	31.12
Divisional road	0.00	0.00
Minor road	0.00	0.00
Total	39.54	41.64

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 2021/22 financial year:

JOB LEVEL	2020/21	2021/22			
	EMPLOYEES	POSTS	EMPLOYEES*	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary	49	52	52	0	0
0-3	47	50	50	0	0
4-6	10	8	7	1	12,5%
7-9	30	31	29	2	9,7%
10-12	8	10	9	1	10%



JOB LEVEL	2020/21		2021/22		
	EMPLOYEES	POSTS	EMPLOYEES*	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
13 – 18	6	7	6	1	0
Sect. 57	0	0	0	0	0
Total (Permanent)	101	106	101	5	4,7%
*Temporary employees are not included in the budgeted posts of the municipality End 2020- 5% vacancy rate End 2021 – 16% vacancy rate End 2022 – 4,7% vacancy rate					

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)	2021/22			
	BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	VARIANCE FROM ADJUSTMENT BUDGET
	(R)			
Total Expenditure	53 935	54 952	54 036	916
Total	53 935	54 952	54 036	916

Table 49: Total expenditure 2021/22: 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 are 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 2021/22 financial year:

JOB LEVEL	2020/21		2021/22		
	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	1	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 Cook 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	2020/21	2021/22			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary		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	0	1	0	1	100%

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 performance for CKDM for the 2021/22 financial year was as follows: -

CATEGORY	TARGETS	ACHIEVEMENT AGAINST TARGETS	PREVIOUS YEAR PERFORMANCE
WORK OPPORTUNITIES (WO)	286	307	307
FULL-TIME EQUIVALENTS (FTE'S)	55	66	76



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; and
- 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 seven (7) operational Environmental Health Practitioners (EHP's), of which one (1) EHP is also the designated an Air Quality and 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.

Strategic Focus: 2021 - 2026

The Section has four (4) overarching strategic goals in order to strengthen our services.

For each of the respective goals, various objectives, action plans and time frames were set for achieving them.

Our strategic goals are as follow:

a) **Build Capacity**

To establish a well capacitated / equipped Section in terms of staff, tools of trade, finances and professional development.

b) **Foster Collaboration with Role Players**

To establishment of a good foundation for cooperation between role players and a collaborative culture with the focus on common goals in terms of the environment and public health.



c) Empower Communities Through Training & Education

Bring changed and improved health & hygiene habits, serving as a barrier to diseases as well as empowered communities that become advocates for public health.

d) Execute / Enhance Specific Programs / Services

i.e., water quality monitoring, waste management & monitoring, environmental pollution control, food control, health surveillance of premises, communicable diseases control, chemical safety, vector control and the management of human remains.

3.7.1 Highlights: Municipal Health

HIGHLIGHTS	DESCRIPTION
The development and continuous review of management plans, policies, procedures etc. 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, Air Quality Management Plan MHS Drought Response Plan etc.
The management & rendering of an efficient and cost-effective municipal health service in all our communities under sometimes difficult circumstances.	Capacity constraints, Workload, Covid pandemic etc.

Table 58: Highlights Municipal Health

3.7.2 New appointments:

Ms. N. Afrika and Mr. S. Maduna were appointed as Environmental Health Practitioners in the Section Municipal Health Services during the reporting period.



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 and healthy environment.

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
Rendering of additional, non-mandated services	<p>Additional responsibilities outside the MHS scope of practice, re. Air Quality Management & Integrated Waste Management, will require the appointment of additional staff in this field (mining activities etc.)</p> <p>Air quality management tools are required to effectively fulfil air quality management functions. Such tools include emissions inventory software, dispersion modelling software and air quality monitoring hardware.</p> <p>Monitoring options include continuous ambient air quality monitoring stations or passive sampling methods. A mobile monitoring station is the recommended option for the district as this will allow for ‘hotspot’ monitoring in identified areas of concern.</p>
Water quality, quantity & access to water	<p>Providing and maintaining safe drinking water are central to alleviating poverty and improving the quality of life of people.</p>



DESCRIPTION	ACTION TO ADDRESS
	<p>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 w.r.t. water quality, quantity & access to water and sanitation facilities for the affected households.</p>
<p>Landfill sites not complying to permit conditions & legislative requirements</p>	<p>Improper management of solid waste is one of the main reasons for environmental pollution and degradation in our communities.</p> <p>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 etc.</p> <p>These poorly operated landfill sites in the Central Karoo impact on the environment and cause nuisances to our communities.</p> <p>Municipalities need to comply with applicable NEM: WA requirements & Norms & Standards, etc. for solid waste management and, 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 Central Karoo region.</p>
<p>Illegal dumping of waste / littering</p>	<p>The uncontrollable and / or illegal dumping of refuse as well as the insufficient and irregular removal of refuse within some residential areas of our district are one of the biggest nuisances in communities. The most common observation is that littering and illegal dumping occur throughout the urban areas of the Central Karoo District. The occurrence of illegal dumping is especially prominent in Beaufort West.</p> <p>It seems that municipalities have limited resources to ensure that all areas prone to illegal dumping are cleaned-up and kept clean at all times. Innovative ways to get other stakeholders involved is necessary to help municipalities to clean up their communities.</p> <p>The affected municipalities must also make budget provision and / or get some kind of support to investigate waste collection service options, alternative management options for specific conditions etc.</p> <p>Other actions may include updated litter laws, anti-litter campaigns, stop littering signs, putting UP proper litter bins, etc.</p>
<p>Recycling facilities / reduce, re-use and recycling activities</p>	<p>More appropriate and sustainable approaches to waste needs to be adopted.</p> <p>Municipalities in the Central Karoo also need to identify a set of practical initiatives which can be aligned to the three national themes such as Anti-Litter, Waste Minimisation and creating jobs in waste.</p> <p>Funds, where possible, must be utilized for the purchasing of suitable containers for placement at strategic points for the disposal of e-waste, batteries and fluorescent bulbs and the transport thereof to relevant facilities, as well as public awareness campaigns.</p>
<p>Sewer blockages</p>	<p>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.</p>



DESCRIPTION	ACTION TO ADDRESS
<p>Sanitation backlog at so-called Transnet houses</p>	<p>Poor sanitary practices / conditions affect the health of our people, the quality of life and the development opportunities of our communities.</p> <p>Poor sanitary practices / conditions also have a serious impact on households by affecting persons / households in a circle of poverty and being deprived of knowledge and income as a result of an illness that may be caused by poor sanitation.</p> <p>Transnet / relevant Category B-Municipalities must take the necessary steps to eradicate the backlog on sanitation at Transnet settlements as soon as possible in order to ensure better living conditions for these residents.</p>
<p>Informal settlements</p>	<p>Broken taps and the distance to taps in use, make it difficult to access water in some cases. This compromise personal hygiene, especially during this Covid pandemic. Some taps do not close properly and some of the pipes are open, vandalized and leaking. Water connections are also made to some structures.</p> <p>Sanitation is a big challenge at some informal settlements. Toilets are non-functional forcing the residents to use the nearby veld. This constitutes a health nuisance and can result in the transmission of diseases like Cholera, diarrhoea, Hepatitis, etc.</p> <p>Dumping of waste on the comanage indicates that refuse removal is not satisfactory.</p> <p>The Constitution, Water Services Act and Municipal Systems Act set out the local government obligations to provide basic municipal services, with a particular focus on the basic needs of the community and the promotion of social and economic development of the community.</p>
<p>Slaughtering of animals for cultural, religious & private purposes.</p>	<p>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 Central Karoo District Municipality.</p>
<p>Uncontrolled keeping of animals</p>	<p>Keeping of an inappropriate number of animals, animals being accommodated inappropriately, or where animals are not being cared for properly, result in circumstances that cause nuisance to neighbours; create unclean or unhealthy conditions for people, animals & the environment.</p> <p>Municipalities need to Inform communities on a regular basis of the circumstances in which the keeping of animals is prohibited and that owners require approval from a Municipality to keep animals. Municipalities should also encourage the responsible keeping of animals by ensuring animals are kept in appropriate conditions.</p> <p>Municipalities are primarily responsible for controlling the keeping of animals and should be better capacitated in order to perform this function effectively.</p>
<p>Power Outages</p>	<p>We are dependent on an uninterrupted source of power and when it fails the consequences can be devastating.</p>



DESCRIPTION	ACTION TO ADDRESS
	<p>The Section took an initiative to analyse the risks that will affect our communities as well as our day-to-day responsibilities based on our key performance areas during a power outage.</p> <p>Mitigation/control of the risks were identified to ensure that the community is protected from health hazards and that Municipal Health Services continues to deliver an effective service.</p>
<p>Water Management during Droughts</p>	<p>WSA's are waters suppliers to our communities and are responsible for the management of their systems to ensure that they can provide sufficient water to meet public health and safety needs.</p> <p>The first level of responsibility is for the Water Service Authority (WSA) to ensure that the people they serve have access to drinking water, and is responsible for the procurement and distribution of emergency drinking water.</p> <p>However, when the WSA's ability to procure and distribute emergency drinking water is insufficient to meet the demand or exceeds, or is anticipated to exceed their capacity to do so, the WSA should contact the appropriate Provincial Department for assistance.</p> <p>Section MHS has a Drought Response Plan in place.</p> <p>While the overall priority is to ensure access to water during a drought, the primary priority of the Section MHS is to protect health and safety. As such, measures are in place to mitigate the impact of droughts on public health and safety.</p>
<p>Air Quality Management: Landfill Sites</p>	<p>Emissions from landfill sites are a concern in terms of the potential health effects and the odours generated.</p> <p>No material should be burnt on or close to the boundaries of a landfill. On no account should a municipality or litter pickers burn collected wastes on a site.</p> <p>Fires in landfills should be regarded as emergencies and dealt with immediately.</p> <p>Appropriate operational procedures, involving the spreading and smothering of burning waste, rather than the application of water, must be implemented.</p>
<p>Mining Activities: Shale Gas /Uranium</p>	<p>As shale gas seeks to increase its role as energy source, there is growing concern about the shale industry's possible impacts on the environment. These include water shortages, groundwater and surface-water pollution, fugitive greenhouse gas (GHG) emissions, local air quality degradation and various community impacts.</p> <p>The challenge is to make well-informed and responsible decisions on the future of shale gas production. We cannot afford to go down the same path as many other places in the world where ill-informed and irresponsible decisions were made, shale gas production have been poorly managed, causing industry, government and communities to be in conflict, and resulting in negative impacts on the environment and communities.</p> <p>Before mining activities can take place in the Central Karoo District (CKD), it is necessary to establish the criteria pollutant levels. This information forms a scientific basis to determine if the shale gas developments impact on the air quality and the environment. Argos Scientific (South Africa) (Pty) Ltd. was contracted by the Central Karoo District Municipality to undertake a Baseline Air</p>



DESCRIPTION	ACTION TO ADDRESS
	<p>Quality Monitoring Study, in collaboration with the CKDM Section Municipal Health, during 2018 and 2019.</p> <p>Institutional Capacity study / AUDIT (knowledge/ skills, human resources, tech. equipment & financial resources) should be conducted at Mun. / Prov. / Nat. level to deal with servicing, regulation, compliance monitoring & enforcement.</p> <p>A detailed study to determine an appropriate legislative & policy framework to regulate all phases of shale gas development should also be conducted</p>

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.
- **57** water samples for bacteriological analysis were taken during the reporting period.
- **40 (70%)** 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 2021 and June 2022.**
- 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.
- **37** 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.
- **12** samples for bacteriological analysis were taken during the reporting period.
- **9 (75%)** 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.
- **45** 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 2022**.
- 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 **960** 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 Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972), as amended
- **1 262** inspections were conducted at food premises during the reporting period.
- **125** 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

- **39** samples of foodstuffs were taken for bacteriological and chemical analysis during the reporting period.
- **25 (64%)** 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

- **7** inspections were conducted at milking sheds during this reporting period.
- **10** milk samples were taken for bacteriological analysis during the period.
- **2 (20%)** 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

- **14** 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.
- **291** inspections were conducted at public premises during the reporting period.
- **79** Health Certificates were issued in terms of the relevant Norms & Standards.

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

- **No** building plans were scrutinized during the reporting period. Plans are scrutinized 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.
- **10** 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 2021 and June 2022**.
- 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.

- **4** air quality related complaint was received and investigated during the reporting period.
- **Quarterly** Reports were compiled regarding the various aspects of pollution control and sent to the Directorate Pollution Control of the Department Environmental Affairs.

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.
- **No** notifiable medical conditions, other than Covid-19 cases, were reported during the reporting period.
- All notifications received are investigated and reports submitted to the WC DoH.



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

- 1 incident of pesticide poisoning were reported and investigated 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:

- 1 657 inspections for vector infestations were conducted at food and other public premises.
- Inspections focuses on the entire premises with specific attention to areas where pests are more likely to appear, such as storage areas, food preparation areas, refuse storage areas. etc.

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 were monitored in order to ensure that exhumations / re-burials are complying with the relevant hygiene standards.
- 2 applications for exhumations were received and monitored during the reporting period.

b) Monitoring of Crematoria / Funeral Parlours

- 30 inspections were conducted during the reporting period.
- 5 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, local and social media.



Activities:

a) Health and Hygiene Training and Education

- 2 municipal health related articles were published in the local newspaper “The Courier”.
- 109 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.
- 9 health and hygiene training and education activities were also conducted during the reporting period.



b) MHS Information Document

- A Municipal Health Services Information Document 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.

3.7.5.11 Complaints

- 9 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:

2 Project Proposal were drafted and sent to the National Department Forestry, Fisheries and the Environment as well as the National Department Human Settlements in order to obtain funding.

a) Health & Education Awareness Programme

The objective of the Health & Education Awareness 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 behavioural patterns towards health and the environment; and
- Reduce the exposure of residents to diseases.

b) Environmental Cleaning Project

This project is modelled on sustainability and will amongst others focus on the cleaning of our communities. It also aims to increase awareness in communities for a safe and clean environment by using members of our youth to carry out a message, through the planned actions, for communities to:

- Acknowledge the existing environmental problems;
- Understand the links between the environment and their everyday actions;
- Understand and appreciate the environment and the opportunities that it creates;
- Recognize that the supply and maintenance of infrastructure can improve our living environments but can also cause environmental impacts; and,
- Give people the necessary skills to restore our environment; and,
- Provide a legacy of increased volunteering throughout the district.

3.7.5.13 Reports and Notices

a) Sinjani Reports

- 12 reports were submitted to the WC Department of Health during the reporting period.

b) Municipal Health Services Reports to Council

- 4 reports were compiled during the reporting period.

c) Inspection Reports / Notices issued

- Water Quality Management – 23.
- Waste management – 41.
- Food Control – 919.
- Health Surveillance of Premises – 104.
- Environmental Pollution Control – 3.
- Communicable Diseases Control – 0.
- Chemical Safety – 1.
- Vector Control – 124.
- Management of Human Remains – 10.



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; and
- 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.

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 2022	Strategic	1	1	Target achieved
2.	Compile and submit bi-annual Water Quality Evaluation Reports to Water Service Authorities by 30 June 2022	Strategic	6	6	Target achieved
3.	Compile and submit bi-annual Informal Settlement Evaluation Reports to Local Authorities by 30 June 2022	Strategic	10	10	Target achieved
4.	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2022	Strategic	3	3	Target achieved
5.	Compile & submit MHS Annual Report Input to the Manager Strategic Services by 31 August 2021	Operational	1	1	Target achieved
6.	Register EHP's for Continuous Professional Development (eCPD) training at an online training institution by 31 October 2021	Operational	8	8	Target achieved
7.	Compile & publish bi-annual MHS related articles / images in the local newspaper "The Courier" by 30 June 2022	Operational	2	5	Target achieved
8.	Compile & submit MHS Adjustment Budget Input to CFO by 31 January 2022	Operational	1	1	Target achieved
9.	Review MHS Rates & submit to CFO by 28 February 2022	Operational	1	1	Target achieved
10.	Submit MHS Budget Input to CFO by 28 February 2022	Operational	1	1	Target achieved
11.	Compile & submit MHS SDBIP Input to Director Corporate Services by 31 March 2022	Operational	1	1	Target achieved



12.	Compile & submit MHS IDP Input to IDP Coordinator by 31 March 2022	Operational	1	1	Target achieved
13.	Register all Environmental Health Practitioners at the Health Professional Council (HPCSA) by 30 April 2022	Operational	8	8	Target achieved
14.	Compile & submit a Municipal Health Project Proposal to the relevant Provincial and / or National department by 30 June 2022	Operational	1	2	Target achieved
15.	Compile & submit a State of the Air Report to DEADP (Air Quality) by 30 June 2022	Operational	1	1	Target achieved
16.	Review Municipal Health Management Plan & submit to Director: Corporate and Strategic Support Services by 30 June 2022	Operational	1	1	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 during the reporting period.

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 30 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	2020/21		2021/22		
	EMPLOYEES NO.	POSTS NO.	EMPLOYEES NO.	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF POSTS)
				NO.	%
Temporary	0	0	0	0	0
0 – 3	0	0	0	0	0
4 – 6	1	1	1	0	0
7 – 9	0	0	0	0	0
10 – 12	5	7	7	0	0
13 – 16	1	1	1	0	0
Total	7	9	9	0	0%

Table 59: Employees Municipal Health

3.8 Component D: Disaster Management & Fire Services

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
Acquiring of a Fire Engine through the Assistance of WC: PDMC (Integrated Support from Western Cape Provincial Government)	- Through the Integrated Support Plan, WC: PDMC Assisted with funding to acquire a Brand-new Red Fire Engine to strengthen the capabilities of the CKDM Fire Services.
Fire Safety Awareness programmes conducted at Local Primary Schools in the District.	- Fire Safety Awareness simulations were conducted at the following schools; Laingsburg Primary School, AH Barnard Primary School, Leeu - Gamka Primary as well Merweville Primary school.
Integrated Support Plan in conjunction with WC: PDMC	- Together with WC: PDMC and appointed Service Provider by Provincial Disaster Management, Central Karoo manages to completes and handed over the Risk Assessment Plan



HIGHLIGHTS	DESCRIPTION
Appointment of fire officials at CKDM. (NARYSEC Training Program - Capacitating the Fire Section)	<ul style="list-style-type: none"> - Narysec Training Program placed 6 trained Fire Fighters from Nelspoort at CKDM Fire Services from February 2022 until March 2022 for In Service Training. •
Appointment of Disaster Intern	<ul style="list-style-type: none"> - In addition to Capacitate the Disaster Centre, Provincial Disaster Management allocated funds through the Integrated Support Plan to appoint Mr Nkosinathi Mpame as a Disaster Management Intern from December 2021 to June 2022. •

Table 60: Highlights Disaster Management



3.8.2 Challenges: Disaster management

CHALLENGES	ACTION TO ADDRESS
<ol style="list-style-type: none"> 1. Equipment Factor 2. 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 	<ul 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 expectation of the community. <ol style="list-style-type: none"> 1. Service Level Agreement to be drafted and workshopped with B- Municipalities to serve before all respective Councils for approval and to be implemented.

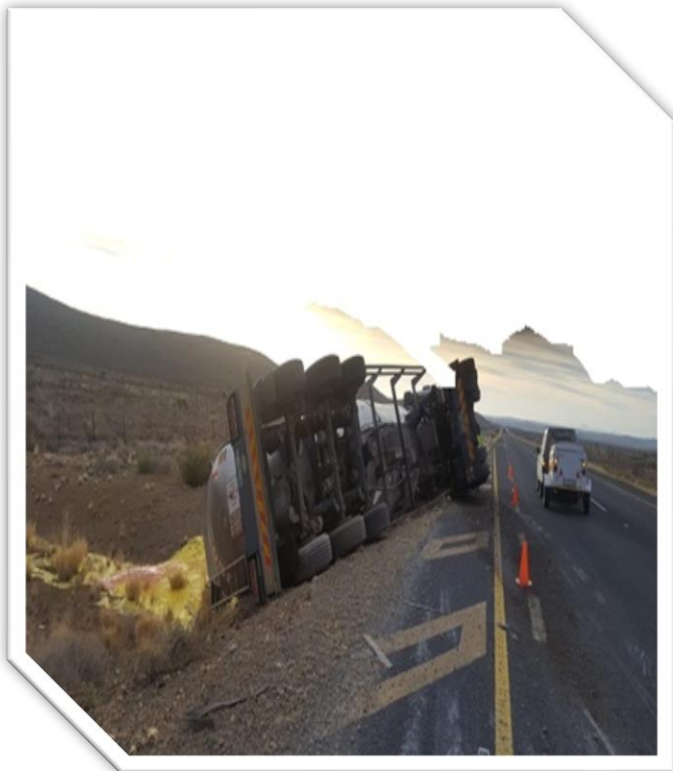
Table 61: Challenges Disaster Management

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.
Assisting vaccination registrations with the Department of Health & GCIS.	<ul style="list-style-type: none"> • CKDM Disaster and Fire Services extended assistance to Department of Health and GCIS by doing door-to-door to assist with low turnout of vaccination registrations in Prince Albert

Table 62: Activities Disaster Management





3.8.4 Employees: Disaster management

JOB LEVEL	2020/21		2021/22		
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
				NO.	%
	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	2	2	2	0	0
Total	3	3	3	0	0

Table 63: 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	2020/21		2021/22		
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF POSTS)
				NO.	%
	NO.	NO.	NO.	NO.	%
Fixed Term - MM	1	1	1	0	0
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	2	2	0	0
Total	3	4	4	0	0%

Table 64: Employees Office of the Municipal Manager

3.9.2 Records Management

Section 141 and 195 (1)(f) of the Constitution, 1996, determine that governance should be accountable and transparent.

Section 13 of the National Archives and Records Service of SA Act (Act 143 of 1996, as amended) contains specific provisions for efficient records management in governmental bodies.

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	<p>To ensure that:</p> <ul style="list-style-type: none"> • 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	<p>Manage the:</p> <ul style="list-style-type: none"> • Key locker and key register • Access control system • Alarm system and alarm codes
Telephone system and accounts	<ul style="list-style-type: none"> • 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
Inzalo EMS System for requisitions	<ul style="list-style-type: none"> • The Corporate Services Clerks complete requisitions on the system where after the Records Manager approved the requisitions on an ongoing basis. The final approval is authorised

Table 65: Activities Records Management



3.9.2.2 Matters addressed: Records Management

ITEMS	NUMBER	ACTION
Records Management	Continuous	<ul style="list-style-type: none"> • 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 • Records audit survey submitted bi-annually • Applications for transfer & disposal of current systems, terminated systems and financial documentation • 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 and Strategic Support Services on Quidity system • Attend records management meetings
Supervision		<ul style="list-style-type: none"> • Oversee Committee Clerk that, in accordance with attendance register for meetings, the CD and agenda (with attachments) were received for scanning and filing • Supervise, co-ordinate and delegate the Records Clerk, reception, general assistant and cleaning services within Council
Surety		<ul style="list-style-type: none"> • Capturing, filling and updating of surety information • Safekeeping of surety files
Council Chambers / Equipment management and organising		<ul style="list-style-type: none"> • Booking of Council Chamber for meetings, arrangement supplies, material and refreshments and cleaners for the meetings
Key Locker, Access Control and alarm system		<ul style="list-style-type: none"> • Manage key locker, key register • Manage the access control – report weekly • Manage the alarm system and alarm codes
Telephone system and accounts		<ul style="list-style-type: none"> • Print and reconcile telephone accounts of personnel • Memo's/correspondence 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 & Director: Corporate & Strategic Support Services • Manage the telephone accounts on the Teltrace system (capturing & deleting of personnel) • Report faults / applications for new extensions / transfer of lines • Capture client numbers and personnel codes on telephone system
Traffic Fines		<ul style="list-style-type: none"> • Manage traffic fines received and transfer to responsible person

Table 66: Records Management matters addressed

3.9.2.3 Employees: Records Management

JOB LEVEL	2020/21		2021/22		
	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	6	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	7	7	7	0	0

Table 67: 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	23 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. • 15 March 2022 – Health Screening Day. • Employees are assisted when wellness challenges are reported to the Human Resources Division.
Appointments finalized	Filled 13 vacancies compared to 10 vacancies 2020/21, 10 vacancies 2019/20, 23 vacancies 2018/19, 27 vacancies 2017/18 and 12 in 2016/17.
Provincial Disaster Management Support Grant	Mr N Mpame was appointed as Disaster Management Intern from 1 December 2021 to 30 June 2022. His appointment was funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided 21 bursaries to full-time students with the grant obtained since 2017. Five (5) new student bursaries were approved for 2021/22.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of 5 Interns are appointed. There was 2 vacancies at the end of June 2022.
In-service training	10 Students were assisted with in-service training during the 2021/22 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> • Recruitment & Selection (in process) • Travel & Accommodation (review approved – July 2021) • In-Service Training (review approved – July 2021) • Individual Performance Management System (approved) • Cellphone (review approved – August 2021) • Communication Policy (approved – May 2022) • Dress Code (in process) • Gender Mainstreaming (in process) • POPI Policy (approved – May 2022) • Study Bursary Policy (in process) • Working Hours (review approved – August 2021)
Regional Skills Development	<ul style="list-style-type: none"> • 18 Students in the Region was enrolled in Public Accountability studies. Bursaries were provided by LGSETA through discretionary funding.

Table 68: Highlights Human Resources



3.10.2 Employees: Human Resources

JOB LEVEL	2020/21	2021/22			
	EMPLOYEES	POSTS		VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
			EMPLOYEES		
	NO.	NO.	NO.	NO.	%
Temporary	0	0	0	0	0
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 – 12	3	3	3	0	0
13 – 16	1	1	1	0	0
Total	4	4	4	0	0

Table 69: Employees Human Resources



3.11 Financial Services

3.11.1 Highlights: Financial Services

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

HIGHLIGHTS	DESCRIPTION
Expansion of organogram for full growing unit.	Additional two posts were added on the organogram to capacitate the financial service department.
FMG Internships	4 of the 5 FMG internship positions were filled during the financial year

Table 70: 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	Action plan to be implemented to address current system challenges, including extensive training of staff.
Additional positions in SCM and Relief Clerk urgently required	Organogram was reviewed

Table 71: Challenges Financial Service

3.11.3 Employees: Financial Services

The table below indicates the number of employees in the Finance Unit for the 2021/22 financial year:

JOB LEVEL	2020/21		2021/22		
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES	VACANCIES (AS
				(FULLTIME EQUIVALENTS)	A % OF TOTAL POSTS)
NO.	NO.	NO.	NO.	%	
Temporary (Dir & Fin Interns)	6	1	4	0	0
0 – 3	0	0	0	0	0
4 – 6	1	1	1	0	0
7 – 9	3	3	3	0	0
10 – 12	2	2	2	0	0
13 – 16	3	3	3	0	0
Total	15	10	13	0	0

Table 72: Employees Financial Services



3.12 Component F: Organisational Performance Scorecard

The main development and service delivery priorities for 2022/23 is the Municipality's Top Layer SDBIP for 2022/23 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
TL4	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2023	Organisational structure reviewed and submitted to Council	1
TL12	Spend 0.5% of the municipality's personnel budget on training by 30 June 2023 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	0.50%
TL13	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2023	Workplace Skills Plan reviewed and submitted	1
TL14	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 2023	Number of people employed	1

Table 73: 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 2023 [(Actual amount spent /Total amount budgeted) X100]	% of capital budget spent	90%
TL6	Review 15 budget related policies and submit to Council for approval by 31 May 2023	Number of policies reviewed and submitted to Council for approval	15
TL7	Review and submit the MFMA delegation register to Council for approval by 31 May 2023	MFMA delegation registered reviewed and submitted to Council for approval	1
TL8	Compile and submit the financial statements to the Auditor-General by 31 August 2022	Financial statements compiled and submitted to the Auditor-General	1
TL9	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2023 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	10%



Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL10	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 2023	1.5

Table 74: 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 2023	RBAP revised and submitted to the Audit Committee	1
TL3	Complete 70% of the audits as per the RBAP by 30 June 2023 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	70%
TL11	Review Corporate and HR policies and submit to Council for approval by 30 June 2023	Number of policies reviewed and submitted	2
TL20	Submit the draft Annual Report in Council by 31 January 2023	Draft Annual Report submitted in Council	1
TL21	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2023	IDP and Budget Process Plan submitted	1
TL24	Submit the final IDP to Council by 31 May 2023 for approval	Final IDP submitted for approval	1

Table 75: 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
TL25	Employ workers in temporary positions in terms of skills and labour needs within identified road projects by June 2023	Number of temporary workers employed	40
TL26	Spend 95% of the total approved Roads budget by 30 June 2023 [(Actual expenditure divided by approved allocation received) x100]	% of total approved Roads budget spent	95%
TL27	Regravel 40 kilometres of road by 30 June 2023	Number of kilometres regavelled	40
TL28	Spend 95% of the total approved blading maintenance budget by 30 June 2023 [(Actual expenditure divided by approved allocation received) x100]	% of total approved blading maintenance budget spent	95%

Table 76: 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
TL5	Conduct monthly Covid 19 DJOC meetings with relevant stakeholders	Number of meetings conducted	12
TL23	Spend 90% of the approved WOSA Safety Grant by 30 June 2023	% of budget spent	90%

Table 77: 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
TL19	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2023	Number of full time equivalent (FTE's) created	25

Table 78: Promote regional, economic development, tourism and growth opportunities

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
TL15	Compile and submit bi-annual Water Quality Evaluation Reports to Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2023	Number of Water Quality Evaluation Reports submitted to Water Service Authorities by 30 June 2023	6
TL16	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg Local Authorities by 30 June 2023	Number of Waste Management Evaluation Reports submitted to Local Authorities by 30 June 2023	3
TL17	Compile and distribute a Municipal Health Information Document to Beaufort West, Prince Albert & Laingsburg Local Authorities by 30 June 2023	Number of Information Documents submitted to Local Authorities by 30 June 2023	1
TL18	Compile and submit bi-annual Informal Settlement Evaluation Reports for Murraysburg, Merweville, Beaufort West, Prince Albert & Klaarstroom to the Beaufort West & Prince Albert Local Authorities by 30 June 2023	Number of Informal Settlement Evaluation Reports submitted to Local Authorities by 30 June 2023	10
TL22	Review the Disaster Management Plan and submit to Council by 31 May 2023	Disaster Management Plan reviewed and submitted	1

Table 79: 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	2020/21	2021/22
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	11	11
The percentage of a training expenditure versus personnel expenditure actually spent on implementing its workplace skills plan	1%	0,76%

Table 80: National KPI's - Municipal transformation and organisational development

4.2 Introduction to the municipal workforce

The Municipality currently employs 149 officials compared to 133 officials at the end of 2021. The staff establishments 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
28	30	107%	113	109	96%	0	0	0%	11	10	90%

Table 81: 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 JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACH
112	111		99%	40		38	95%	

Table 82: Employment equity targets/actual by gender classification

4.2.1.3 Employment equity targets vs population 2021/22

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 2021/22	30	109	0	10	0	149
% of positions filled 2021/22	20.13	73.15	0	6.71	0	100

Table 83: Employment equity targets vs population 2021/22

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	1	2	0	0	0	0	0	0	3
Senior management	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	2	0	1	0	1	0	4	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	15	0	4	4	14	0	1	43
Semi-skilled and discretionary decision making	5	24	0	0	1	4	0	0	34
Unskilled and defined decision making	9	42	0	0	5	4	0	0	60
TOTAL PERMANENT	20	86	0	5	10	23	0	5	149
Non- permanent employees	3	48	0	0	0	1	0	0	52
GRAND TOTAL	23	134	0	5	10	24	0	5	201

Table 84: Occupation levels – Race

4.2.1.5 Department – Race

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

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Municipal Manager	1	0	0	0	1	1	0	1	4
Corporate Services	3	8	0	4	5	8	0	2	30
Financial Services	0	2	0	0	0	9	0	2	13
Road Infrastructure Services	16	76	0	1	4	5	0	0	102
TOTAL PERMANENT	20	86	0	5	10	23	0	5	149



DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Non-permanent	3	48	0	0	0	1	0	0	52
GRAND TOTAL	23	134	0	5	10	24	0	5	201

Table 85: 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	3	0
Middle management	9	1
Admin officers and operators	77	7
General workers	60	3
TOTAL	149	11
PER FUNCTIONAL LEVEL		
FUNCTIONAL AREA	FILLED	VACANT
Municipal Manager	4	0
Corporate Services	30	2
Financial Services	13	1
Technical Services	102	8
TOTAL	149	11

Table 86: Vacancy rate per post and functional level

4.2.1.7 Turn-over rate

The turnover rate shows a slight increase for 2021/22.

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%
2021/22	13	11	5,92%

Table 87: 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	2020/21	2021/22
Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	0
Technical Services	9	6
TOTAL		

Table 88: Injuries



4.2.2.2 Sick leave

The table below shows an increase of 493 more sick leave days taken compared to 2020/21.

DEPARTMENT	2020/21		2021/22	
	TOTAL NUMBER OF DAYS	AVERAGE PER PERSON	TOTAL NUMBER OF DAYS	AVERAGE PER PERSON
Municipal Manager	3	1	11	2
Corporate Services	168	9	347	11
Financial Services	75	8	60	4
Technical Services	488	8	809	7
TOTAL	734		1227	

Table 89: 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
Cellphone Allowance	Reviewed 27.8.2021
E-mail records management	Approved 01-Aug-08
HIV/Aids	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	Approved 28.3.2022
HR Strategic Strategy & Plan	Approved 4 June 2020
Incapacity	Approved 22.8.2018
Induction	Approved 01-Aug-05
In-service training (students)	Reviewed June 2021
Leave Policy and Procedures	Revised 25 May 2017
Nepotism	Approved 22-Apr-05
Recruitment, selection and appointment	Reviewed June 2021
Sexual harassment	Reviewed March 2018
Smoking	Approved 01-Jul-01
Study Bursaries / driver's license	Reviewed June 2021
Travel and subsistence allowances	Reviewed June 2021
Whistle Blowing	Reviewed 29.5.2019
Communication Policy	Approved 26.5.2022
POPI Policy	Approved 26.5.2022
Working Hours	Reviewed 27.8.2021

Table 90: 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 () (A) AND (C))	COMPETENCY ASSESSMENTS COMPLETED (REGULATION () (B) AND (D))	NUMBER OF OFFICIALS WHOSE PERFORMANCE AGREEMENTS COMPLY WITH REGULATION (REGULATION () (F))	NUMBER OF OFFICIALS THAT MEET PRESCRIBED COMPETENCY LEVELS (REGULATION () (E))
FINANCIAL OFFICIALS				
Municipal Manager	1	0	1	0
Chief Financial Officer	1	0	1	0
Director Corp	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	12	2	3	2

Table 91: 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).

FINANCIAL YEAR	TOTAL PERSONNEL BUDGET R 000	TOTAL ALLOCATED R 000	TOTAL SPENT R 000	% SPENT
2019/20	49 251	795	498	63%
2020/21	48 982	813	744	92%
2021/22	62 153	753	470	62%

Table 92: 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		
2020/21	49 170	93 627	53%
2021/22	53 435	99 644	54%

Table 93: Personnel expenditure

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

FINANCIAL YEAR	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
DESCRIPTION	R 000			
COUNCILLORS (POLITICAL OFFICE BEARERS PLUS OTHER)				
Mayor	906	941	941	907
Executive Committee members	1 136	1 422	1 422	1 382
Councillors	1 735	2 262	2 262	1 885
Sub total	3 777	4 625	4 625	3 879
SENIOR MANAGERS				
Annual Remuneration	2 101	3 720	3 720	2 012
Motor Vehicle / Travel allowance	339	-	-	195
Performance Bonus	-	497	497	312
Telephone allowance	91	72	72	66
Contributions to UIF, Medical, Pension and Bargaining Council	266	2	2	159
Other benefits and allowances	219	-	-	252
Sub total	3 016	4 290	4 290	2 996
OTHER STAFF				
Basic salaries and wages	35 247	40 890	40 890	37 917
Employee related costs - Contributions for UIF, Pensions and medical Aids	7 979	7 457	7 457	8 767
Overtime	1 383	1 283	1 283	1 115
Travel, Motor vehicle, Accommodation, Subsistence and Other Allowances	1 260	1 693	1 693	1 779
Current service cost	211	-	-	228
Housing allowance	337	379	379	280



FINANCIAL YEAR	2020/21	2021/22		
DESCRIPTION	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
COUNCILLORS (POLITICAL OFFICE BEARERS PLUS OTHER)				
13th Cheque	2 368	-	-	2 374
Employee benefits provision	385	1 205	1 205	766
In-kind benefits	-	1 280	1 280	209
Sub Total	49 170	54 187	54 187	53 435
Total Municipality	55 963	63 102	63 102	60 310

Table 94: 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 2021/22 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 2021/22 financial year:

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
R 000				
FINANCIAL PERFORMANCE				
Property rates	0	0	0	0
Service charges	0	0	0	0
Rental of Facilities and Equipment	0	93	93	77
Investment revenue	1 138	1 000	1 000	805
Transfers recognised – operational	35 985	47 837	48 216	40 508
Other own revenue	51 182	59 309	61 043	61 800
Total revenue (excluding capital transfers and contributions)	88 305	108 240	110 351	103 190
Employee related costs	52 965	58 477	39 117	53 435
Remuneration of Councillors	3 845	4 625	4 625	3 879
Contracted services	11 196	10 078	9 702	5 220



DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
Depreciation and amortisation	610	812	929	1 014
Debt impairment	0	0	0	82
Finance charges	711	0	0	741
Impairment loss on Receivables	-	0	0	-
Inventory Consumed	7 823	11 936	11 180	11 252
Loss on disposal of property, plant and equipment (PPE)	-	0	0	107
Transfers and Subsidies	-	2 893	2 913	2 934
General expenses	13 788	19 418	22 145	21 087
Total expenditure	90 940	108 238	110 612	99 644
Surplus/(Deficit)	(2 635)	1 530	(261)	3 546
Transfers recognised - capital	-	600	600	1 925
Contributions recognised - capital and contributed assets	0	0	0	0
Surplus/(Deficit) after capital transfers and contributions	(2 635)	602	339	5 471
Capital expenditure				
Transfers recognised - capital	0	0	0	0
Public contributions and donations	0	0	0	0
Borrowing	0	0	0	0
Internally generated funds	194	1 104	458	
Total sources of capital funds	194	1 104	243	
Financial position				
Total current assets	25 677	14 570	25 471	
Total non-current assets	15 674	19 190	17 105	
Total current liabilities	16 918	11 989	12 357	
Total non-current liabilities	14 491	16 236	14 806	
Accumulated Surplus/(Deficit)	9 943	5 535	15 414	
Cash flows				
Net cash from (used) operating	7 034	2 050	(7 407)	
Net cash from (used) investing	(458)	(2 709)	(1 435)	
Net cash from (used) financing	(62)	0	(131)	
Cash/cash equivalents at year-end	21 879	2 031	12 906	



DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
Cash backing/surplus reconciliation				
Cash and investments available	21 879	2 031		12 906
Application of cash and investments	0	0		0
Balance - surplus (shortfall)	21 879	13 776		13 776
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 95: 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			
2021/2022	110 351	103 190	(7 161)	6%	110 612	99 644	10 968	10%

Table 96: Performance against budgets

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

VOTE DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
Vote 1 - Executive and Council	39 978	42 636	42 086	42 377
Vote 2 - Budget and Treasury Office	1 038	3 036	3 026	958
Vote 3 - Corporate Services	6 873	10 152	10 287	5 899
Vote 4 - Technical Services	52 040	54 016	54 952	55 881
Total revenue by vote	99 929	108 840	110 351	105 115

Table 97: Revenue collection by vote



5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2021/22 financial year:

DESCRIPTION	2020/21	2021/22		
		ORIGINAL	ADJUSTED	
	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	1 066	0	0	538
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	51	93	93	77
Interest earned - external investments	785	1 000	1 000	805
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	3	0	0	82
Licences and permits	27	28	28	34
Agency services	4 793	5 077	5 077	5 106
Department of Transport - Roads service charges	51 959	54 205	55 939	55 881
Government grants and subsidies - operating	41 119	47 838	48 216	42 433
Other income	125	0	0	130
Gains on disposal of property, plant and equipment	0	0	0	0
Total revenue (excluding capital transfers and contributions)	99 929	108 240	110 351	105 115

Table 98: Revenue collection by source

5.1.3 Operational services performance -

The table below indicates the operational services performance for the 2021/22 financial year:

DESCRIPTION	2020/21	2021/22		
		ORIGINAL	ADJUSTED	
	ACTUAL	BUDGET	BUDGET	ACTUAL
R 000				
Roads transport	52 040	54 016	54 952	55 881
Component A: Sub-total	52 040	54 016	54 952	55 881
Planning and development	3 090	2 323	3 364	696
Component B: Sub-total	3 090	2 323	3 364	696
Municipal health	27	47	32	33
Component C: Sub-total	27	47	32	33
Disaster management	66	1 925	1 925	1 983
Component D: Sub-total	52 040	54 016	54 952	55 881



DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
Executive and Council	39 977	46 868	47 218	42 286
Internal Audit	0	0	100	91
Finance and Administration	3 660	3 867	5 149	4 084
Other				
Component E: Sub-total	43 637	50 735	52 467	46 461

Table 99: 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	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
R 000				
Total operational revenue (excluding tariffs)	52 040	54 016	54 952	55 881
Total operational expenditure	51 628	51 395	51 558	51 628
Net operational (service) expenditure	413	2 621	3 394	4 253

Table 100: Financial performance: Roads and storm water

5.2.2 Municipal Health

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
Total operational revenue (excluding tariffs)	27	47	32	33
Total operational expenditure	3 925	5 691	5 223	4 943
Net operational (service) expenditure	(3 898)	(5 644)	(5 191)	(4 910)

Table 101: Financial performance: Municipal Health

5.2.3 Disaster management

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
R 000				
Total operational revenue (excluding tariffs)	27	47	32	33
Total operational expenditure	3 925	5 691	5 223	4 943
Net operational (service) expenditure	(3 898)	(5 644)	(5 191)	(4 910)

Table 102: Financial performance: Disaster management



5.2.4 Executive and Council

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
R 000				
Total operational revenue (excluding tariffs)	39 977	46 868	47 218	42 286
Total operational expenditure	6 277	12 449	12 656	9 266
Net operational (service) expenditure	33 700	34 419	34 562	33 020

Table 103: Financial performance: Executive and Council

5.2.5 Internal Audit

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
R 000				
Total operational revenue (excluding tariffs)	0	0	100	91
Total operational expenditure	1 028	992	967	963
Net operational (service) expenditure	(1 028)	(992)	(867)	(872)

Table 104: Financial Performance: Internal Audit

5.2.6 Finance and Administration

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2021/22		2021/22
R				
Total operational revenue (excluding tariffs)	3 660	3 867	5 149	4 084
Total operational expenditure	19 993	24 985	27 794	19 552
Net operational (service) expenditure	(16 333)	(21 118)	(22 645)	(15 468)

Table 105: Financial Performance: Finance Administration



5.3 Grants

5.3.1 Grant performance

The Municipality had a total amount of R 46 194 000, 00 that was received in the form of grants from national and provincial governments during the 2021/22 financial year. The performance in the spending of these grants is summarised as follows:

CENTRAL KAROO MTREF ALLOCATIONS: 2021/22								
	Opening Balance R thousands	Received R thousands	Expenditure R thousands	VAT transferred to Revenue	Repayments R thousands	Closing Balance R thousands	Unspent Grant R thousands	Unpaid Grant R thousands
C DC5 Central Karoo								
Direct transfers								
Equitable share and related Infrastructure	-	33 268	(33 268)	-	-	-	-	-
Rural roads assets management systems grant	1 967	1 963	(806)	(26)	(1 967)	1 131	1 131	-
Capacity building and other current transfers	-	2 269	(2 071)	(56)	-	141	141	-
Local government financial management grant	-	1 000	(802)	(56)	-	141	141	-
Expanded public works programme integrated grant for municipalities	-	1 269	(1 269)	-	-	-	-	-
Sub total direct transfers	1 967	37 500	(36 146)	(82)	(1 967)	1 272	1 272	-
Indirect transfers								
Capacity building and other current transfers								
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-
Sub total indirect transfers	-	-	-	-	-	-	-	-
Total: Transfers from National Treasury	1 967	37 500	(36 146)	(82)	(1 967)	1 272	1 272	-
Transfers for Provincial Departments								
Municipal Allocations from Provincial Department								
<i>of which</i>								
Provincial Treasury	583	350	(235)	(10)	(283)	405	405	-
Western Cape Financial Management Support Grant	-	100	(80)	(10)	-	9	9	-
Western Cape Financial Management Capacity Building Grant	583	250	(154)	-	(283)	396	396	-
Community Safety	1 041	-	(696)	-	-	344	344	-
Safety initiative implementation - Whole of Society Approach (WOSA)	1 041	-	(696)	-	-	344	344	-
Local Government	9	6 924	(3 562)	-	(9)	3 362	3 362	-
Fire Service Capacity Building Grant	-	1 925	(1 925)	-	-	-	-	-
Local Government Internship Grant	9	70	(58)	-	(9)	12	12	-
Joint District and Metro Approach Grant	-	1 800	-	-	-	1 800	1 800	-
Local Government Public Employment Support Grant	-	200	-	-	-	200	200	-
Municipal Drought Relief Grant	-	2 929	(1 579)	-	-	1 350	1 350	-
Total: Transfers from Provincial Departments	1 633	7 274	(4 494)	(10)	(293)	4 111	4 111	-
Transfers for Other Grant Providers								
Municipal Allocations from other grant providers								
<i>of which</i>								
Other Grant Providers	273	1 420	(1 611)	(91)	-	(8)	202	(210)
The Chemical industries Education and Training Authority	71	1 420	(1 611)	(91)	-	(210)	-	(210)
Local Government Sector and Training Authority (Africa Creek)	202	-	-	-	-	202	202	-
Local Government Sector and Training Authority (LGLDP - 20216264)	-	-	-	-	-	-	-	-
Total: Transfers from Other grant providers	273	1 420	(1 611)	(91)	-	(8)	202	(210)
TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER	3 874	46 194	(42 250)	(183)	(2 260)	5 375	5 585	(210)

Table 106: Grant performance - 2021/22

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		
2020/21	41 156	99 929	41%
2021/22	46 194	105 115	44%

Table 107: Reliance on grants

5.4. Financial ratios 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	2020/21	2021/22
Current ratio	Current assets/current liabilities	1.52	2.06
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)	3 Months	2 Month

Table 108: 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	2020/21	2021/22
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	n/a	n/a

Table 109: 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	2020/21	2021/22
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	0.01%	0.01%

Table 110: 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	2020/21	2021/22
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	57%	58%

Table 111: 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	2020/21	2021/22
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Repairs and maintenance	R and M/ (Total revenue excluding capital revenue)	0.12%	0.21%

Table 112: 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	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE
R 000				
OTHER ASSETS				0
General vehicles	0	0	0	0
Plant and equipment	4	1 480	1 480	1 998
Computers -hardware/equipment	108	636	636	108
Furniture and other office equipment	316	600	600	42
Other	414	0	0	0
Intangibles				
Computers - software and programming	31	0	0	4
Total capital expenditure on new assets	873	2 715	2 715	2 152

Table 113: 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	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000	R 000	R 000	R 000
CASH FLOW FROM OPERATING ACTIVITIES				
RECEIPTS				
Ratepayers and other	55 220	59 402	59 402	52 373
Government - operating	41 156	47 838	48 216	44 269
Government – capital	0	0	0	0
Interest	785	1 000	1 000	805
Dividends	0	0	0	0
Suppliers and employees	(89 063)	(103 634)	(104 275)	(103 823)
Finance charges	(10)	0	0	(22)
Transfers and grants	(1 054)	(2 893)	(2 893)	(2 933)
Net cash from/(used) operating activities	7 035	2 312	2 050	(7 407)
Proceeds on disposal of fixed assets	0	0	0	0
Purchase of intangible assets	(31)	0	0	0
Decrease/(increase) in non-current receivables	0	0	0	0
Capital assets	(428)	(2 709)	(2 709)	(1 435)
Increase in loan	0	0	0	0
Net cash from/(used) investing activities	(458)	(2 709)	(2 709)	(1 435)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	0	0	0	0
Payments				
Repayment of borrowing	(63)	0	0	(132)
Net cash from/(used) financing activities	(63)	0	0	(132)
Net increase/(decrease) in cash held	6 514	(397)	(659)	(8 973)
Cash/cash equivalents at the year begin:	15 365	11 470	11 470	21 879
Cash/cash equivalents at the year-end:	21 879	11 073	10 811	12 906

Table 114: 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
2020/21	0	0	0	0	980	980
2021/22	0	0	0	0	9 585	9 585
Difference	0	0	0	0	8 605	8 605
% growth year on year	0	0			878%	878%

Note: Figures include provision for bad debt

Table 115: 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 2021/22 financial year:

5.8.1 Actual borrowings

INSTRUMENT	2020/21	2021/22
	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	372	241
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	372	241

Table 116: Actual borrowings



5.9 Municipal investments

INVESTMENT TYPE	2020/21	2021/22
	R 000	
Securities - National Government	0	0
Listed corporate bonds	0	0
Deposits – Bank	11 243	7 690
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	11 243	7 690

Table 117: 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 2021/22 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



COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
MUNICIPAL COMMITTEE	PURPOSE OF COMMITTEE
	<ul style="list-style-type: none"> - 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 - Appointments - Labour Relations / Training

Table 118: Committees and Committee purposes

APPENDIX B: THIRD TIER STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	DIRECTOR / MANAGER
Office of the Municipal Manager	Dr S W Vatala
Corporate Services	Dr R R Links
Roads Infrastructure Services	Mr. A Koopman
Financial Services	Mr M R Abdullah

Table 119: Third Tier Structure

APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2021/22

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 /			
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
Mubesco 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



LONG TERM CONTRACTS /			
NAME OF SERVICE PROVIDER (ENTITY OR MUNICIPAL DEPARTMENT)	DESCRIPTION OF SERVICES RENDERED BY THE SERVICE PROVIDER	PROJECT MANAGER	CONTRACT VALUE
			R 000
Ubertech	IT Support	Snr Manager: Corporate Services	As charged per tariff listing
Telkom	Telephone	Snr Manager: Corporate Services	As charged per tariff listing
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 120: 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 2021/22 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

VOTE DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R 000			
Vote 1 - Executive and Council	39 978	42 636	42 086	42 377
Vote 2 - Budget and Treasury Office	1 038	3 036	3 026	958
Vote 3 - Corporate Services	6 873	10 152	10 287	5 899
Vote 4 - Technical Services	52 040	54 016	54 952	55 881
Total revenue by vote	99 929	108 840	110 351	105 115

Table 121: Revenue collection performance by vote

APPENDIX F (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

DESCRIPTION	2020/21	2021/22		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED 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	1 066	0	0	538
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	51	93	93	77
Interest earned - external investments	785	1 000	1 000	805
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	3	0	0	82
Licences and permits	27	28	28	34
Agency services	4 793	5 077	5 077	5 106



DESCRIPTION	2020/21	2021/22		
		ORIGINAL	ADJUSTED	
	ACTUAL	BUDGET	BUDGET	ACTUAL
R 000				
Department of Transport - Roads service charges	51 959	54 205	55 939	55 881
Government grants and subsidies - operating	41 119	47 838	48 216	42 433
Other income	125	0	0	130
Gains on disposal of property, plant and equipment	0	0	0	0
Total revenue (excluding capital transfers and contributions)	99 929	108 240	110 351	105 115

Table 122: Revenue collection performance by vote

APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CENTRAL KAROO MTREF ALLOCATIONS: 2021/22								
	Opening Balance	Received	Expenditure	VAT transferred to	Repayments	Closing Balance	Unspent Grant	Unpaid Grant
	R thousands	R thousands	R thousands	Revenue	R thousands	R thousands	R thousands	R thousands
C DC5 Central Karoo								
Direct transfers								
Equitable share and related Infrastructure	-	33 268	(33 268)	-	-	-	-	-
	1 967	1 963	(806)	(26)	(1 967)	1 131	1 131	-
Rural roads assets management systems grant	1 967	1 963	(806)	(26)	(1 967)	1 131	1 131	-
Capacity building and other current transfers								
Local government financial management grant	-	2 269	(2 071)	(56)	-	141	141	-
Expanded public works programme integrated grant for municipalities	-	1 000	(802)	(56)	-	141	141	-
	-	1 269	(1 269)	-	-	-	-	-
Sub total direct transfers	1 967	37 500	(36 146)	(82)	(1 967)	1 272	1 272	-
Indirect transfers								
Capacity building and other current transfers								
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-
Sub total indirect transfers	-	-	-	-	-	-	-	-
Total: Transfers from National Treasury	1 967	37 500	(36 146)	(82)	(1 967)	1 272	1 272	-
Transfers for Provincial Departments								
Municipal Allocations from Provincial Department of which								
Provincial Treasury	583	350	(235)	(10)	(283)	405	405	-
Western Cape Financial Management Support Grant	-	100	(80)	(10)	-	9	9	-
Western Cape Financial Management Capacity Building Grant	583	250	(154)	-	(283)	396	396	-
Community Safety	1 041	-	(696)	-	-	344	344	-
Safety initiative implementation - Whole of Society Approach (WOSA)	1 041	-	(696)	-	-	344	344	-
Local Government	9	6 924	(3 562)	-	(9)	3 362	3 362	-
Fire Service Capacity Building Grant	-	1 925	(1 925)	-	-	-	-	-
Local Government Internship Grant	9	70	(58)	-	(9)	12	12	-
Joint District and Metro Approach Grant	-	1 800	-	-	-	1 800	1 800	-
Local Government Public Employment Support Grant	-	200	-	-	-	200	200	-
Municipal Drought Relief Grant	-	2 929	(1 579)	-	-	1 350	1 350	-
Total: Transfers from Provincial Departments	1 633	7 274	(4 494)	(10)	(293)	4 111	4 111	-
Transfers for Other Grant Providers								
Municipal Allocations from other grant providers of which								
Other Grant Providers	273	1 420	(1 611)	(91)	-	(8)	202	(210)
The Chemical industries Education and Training Authority	71	1 420	(1 611)	(91)	-	(210)	-	(210)
Local Government Sector and Training Authority (Africa Creek)	202	-	-	-	-	202	202	-
Local Government Sector and Training Authority (LGLDP - 20216264)	-	-	-	-	-	-	-	-
Total: Transfers from Other grant providers	273	1 420	(1 611)	(91)	-	(8)	202	(210)
TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER	3 874	46 194	(42 250)	(183)	(2 260)	5 375	5 585	(210)

Table 123: 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 2021/22

No loans or grants have been made by the Central Karoo District Municipality for the 2021/22 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.



APPENDIX K: AUDITOR - GENERAL REPORT ON THE CKDM 2021/22

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

1. I have audited the financial statements of the Central Karoo District Municipality set out on pages 4 to 84, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Account Practises (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) as well as the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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



Restatement of corresponding figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors identified in the municipality's financial statements for the year ended 30 June 2022.

Events after the reporting date

8. As disclosed in note 41 to the financial statements, the key event after the reporting date related to the current suspensions of the municipal manager and the chief financial officer.

Contingent liabilities

9. As disclosed in note 37 to the financial statements, the contingent liabilities relate to potential future claims against the municipality. Included in the contingent liabilities disclosure is a matter in which the Central Karoo District Municipality received a summons for the amount of R2 595 750. This relates to the Africa Creek Project, which is still under investigation. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Other matters

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 85 to 86 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Unaudited disclosure notes

12. 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. This relates to note 33 of the financial statements.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA, as well as 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.

14. 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

15. 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.

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

Report on the audit of the annual performance report

Introduction and scope

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

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. 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 2022:

Objectives	Pages in the annual performance report
Strategic objective 4: improve and maintain district roads and promote safe roads transport	46



20. 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.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

Strategic objective 4: improve and maintain district roads and promote safe roads transport

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on page 46 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of strategic objective 4: improve and maintain district roads and promote safe roads transport. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

25. 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.

26. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

27. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

28. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.



29. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c).

Human resources management

30. A senior manager did not sign a performance agreement within the prescribed period, as required by section 57(2)(a) of the MSA.

Annual financial statements, performance reports and annual report

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

32. The oversight report adopted by the council on the 2020-21 annual report was not made public, as required by section 129(3) of the MFMA.

Expenditure management

33. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

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

35. The fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

36. Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

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

38. 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.

39. 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.

40. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation is included in this report.

42. Within the current financial year, a new accounting system was implemented. However, the system change did not have an adequate implementation plan, which resulted in the following:

- Material misstatements that were corrected
- Payments were not made within 30 days

43. Effective and regular monitoring of the supply chain management policies and processes was not implemented by management due to capacity constraints in the finance division. This resulted in the reported irregular expenditure which resulted from the tax status of winning bidders that was not confirmed before being awarded the contract, as required by SCM regulation 43, and procuring goods and services in contravention of SCM regulation 17(1)(a) and (c).

44. Management did not ensure that the Municipal Systems Act was complied with in accordance with section 57(2). The practice of a senior manager not signing a performance agreement after appointment during the year was caused by inadequate oversight by leadership over this matter.

45. Instability at council level during the year under review caused the ineffective oversight by those charged with governance in the following areas of responsibilities:

- Consequence management processes for the investigation of irregular expenditure, unauthorised expenditure, fruitless and wasteful expenditure disclosed in the prior year were not concluded timeously due to committee vacancies during the year.
- Not publicising the oversight report for 2020-21 within the required seven days after it was adopted, as required by section 129(3) of the MFMA.



Other reports

46. Investigations into allegations against the suspended municipal manager and chief financial officer were undertaken in the current year by an external service provider. The executive mayor tabled the final report in the special council meeting on 21 October 2022. The recommendations of the report were in the process of being implemented by the council.

47. It was noted that a criminal case against the suspended chief financial officer regarding the missing tender documentation has been opened with the Special Investigating Unit (SIU) (Oudtshoorn Division). At the time of this report, the investigation is still in progress.

Auditor-General

Cape Town

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objective 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 board of directors, which constitutes 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 municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2022



REPORT FROM THE AUDIT COMMITTEE OF THE CENTRAL KAROO DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2022

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 23 September 2021. 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 four independent non-executive members.

As of 30 July 2021, the Audit and Performance Audit Committee comprised of the following members:

NAME	POSITION	PERIOD
N Gabada	Chairperson	30 July 2021- 30 June 2022
A Augustyn	Member	30 July 2021 - 30 June 2022
KE McKay	Member	30 July 2021 - 30 June 2022



NAME	POSITION	PERIOD
Y Duimpies	Member	30 July 2021 - 30 June 2022

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

3. Meetings

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

MEMBER	27 August 2021	14 December 2021	29 March 2022	29 June 2022
N Gabada	✓	✓	✓	✓
A Augustyn	✓	✓	✓	✓
KE McKay	✓	✓	✓	✓
Y Duimpies	✓	✓	✓	✓

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

- Meeting with the office of the Auditor-General – 11 October 2022.
- Meeting with the office of the Auditor-General- 29 November 2022.

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 recommends 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.

It is also of utmost importance that the necessary consequence management processes relating to the unauthorized, irregular, fruitless and wasteful expenditure be implemented as a matter of urgency.

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 2022

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 2022.

However, as in the Audit Report of the Auditor-General, material misstatements of certain revenue, expenditure and disclosure items were identified by the auditors. Although these matters were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion, it is important that management implement the necessary review and control actions to ensure accurate financial reporting.

Certain matters of emphasis were highlighted in the Audit Report of the Auditor-General, which relates to restatement of corresponding figures, events after reporting date, contingent assets and contingent liabilities.

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 and that the accounting policies are appropriate.

As disclosed in note 41 to the 2021/2022 annual financial statements, a key event after the reporting date related to the current suspension of the municipal manager and chief financial officer. It is important to the Committee that the disciplinary processes be finalized as soon as possible, and that the necessary consequence management processes, if appropriate, following the results of the processes be implemented

Material findings on procurement and contract management in terms of compliance with legislation were raised by the Auditor-General, specifically tax compliance of bidders on award stage in certain instances, as well as the procuring of certain goods and services with a transaction value of below R200,000 without obtaining the required price quotations. Management should implement the necessary corrective actions to ensure no repeat irregular expenditure are incurred in future years.

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

Material misstatements were identified in the annual performance report that were submitted; management subsequently corrected the material misstatements and therefore no findings raised on the usefulness and reliability of the reported performance information. However, it remains vital that the necessary controls be implemented to ensure reported performance information remains useful and reliable.

The cascading down of performance management to junior levels should receive priority attention in the 2022/2023 financial year.

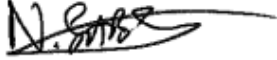
The internal auditors did audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the Committee.



Conclusion

The Committee congratulates the Council, staff and management of the municipality in all their efforts in assisting the Municipality to receive an unqualified 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



N Gabada
Chairperson of the Audit Committee
Central Karoo District Municipality
08 December 2022



VOLUME II: ANNUAL FINANCIAL STATEMENTS: CENTRAL KAROO DISTRICT MUNICIPALITY





CENTRAL KAROO DISTRICT MUNICIPALITY
Audited Annual Financial Statements
for the year ended 30 June, 2022

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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 RR Links (Acting)
CHIEF FINANCE OFFICER	Mr M Nhlengethwa (Acting)
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, 2022

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

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CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Active councillors as at 30 June 2022:

Executive Mayor	G McKenzie
Deputy Mayor	G Pietersen
Speaker	LM Paulse
Chief Whip	IA Jacobs
Councillor	N Constable
Councillor	J Reynolds
Councillor	J van der Linde
Councillor	AP Swanepoel
Councillor	DE Welgemoed
Councillor	JP de Bruyn
Councillor	LBJ Mdudumani
Councillor	R Skuza
Councillor	A MacKay
Councillor	SD Koonthea

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2022, 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.

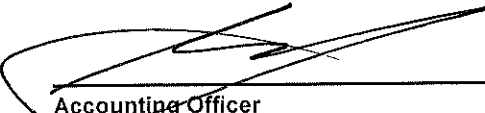
I have reviewed the Municipality's cash flow forecast for the year to 30 June 2022 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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.



Accounting Officer
Dr RR Links (Acting)
30 November 2022

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Statement of Financial Position as at 30 June, 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Current Assets			
Inventories	2	1 279 290	1 368 630
Receivables from non-exchange transactions	3	9 584 978	979 804
VAT receivable	4	1 200 038	573 592
Employee Benefit Receivables	5	500 510	876 234
Cash and cash equivalents	6	12 905 966	21 879 019
		<u>25 470 782</u>	<u>25 677 279</u>
Non-Current Assets			
Property, plant and equipment	7	9 685 680	8 515 224
Intangible assets	8	47 260	79 968
Employee Benefit Receivables	5	7 372 490	7 079 153
		<u>17 105 430</u>	<u>15 674 345</u>
Total Assets		<u>42 576 212</u>	<u>41 351 624</u>
Liabilities			
Current Liabilities			
Current Employee benefit obligation	9	5 055 607	5 437 412
Finance lease obligation	11	141 015	131 508
Payables from exchange transactions	12	1 785 106	7 475 036
Unspent conditional grants and receipts	10	5 375 045	3 873 756
		<u>12 356 773</u>	<u>16 917 712</u>
Non-Current Liabilities			
Finance lease obligation	11	99 629	240 644
Employee benefit obligation	13	14 706 000	14 250 491
		<u>14 805 629</u>	<u>14 491 135</u>
Total Liabilities		<u>27 162 402</u>	<u>31 408 847</u>
Net Assets		<u>15 413 810</u>	<u>9 942 777</u>
Accumulated surplus		15 413 806	9 942 775
Total Net Assets		<u>15 413 806</u>	<u>9 942 775</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Operational Revenue	15	130 284	124 929
Rental of facilities and equipment		77 179	51 288
Straight Service Charge	14	5 106 478	4 793 044
Licences and permits		33 538	27 100
Department of Transport - Roads Service Charges	14	55 881 387	51 959 456
Interest received	16	804 544	785 166
Actuarial gains	13	537 696	1 066 419
Reversal of impairment loss		-	3 241
Inventories reversal		28 572	-
Total revenue from exchange transactions		62 599 678	58 810 643
Revenue from non-exchange transactions			
Other revenue			
Reversal of debt impairment		82 255	-
Transfer revenue			
Government grants & subsidies	17	42 433 168	41 118 501
Total revenue from non-exchange transactions		42 515 423	41 118 501
Total revenue		105 115 101	99 929 144
Expenditure			
Employee related costs	18	(53 434 571)	(49 170 275)
Remuneration of councillors	19	(3 879 173)	(3 776 953)
Depreciation and amortisation	20	(1 014 706)	(761 585)
Finance costs	21	(741 112)	(894 101)
Debt Impairment	22	(82 256)	(30 467)
Transfers and Subsidies	23	(2 933 365)	(1 053 700)
Loss on disposal of assets and liabilities	44	-	(106 501)
Contracted services	24	(5 219 853)	(8 922 006)
Inventory consumed	25	(11 251 702)	(9 131 923)
Operational cost	26	(21 087 332)	(19 779 673)
Total expenditure		(99 644 070)	(93 627 184)
Surplus for the year		5 471 031	6 301 960

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	3 866 983	3 866 983
Adjustments		
Correction of errors	(226 166)	(226 166)
Balance at 1 July, 2020 as restated*	3 640 816	3 640 816
Changes in net assets		
Surplus for the year as restated	6 301 960	6 301 960
Surplus previously reported	6 449 875	6 449 875
Correction of errors	(147 914)	(147 914)
Balance at 1 July, 2021	9 942 775	9 942 775
Changes in net assets		
Surplus for the year	5 471 031	5 471 031
Total changes	5 471 031	5 471 031
Balance at 30 June, 2022	15 413 806	15 413 806

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Sale of goods and services		52 372 970	55 219 624
Grants		46 194 279	41 156 382
Interest income		804 544	785 166
		<u>99 371 793</u>	<u>97 161 172</u>
Payments			
Employee costs		(57 421 569)	(54 522 231)
Suppliers of goods and services		(46 401 663)	(34 541 077)
Finance costs		(21 885)	(9 522)
Transfers and Subsidies		(2 933 365)	(1 053 700)
		<u>(106 778 482)</u>	<u>(90 126 530)</u>
Net cash flows from operating activities	28	<u>(7 406 689)</u>	<u>7 034 642</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1 431 072)	(427 552)
Purchase of other intangible assets	8	(3 783)	(30 599)
		<u>(1 434 855)</u>	<u>(458 151)</u>
Net cash flows from investing activities		<u>(1 434 855)</u>	<u>(458 151)</u>
Cash flows from financing activities			
Finance lease payments		(131 508)	(62 504)
		<u>(131 508)</u>	<u>(62 504)</u>
Net cash flows from financing activities		<u>(131 508)</u>	<u>(62 504)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(8 973 052)</u>	<u>6 513 987</u>
Cash and cash equivalents at the beginning of the year		21 879 019	15 365 035
Cash and cash equivalents at the end of the year	6	<u>12 905 967</u>	<u>21 879 022</u>

CENTRAL KAROO DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget			Adjustments			Final Adjustment Budget			Actual Outcome 2022	Difference between Final Budget and Actual Outcome
			R	R	R	R	R	R	R	R	R		
ASSETS													
Current Assets													
Cash		Ref 1	2 518 540	(262 120)	2 256 420	2 256 420	2 256 420	2 256 420	2 256 420	5 216 009	2 959 589		
Cash and Cash Equivalents			11 073 700	(262 120)	10 811 580	10 811 580	10 811 580	10 811 580	10 811 580	12 905 966	2 094 386		
Less:			(8 555 160)	-	(8 555 160)	(8 555 160)	(8 555 160)	(8 555 160)	(8 555 160)	(7 689 957)	865 203		
Call Investment Deposits		Ref 2	8 555 160	-	8 555 160	8 555 160	8 555 160	8 555 160	8 555 160	7 689 957	(865 203)		
Short-term Investments			-	-	-	-	-	-	-	-	-		
Add:			8 555 160	-	8 555 160	8 555 160	8 555 160	8 555 160	8 555 160	7 689 957	(865 203)		
Cash and Cash Equivalents: Call Investment Deposits		Ref 3	1 837 840	-	1 837 840	1 837 840	1 837 840	1 837 840	1 837 840	10 785 016	8 947 176		
Other Debtors			1 837 840	-	1 837 840	1 837 840	1 837 840	1 837 840	1 837 840	9 584 978	7 747 138		
Receivables from Non-exchange Transactions			-	-	-	-	-	-	-	-	-		
Add:			-	-	-	-	-	-	-	1 200 038	1 200 038		
VAT Receivable		Ref 4	637 000	-	637 000	637 000	637 000	637 000	637 000	500 510	(136 490)		
Employee Benefit Receivable		Ref 5	1 283 550	-	1 283 550	1 283 550	1 283 550	1 283 550	1 283 550	1 279 290	(4 260)		
Inventories			14 832 090	(262 120)	14 569 970	14 569 970	14 569 970	14 569 970	14 569 970	25 470 782	10 900 812		
Total Current Assets			6 907 000	-	6 907 000	6 907 000	6 907 000	6 907 000	6 907 000	7 372 490	465 490		
Non-Current Assets			6 907 000	-	6 907 000	6 907 000	6 907 000	6 907 000	6 907 000	7 372 490	465 490		
Long-term Receivables		Ref 6	11 635 870	-	11 635 870	11 635 870	11 635 870	11 635 870	11 635 870	9 685 680	(1 950 190)		
Employee Benefit Receivable		Ref 7	647 500	-	647 500	647 500	647 500	647 500	647 500	47 260	(600 240)		
Property, Plant and Equipment		Ref 8	19 190 370	-	19 190 370	19 190 370	19 190 370	19 190 370	19 190 370	17 105 430	(2 084 940)		
Intangible Assets			34 022 460	(262 120)	33 760 340	33 760 340	33 760 340	33 760 340	33 760 340	42 576 212	8 815 872		
Total Non-Current Assets			34 022 460	(262 120)	33 760 340	33 760 340	33 760 340	33 760 340	33 760 340	42 576 212	8 815 872		
TOTAL ASSETS													

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget		Adjustments		Final Adjustment Budget		Final Budget		Actual Outcome 2022		Difference between Budget and Actual Outcome	
			R	R	R	R	R	R	R	R	R	R		
LIABILITIES														
Current Liabilities														
Bank Overdraft			20,670	-	20,670	-	20,670	-	20,670	20,670	141,015	120,345	120,345	
Borrowing		Ref 9	20,670	-	20,670	-	20,670	-	20,670	20,670	141,015	120,345	120,345	
Consumer Deposits														
Consumer Deposits			4,479,570	-	4,479,570	-	4,479,570	-	4,479,570	4,479,570	7,160,151	2,880,581	2,880,581	
Trade and Other Payables														
Trade and Other Payables from Exchange Transactions		Ref 10	2,831,320	-	2,831,320	-	2,831,320	-	2,831,320	2,831,320	1,785,106	(1,046,214)	(1,046,214)	
Unspent Transfers and Subsidies		Ref 11	1,648,250	-	1,648,250	-	1,648,250	-	1,648,250	1,648,250	5,375,045	3,726,795	3,726,795	
Provisions			7,488,700	-	7,488,700	-	7,488,700	-	7,488,700	7,488,700	5,055,607	(2,433,093)	(2,433,093)	
Current Employee Benefits		Ref 12	7,488,700	-	7,488,700	-	7,488,700	-	7,488,700	7,488,700	5,055,607	(2,433,093)	(2,433,093)	
Total Current Liabilities			11,988,940	-	11,988,940	-	11,988,940	-	11,988,940	11,988,940	12,356,773	367,833	367,833	
Non-Current Liabilities														
Borrowing			-	-	-	-	-	-	-	-	99,629	99,629	99,629	
Finance lease obligations		Ref 13	-	-	-	-	-	-	-	-	99,629	99,629	99,629	
Provisions			16,235,990	-	16,235,990	-	16,235,990	-	16,235,990	16,235,990	14,706,000	(1,529,990)	(1,529,990)	
Non-current Employee Benefits		Ref 14	16,235,990	-	16,235,990	-	16,235,990	-	16,235,990	16,235,990	14,706,000	(1,529,990)	(1,529,990)	
Total Non-Current Liabilities			16,235,990	-	16,235,990	-	16,235,990	-	16,235,990	16,235,990	14,805,629	(1,430,361)	(1,430,361)	
TOTAL LIABILITIES			28,224,930	-	28,224,930	-	28,224,930	-	28,224,930	28,224,930	27,182,402	(1,062,528)	(1,062,528)	
NET ASSETS														
Accumulated Surplus/(Deficit)			5,797,553	(262,120)	5,535,433		5,535,433		5,535,433	5,535,433	15,413,806	9,878,373	9,878,373	
TOTAL NET ASSETS			5,797,553	(262,120)	5,535,433		5,535,433		5,535,433	5,535,433	15,413,806	9,878,373	9,878,373	

The MBRP requires a comparison to be disclosed between the budgeted and actual figures of the municipality. There are however differences in classification of items due to the disclosure requirement of National Treasury not being in complete alignment with GRAP. Hence the need to show a reconciliation of the different classifications above.

CENTRAL KAROO DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget		Adjustments		Final Adjustment Budget		Virement approved by-law)		Final Budget		Actual Outcome 2022		Difference between Final Budget and Actual Outcome	
			R	R	R	R	R	R	R	R	R	R	R	R		
REVENUE			93 000	-	-	93 000	-	93 000	-	-	93 000	-	77 179	-	(15 821)	
Rental of Facilities and Equipment			93 000	-	-	93 000	-	93 000	-	-	93 000	-	77 179	-	(15 821)	
Rent on Land			93 000	-	-	93 000	-	93 000	-	-	93 000	-	77 179	-	(15 821)	
Rental from Fixed Assets		Ref 15	-	-	-	-	-	-	-	-	-	-	804 544	-	804 544	
Interest Earned - External Investments		Ref 16	1 000 000	-	-	1 000 000	-	1 000 000	-	-	1 000 000	-	33 538	-	33 538	
Licences and Permits		Ref 17	27 500	-	-	27 500	-	27 500	-	-	27 500	-	5 106 478	-	5 106 478	
Agency Services		Ref 18	5 076 750	-	-	5 076 750	-	5 076 750	-	-	5 076 750	-	40 508 168	-	40 508 168	
Transfers and subsidies		Ref 19	47 837 700	378 000	-	48 215 700	-	48 215 700	-	-	48 215 700	-	56 093 928	-	8 878 228	
Other Revenue		Ref 20	54 204 560	1 793 942	-	55 998 502	-	55 998 502	-	-	55 998 502	-	55 881 387	-	117 115	
Department of Transport - Roads Service Charges			54 204 560	1 793 942	-	55 998 502	-	55 998 502	-	-	55 998 502	-	130 284	-	130 284	
Operational Revenue			-	-	-	-	-	-	-	-	-	-	82 255	-	82 255	
Reversal of debt impairment			-	-	-	-	-	-	-	-	-	-	566 268	-	566 268	
Gains			-	-	-	-	-	-	-	-	-	-	537 696	-	537 696	
Actuarial Gains		Ref 21	-	-	-	-	-	-	-	-	-	-	28 572	-	28 572	
Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value		Ref 22	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			106 239 510	2 111 942	-	110 351 452	-	110 351 452	-	-	110 351 452	-	103 190 101	-	(7 161 351)	

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget		Adjustments		Final Adjustment Budget		Virement (i.e. Council approved by-law)		Final Budget		Actual Outcome 2022		Difference between Final Budget and Actual Outcome	
			R	R	R	R	R	R	R	R	R	R	R	R	R	R
EXPENDITURE																
Employee Related Costs		Ref 23	(58 477 430)	(540 120)	(59 117 550)	-	(59 117 550)	(53 434 571)								5 682 979
Remuneration of Councillors		Ref 24	(4 624 850)	-	(4 624 850)	-	(4 624 850)	(3 879 173)								745 677
Debt Impairment		Ref 25	-	-	-	-	-	(82 256)								(82 256)
	Reversal of Impairment Loss/(Impairment Loss) on Receivables		-	-	-	-	-	(82 256)								(82 256)
	Bad Debts Written Off		(611 660)	-	(611 660)	(117 700)	(928 360)	(1 014 706)								(85 346)
	Depreciation and Amortisation	Ref 26	-	-	-	-	-	(741 112)								(741 112)
	Finance Charges	Ref 27	(11 935 850)	-	(11 935 850)	755 377	(11 180 473)	(11 251 702)								(71 228)
	Inventory consumed	Ref 28	(11 935 850)	-	(11 935 850)	755 377	(11 180 473)	(11 251 702)								(71 228)
	Contracted Services	Ref 29	(10 077 590)	-	(10 077 590)	375 602	(9 701 988)	(5 219 853)								4 482 135
	Transfers and Subsidies	Ref 30	(2 883 000)	-	(2 883 000)	(19 796)	(2 912 796)	(2 933 365)								(20 569)
	Other Expenditure	Ref 31	(19 417 600)	(1 733 942)	(21 151 542)	(993 483)	(22 145 025)	(21 087 332)								1 057 693
	Operational Costs	Ref 31	(19 417 600)	(1 733 942)	(21 151 542)	(993 483)	(22 145 025)	(21 087 332)								1 057 693
	Total Expenditure		(108 237 980)	(2 374 062)	(110 612 042)	-	(110 612 042)	(99 644 070)								10 967 972
			1 530	(262 120)	(260 590)	-	(260 590)	3 546 031								3 806 621
	Surplus/(Deficit)															
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	Ref 32	600 000	-	600 000	-	600 000	1 925 000								1 325 000
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-								-
	Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-								-
	Contributed Property, Plant and Equipment		-	-	-	-	-	-								-
	Surplus/(Deficit) after Capital Transfers & Contributions		601 530	(262 120)	339 410	-	339 410	5 471 031								5 131 621
	Taxation															
	Surplus/(Deficit) after Taxation		601 530	(262 120)	339 410	-	339 410	5 471 031								5 131 621
	Attributable to Minorities															
	Surplus/(Deficit) Attributable to Municipality		601 530	(262 120)	339 410	-	339 410	5 471 031								5 131 621
	Share of Surplus/(Deficit) of Associate															
	Surplus/(Deficit) for the year		601 530	(262 120)	339 410	-	339 410	5 471 031								5 131 621

The MBRR requires a comparison to be disclosed between the budgeted and actual figures of the municipality. There are however differences in classification of items due to the disclosure requirement of National Treasury not being in complete alignment with GRAP. Hence the need to show a reconciliation of the different classifications above.

CENTRAL KAROO DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref 39	Original Budget		Adjustments		Final Adjustment Budget		Virement (i.e., Council approved by-law)		Final Budget 2022		Difference between Final Budget and Actual Outcome
			R	R	R	R	R	R	R	R			
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Other Revenue			59 401 810	-	59 401 810	-	59 401 810	59 401 810			52 372 970	(7 028 840)	
Transfers and Subsidies - Operational			47 837 700	378 000	48 215 700		48 215 700	48 215 700			44 269 279	(3 946 421)	
Transfers and Subsidies - Capital			600 000	-	600 000		600 000	600 000			1 925 000	1 325 000	
Interest			1 000 000	-	1 000 000		1 000 000	1 000 000			804 544	(195 456)	
Dividends			-	-	-		-	-			-	-	
Payments													
Suppliers and Employees			(103 834 390)	(640 120)	(104 274 510)		(104 274 510)	(104 274 510)			(103 823 232)	451 278	
Employee related cost			(62 275 470)	(640 120)	(62 915 590)		(62 915 590)	(62 915 590)			(57 421 969)	5 494 021	
Suppliers of goods and services			(41 358 920)	-	(41 358 920)		(41 358 920)	(41 358 920)			(46 401 663)	(5 042 743)	
Finance charges			-	-	-		-	-			(21 885)	(21 885)	
Transfers and Grants			(2 893 000)	-	(2 893 000)		(2 893 000)	(2 893 000)			(2 933 365)	(40 365)	
Net Cash from/(used) Operating Activities			2 312 120	(262 120)	2 050 000		2 050 000	2 050 000			(7 406 689)	(9 456 689)	
CASH FLOW FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE			-	-	-		-	-			-	-	
Decrease (increase) in Non-Current Receivables			-	-	-		-	-			-	-	
Decrease/(increase) in Non-Current Investments			-	-	-		-	-			-	-	
Payments													
Capital Assets			(2 708 860)	-	(2 708 860)		(2 708 860)	(2 708 860)			(1 434 855)	1 274 005	
Purchase of Property, Plant and Equipment			(2 708 860)	-	(2 708 860)		(2 708 860)	(2 708 860)			(1 431 072)	1 277 788	
Purchase of Intangible Assets			-	-	-		-	-			(3 783)	(3 783)	
Net Cash from/(used) Investing Activities			(2 708 860)	-	(2 708 860)		(2 708 860)	(2 708 860)			(1 434 855)	1 274 005	

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget		Adjustments		Final Adjustment Budget		Virement (i.e. Council approved by-law)		Final Budget		Actual Outcome 2022		Difference between Final Budget and Actual Outcome	
			R	R	R	R	R	R	R	R	R	R	R	R		
CASH FLOW FROM FINANCING ACTIVITIES																
Receipts																
Short Term Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments																
Repayment of Borrowing			-	-	-	-	-	-	-	-	-	-	-	(131 508)	(131 508)	
Repayment of Borrowing			-	-	-	-	-	-	-	-	-	-	-	(131 508)	(131 508)	
Repayment of Finance leases			-	-	-	-	-	-	-	-	-	-	-	(131 508)	(131 508)	
Net Cash from/(used) Financing Activities																
NET INCREASE/(DECREASE) IN CASH HELD			(396 740)	(262 120)	(658 860)	(658 860)	(658 860)	(658 860)	-	-	-	(8 973 052)	(8 973 052)	(8 314 192)	(8 314 192)	
Cash and Cash Equivalents at the year begin:			11 470 440	11 470 440	11 470 440	11 470 440	11 470 440	11 470 440	11 470 440	11 470 440	11 470 440	21 879 019	21 879 019	10 408 579	10 408 579	
Cash and Cash Equivalents at the year end:			11 073 700	(262 120)	10 811 580	10 811 580	10 811 580	10 811 580	10 811 580	10 811 580	10 811 580	12 905 967	12 905 967	2 094 387	2 094 387	

*Suppliers and employees are aggregated in the budget, no longer in the AFS.

CENTRAL KAROO DISTRICT MUNICIPALITY

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget (i.t.o. s28 and s31 of the MFMA)	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
Financial Performance											
Rental of Facilities and Equipment	93 000	-	93 000	-	-	93 000	77 179		(15 821)	83 %	83 %
Interest Earned - External Investments	1 000 000	-	1 000 000	-	-	1 000 000	804 544		(195 456)	80 %	80 %
Transfers recognised - operational	47 837 700	378 000	48 215 700	-	-	48 215 700	40 508 168		(7 707 532)	84 %	85 %
Other own revenue	59 308 810	1 733 942	61 042 752	-	-	61 042 752	61 800 210		757 458	101 %	104 %
Total revenue (excluding capital transfers and contributions)	108 239 510	2 111 942	110 351 452	-	-	110 351 452	103 190 101		(7 161 351)	94 %	95 %
Employee costs	(58 477 430)	(640 000)	(59 117 430)	-	-	(59 117 430)	(53 434 571)		5 682 859	90 %	91 %
Remuneration of councillors	(4 624 850)	-	(4 624 850)	-	-	(4 624 850)	(3 879 173)		745 677	84 %	84 %
Debt impairment	-	-	-	-	(117 700)	(117 700)	(82 256)		(82 256)	100 %	100 %
Depreciation and asset impairment	(811 660)	-	(811 660)	-	-	(929 360)	(1 014 706)		(85 346)	109 %	125 %
Finance charges	-	-	-	-	-	-	(741 112)		(741 112)	100 %	100 %
Inventory consumed	(11 935 850)	-	(11 935 850)	-	755 377	(11 180 473)	(11 251 702)		(71 229)	101 %	94 %
Contracted Services	(10 077 590)	-	(10 077 590)	-	375 602	(9 701 988)	(5 219 853)		4 482 135	54 %	52 %
Transfers and grants	(2 893 000)	-	(2 893 000)	-	(19 796)	(2 912 796)	(2 933 365)		(20 569)	101 %	101 %
Other expenditure	(19 417 600)	(1 733 942)	(21 151 542)	-	(993 483)	(22 145 025)	(21 087 332)		1 057 693	95 %	109 %
Total expenditure	(108 237 980)	(2 373 942)	(110 611 922)	-	-	(110 611 922)	(99 644 070)		10 967 852	90 %	92 %
Surplus/(Deficit)	1 530	(262 000)	(260 470)	-	-	(260 470)	3 546 031		3 806 501	(1 361)%	231 767 %

CENTRAL KAROO DISTRICT MUNICIPALITY

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Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments (i.t.o. s31 of the MFMA)	Shifting of funds (i.t.o. 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	600 000	-	600 000	-	-	600 000	1 925 000		1 325 000	321 %	321 %
Surplus (Deficit) after capital transfers and contributions	601 530	(262 000)	339 530	-	-	339 530	5 471 031		5 131 501	1 611 %	910 %
Surplus/(Deficit) for the year	601 530	(262 000)	339 530	-	-	339 530	5 471 031		5 131 501	1 611 %	910 %
Capital expenditure and funds sources											
Total capital expenditure	2 715 500	-	2 715 500	-	-	2 715 500	2 152 454		(563 046)	79 %	79 %
Sources of capital funds	600 000	880 000	1 480 000	-	-	1 480 000	1 997 880		517 880	135 %	333 %
Transfers recognised - capital	2 115 500	(880 500)	1 235 000	-	-	1 235 000	154 573		(1 080 427)	13 %	7 %
Internally generated funds	2 715 500	(500)	2 715 000	-	-	2 715 000	2 152 453		(562 547)	79 %	79 %
Total sources of capital funds	2 715 500	(500)	2 715 000	-	-	2 715 000	2 152 453		(562 547)	79 %	79 %

CENTRAL KAROO DISTRICT MUNICIPALITY

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments (i.t.o. s31 of the MFMA)	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
Cash flows											
Net cash from (used) operating	2 312 120	(262 120)	2 050 000	-	-	2 050 000	(7 406 691)		(9 456 691)	(361)%	(320)%
Net cash from (used) investing	(2 708 860)	-	(2 708 860)	-	-	(2 708 860)	(1 434 855)		1 274 005	53 %	53 %
Net cash from (used) financing	-	-	-	-	-	-	(131 508)		(131 508)	100 %	100 %
Net increase/(decrease) in cash and cash equivalents	(396 740)	(262 120)	(658 860)	-	-	(658 860)	(8 973 054)		(8 314 194)	1 362 %	2 262 %
Cash and cash equivalents at the beginning of the year	11 470 440	-	11 470 440	-	-	11 470 440	21 879 019		10 408 579	191 %	191 %
Cash and cash equivalents at year end	11 073 700	(262 120)	10 811 580	-	-	10 811 580	12 905 965		2 094 385	119 %	117 %

CENTRAL KAROO DISTRICT MUNICIPALITY

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Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
2021				
Financial Performance				
Rental of Facilities and Equipment				51 288
Interest Earned - External Investments				-
Transfers recognised - operational				785 166
Other own revenue				41 118 501
				57 970 948
Total revenue (excluding capital transfers and contributions)				99 925 903
Employee costs	-	-	-	(49 170 275)
Remuneration of councillors	-	-	-	(3 776 953)
Debt impairment	-	-	-	(30 467)
Depreciation and asset impairment	-	-	-	(761 585)
Finance charges	-	-	-	(894 101)
Materials and bulk purchases	(69 693)	-	(69 693)	(9 131 923)
Transfers and grants	-	-	-	(1 053 700)
Other expenditure	-	-	-	(28 808 180)
Total expenditure	(69 693)	-	(69 693)	(93 627 184)
Surplus/(Deficit)				6 298 719
Reversal of impairment loss				(3 241)
Surplus/(Deficit) for the year				6 301 960
Capital expenditure and funds sources				
Total capital expenditure				872 139
Sources of capital funds				
Borrowing				413 988
Internally generated funds				458 151
Total sources of capital funds				872 139
Cash flows				
Net cash from (used) operating				7 034 642
Net cash from (used) investing				(458 152)
Net cash from (used) financing				(62 504)
Net increase/(decrease) in cash and cash equivalents				6 513 986
Cash and cash equivalents at the beginning of the year				15 365 035
Cash and cash equivalents at year end				21 879 021

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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.

These accounting policies are consistent with the previous period.

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.

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.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Accounting Policies

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.

Where Budget information classification and disclosure does not conform with the classification within the GRAP financial statements, a reconciliation is provided to that effect to ensure comparability is maintained.

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.

1.7 Consistent and new accounting policies

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.

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:

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Accounting Policies

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

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 104 (Revised – April 2020)	<p><u>Financial Instruments</u></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 25	<p><u>Employee Benefits</u></p> <p>The objective of this Standard is to prescribe the accounting and disclosure for employee benefits.</p> <p>The municipality might need to revise the recognition and measurement of employee benefits.</p>	Unknown
iGRAP 7	<p><u>The effect of past decisions on Materiality</u></p> <p>This interpretation explains the implications of adopting accounting policies for material items based on GRAP standards as well as alternative accounting treatments for immaterial items. Therefore it is a guide on materiality.</p> <p>The municipality might need to revise its application of materiality.</p>	Unknown
Guideline	<p><u>Application of Materiality of Financial Statements</u></p> <p>The guideline is not authoritative but only to encourage.</p> <p>The municipality might need to revise its application of materiality.</p>	Unknown

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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 installments 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:

- 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.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Accounting Policies

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.

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.

CENTRAL KAROO DISTRICT MUNICIPALITY

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Accounting Policies

1.15 Employee benefits (continued)

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.

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

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Accounting Policies

1.15 Employee benefits (continued)

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.

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.

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1.16 Property, Plant and Equipment (continued)

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.

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

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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 Other Assets 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;
- it is probable that the municipality will receive future economic benefits or service potential; and

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Accounting Policies

1.17 Intangible assets (continued)

- 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

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:

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Accounting Policies

1.18 Impairment of non-financial asset (continued)

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.

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.

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Accounting Policies

1.18 Impairment of non-financial asset (continued)

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:

- 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.

CENTRAL KAROO DISTRICT MUNICIPALITY

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Accounting Policies

1.18 Impairment of non-financial asset (continued)

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.

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

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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.

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.

CENTRAL KAROO DISTRICT MUNICIPALITY

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Accounting Policies

1.20 Financial Instruments (continued)

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.

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.

CENTRAL KAROO DISTRICT MUNICIPALITY

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Accounting Policies

1.21 Statutory receivables (continued)

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;
- 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.

Measurement

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

CENTRAL KAROO DISTRICT MUNICIPALITY

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Accounting Policies

1.21 Statutory receivables (continued)

Interest, royalties and dividends

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.

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

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- 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;
- 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 a 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:

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- 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.

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:

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1.23 Related parties (continued)

- 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;
- 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.

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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.

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:

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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.

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Accounting Policies

1.28 Significant accounting judgements and estimates (continued) 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.

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

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Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
2. Inventories		
Maintenance Materials - At cost	1 279 290	1 368 630
Inventories recognised as an expense during the year	11 251 702	9 131 923
Inventory pledged as security		
No Inventories have been pledged as collateral for liabilities of the Municipality.		
3. Receivables from non-exchange transactions		
Department of transport and public works	8 909 586	-
Other receivables	675 392	1 062 059
Less: Provision for debt impairment	-	(82 255)
	<u>9 584 978</u>	<u>979 804</u>
Receivables from non-exchange transactions past due but not impaired		
Debtors are payable within 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)	59 359	175 498
31 - 60 Days	7 884 285	266 908
61 - 90 Days	10 021	69 952
+ 90 Days	1 631 313	467 446
	<u>9 584 978</u>	<u>979 804</u>
Reconciliation of Provision for Debt Impairment		
Balance at the beginning of year	82 255	51 789
Contribution to provision/(Reversal of provision)	(82 255)	30 466
	<u>-</u>	<u>82 255</u>
The fair value of other receivables approximate their carrying value.		
4. VAT receivable		
VAT	1 200 038	573 592
Please refer to note 29 for prior year errors relating to this note.		
5. Employee Benefit Receivable		
Actual		
Department of Transport: Roads - Post Employment Health Care Benefits	6 283 000	6 105 000
Department of Transport: Roads - Long Service Awards	1 590 000	1 681 000
Department of Transport: Roads - Ex Gratia Pension Benefits	-	169 387
	<u>7 873 000</u>	<u>7 955 387</u>
Less: Current portion transferred to current receivables		

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Figures in Rand	2022	2021
5. Employee Benefit Receivable (continued)		
Department of Transport: Roads - Post Employment Health Care Benefits	(423 378)	(393 871)
Department of Transport: Roads - Long Service Awards	(77 132)	(331 465)
Department of Transport: Roads - Ex-Gratia Pension Benefits	-	(150 898)
	(500 510)	(876 234)
Total Non-current Employee benefit receivables	7 372 490	7 079 153

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 294	1 300
Bank balances	5 214 715	10 635 167
Call Investments Deposits	7 689 957	11 242 552
	12 905 966	21 879 019

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 equivalents. 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.

The Municipality did not make use of, nor has access to any overdraft facilities during the financial year.

The municipality had the following bank accounts

Account number	Bank statement balances			Cash book balances		
	30 June, 2022	30 June, 2021	30 June, 2020	30 June, 2022	30 June, 2021	30 June, 2020
ABSA Bank Acc nr 1540000014 (Cheque account)	285 262	952 948	535 155	285 262	952 948	373 662
First National Bank Acc nr 62062151429 (Cheque account)	127 563	342 936	797 902	127 563	342 936	1 425 395
Nedbank Acc nr 1178835510 (Cheque account)	4 798 475	9 335 868	3 529 959	4 801 891	9 339 284	1 009 516
Total	5 211 300	10 631 752	4 863 016	5 214 716	10 635 168	2 808 573

Call Investment deposits

Nedbank - 03/7881114568	2 391 517	2 305 221
Nedbank - 03/7881125551	2 277 846	2 187 609
Nedbank - 03/7881121858	861 187	3 754 398
Nedbank - 03/7881150777	1 559 481	1 503 208
Nedbank - 03/7881151625	569 726	1 463 016
First Rand Bank Limited - 628 352 72361	30 101	29 003
	7 689 858	11 242 455

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7. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 207 650	-	1 207 650	1 207 650	-	1 207 650
Buildings	5 940 333	(2 444 897)	3 495 436	5 940 333	(2 390 835)	3 549 498
Machinery and Equipment	714 338	(480 710)	233 628	714 338	(364 680)	349 658
Furniture and Office Equipment	2 451 004	(1 513 207)	937 797	2 408 600	(1 322 858)	1 085 742
Transport Assets	5 086 611	(1 957 466)	3 129 145	3 088 731	(1 667 658)	1 421 073
Computer Equipment	1 376 198	(841 920)	534 278	1 267 811	(734 469)	533 342
Leased Furniture and Office Equipment	413 988	(266 242)	147 746	413 988	(45 727)	368 261
Total	17 190 122	(7 504 442)	9 685 680	15 041 451	(6 526 227)	8 515 224

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7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	WIP Additions	Disposals	Residual Value adjustments	Depreciation	Impairment reversal	Total
Land	1 207 650	-	-	-	-	-	-	1 207 650
Buildings	3 549 498	-	-	-	-	(54 062)	-	3 495 436
Machinery and equipment	349 658	-	-	-	-	(116 030)	-	233 628
Furniture and Office Equipment	1 085 742	16 983	25 421	-	-	(190 349)	-	937 797
Transport Assets	1 421 073	-	1 997 879	-	-	(289 807)	-	3 129 145
Computer Equipment	533 342	108 387	-	-	-	(107 451)	-	534 278
Leased Furniture and Office Equipment	368 261	-	-	-	-	(220 515)	-	147 746
	8 515 224	125 370	2 023 300	-	-	(978 214)	-	9 685 680

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	WIP Additions	Disposals	Residual Value adjustments	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
	8 490 398	841 540	-	(94 516)	-	(725 439)	3 241	8 515 224

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7. Property, plant and equipment (continued)

Pledged as security

Leased Property, Plant and Equipment of R240 644 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

Transport assets	1 997 880	-
Office equipment	25 421	-
	<u>2 023 301</u>	<u>-</u>

A specialised Fire truck was purchased before year end, but only received after year end in a working condition as required by management.

Additional Biometric scanners were received after year end and have not yet been installed for use/connected to the network.

No property, plant and equipment is taking a significantly longer period of time to complete than was expected.

No Property, plant and equipment's construction has been halted either in the current or prior period.

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	210 619	102 613
Inventory consumed	-	19 336
Operational Cost	11 157	-
	<u>221 776</u>	<u>121 949</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 2021/2022 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:

	2021/2022	2022/2023	2023/2024
Computer Equipment	7 224	101 006	102 440
Computer Software and applications	5 483	10 407	11 541
Furniture and office equipment	(129 770)	222 249	226 230
Machinery and Equipment	(56 273)	86 765	88 937
	<u>(173 336)</u>	<u>420 427</u>	<u>429 148</u>

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8. Intangible assets

	2022		2021			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	138 395	(91 135)	47 260	134 612	(54 644)	79 968

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	79 968	3 783	-	(36 491)	47 260
	79 968	3 783	-	(36 491)	47 260

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	97 499	30 599	(11 984)	(36 146)	79 968
	97 499	30 599	(11 984)	(36 146)	79 968

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Notes to the Audited Annual Financial Statements

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8. Intangible assets (continued)

The following material intangible assets are included in the carrying value above:

Microsoft software and other software	47 260	79 968
	<u>47 260</u>	<u>79 968</u>

Other information

There are no intangible assets in the process of being constructed or developed.

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 contractual commitments for the acquisition of intangible assets.

No service concession arrangements are applicable to the Municipality.

There are no intangible assets pledged as security for liabilities.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
9. Current employee benefits		
Designated at fair value		
Current Portion of Ex Gratia Benefits - Refer to Note 13	-	150 898
Current Portion of Long Service Provisions - Refer to Note 13	114 000	504 000
Current Portion of Post Retirement Benefits - Refer to Note 13	901 000	840 000
Provision for Performance Bonuses	473 108	623 364
Provision for Staff Leave	2 300 361	2 129 676
Staff Bonuses Accrued	1 267 138	1 189 474
	5 055 607	5 437 412
The movement in current employee benefits are reconciled as follows:		
Provision for Staff Leave		
Balance at beginning of year	2 129 676	2 197 838
Contribution to current portion	577 040	184 220
Expenditure incurred	(406 355)	(252 382)
	2 300 361	2 129 676
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 Bonuses		
Balance at beginning of year	623 364	394 027
Contribution to current portion	161 426	229 337
Expenditure incurred	(311 682)	-
	473 108	623 364
Staff Bonuses Accrued		
Balance at beginning of year	1 189 474	1 097 994
Correction of error	-	(22 793)
Contribution to current portion	2 592 469	2 154 310
Expenditure incurred	(2 514 805)	(2 040 037)
	1 267 138	1 189 474
Bonuses 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.		
Please refer to note 29 for prior year errors relating to this note.		
Provision for Termination of Contract		
Balance at beginning of year	-	2 033 641
Expenditure incurred	-	(2 033 641)
	-	-

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
9. Current employee benefits (continued)		
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.		
10. Unspent conditional grants and receipts		
National Government Grants	1 272 220	1 967 193
Provincial Government Grants	4 111 009	1 633 368
Other Grant Providers	201 784	273 195
Less Unpaid Grants		
Other Grants	(209 968)	-
	5 375 045	3 873 756

Reconciliation of Unspent Conditional Grants and Receipts

National Government Grants		
Rural Roads Asset Management Grant	1 130 983	1 967 192
Local Government Financial Management Grant	141 237	-
Provincial Government Grants		
FMG Graduate Internship Programme (Disaster Management)	11 673	9 448
Western Cape Financial Management Support Grant	9 485	-
Western Cape Financial Management Capacity Building Grant	395 715	583 375
Fire Service Capacity Building Grant	-	-
Safety Initiative implementation - Whole of Society Approach (WOSA)	344 136	1 040 546
Joint District and Metro Approach Grant	1 800 000	-
Local Government Public Employment Support Grant	200 000	-
Municipal Drought Relief Grant	1 350 000	-
Other Grant Providers		
The Chemical industries Education and Traing Authority	(209 968)	71 411
Local Government Sector and Training Authority	201 784	201 784
	5 375 045	3 873 756

All the unspent conditional grants are cash backed. The Covid 19 Pandemic still had an effect on the spending of grants. The Municipality is currently busy with the Roll-over application process.

The Joint District and Metro Approach Grant as well as the Local Government Public Employment Support Grant were not included in an adjustment budget within 60 days of receipt in the 2021/2022 financial year - as required by the Local Government: Municipal Finance Management Act, 2003 Municipal Budget and Reporting Regulations par 23(3). There is a possibility that the Municipality will have to repay this in the new year.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
11. Finance lease obligation		
Minimum lease payments due		
- within one year	153 393	153 393
- in second to fifth year inclusive	102 262	255 655
	<u>255 655</u>	<u>409 048</u>
less: future finance charges	(15 011)	(36 896)
Present value of minimum lease payments	<u>240 644</u>	<u>372 152</u>
Present value of minimum lease payments due		
- within one year	141 015	131 508
- in second to fifth year inclusive	99 629	240 644
	<u>240 644</u>	<u>372 152</u>
Non-current liabilities	99 629	240 644
Current liabilities	141 015	131 508
	<u>240 644</u>	<u>372 152</u>

Refer to Appendix A for the detailed capitalised lease liability.

12. Payables from exchange transactions

Trade payables	2 040 258	5 428 205
Debtors with credit balances	5 538	24 319
Sundry Creditors	(260 690)	608 277
Department of transport and public works	-	1 414 235
	<u>1 785 106</u>	<u>7 475 036</u>

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 did not always occur timeously throughout the year.

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 payment may arise if payment is not done.

13. Employee benefit obligations

Post Retirement Medical Aid Benefits

Present value of fund obligation at the beginning of the year	13 020 000	12 772 000
Contribution for the year	281 000	205 000
Interest cost	1 217 000	1 516 000
Benefits paid	(837 141)	(864 182)
Actuarial (Gain)/Loss	(309 859)	(608 818)
Less: Transfer of Current Portion - Refer to Note 9	(901 000)	(840 000)
	<u>12 470 000</u>	<u>12 180 000</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures In Rand	2022	2021
13. Employee benefit obligations (continued)		
Long Service Awards		
Present value of fund obligation at the beginning of the year	2 556 000	2 653 000
Contribution for the year	231 000	251 000
Interest cost	212 000	222 000
Benefits paid	(417 742)	(220 749)
Actuarial (Gain)/Loss	(231 258)	(349 251)
Less: Transfer of Current Portion - Refer to Note 9	(114 000)	(504 000)
	<u>2 236 000</u>	<u>2 052 000</u>
Ex-Gratia Benefits		
Present value of fund obligation at the beginning of the year	169 387	401 000
Interest Cost	7 960	22 000
Benefits paid	(180 768)	(145 263)
Actuarial Loss/(Gain)	3 421	(108 350)
Less: Transfer of Current Portion - Refer to Note 9	-	(150 898)
	<u>-</u>	<u>18 489</u>
TOTAL NON-CURRENT EMPLOYEE BENEFITS		
Opening balance	15 745 387	15 826 000
Contribution for the year	512 000	456 000
Interest cost - Refer to Note 21	1 436 960	1 760 000
Benefits paid	(1 435 651)	(1 230 194)
Actuarial Gain for the year	(537 696)	(1 066 419)
Transfer of Current portion - Note 9	(1 015 000)	(1 494 898)
	<u>14 706 000</u>	<u>14 250 489</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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13. Employee benefit obligations (continued)

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	35	32
Current (In Service) Non-members	102	114
Continuation members (e.g. Retirees, widows, orphans)	23 %	22 %
Total members	160	168

The amount recognised in the Statement of Financial Position:

Current (In Service) members	2 788 000	2 918 000
Current (In Service) Non-members	1 059 000	951 000
Continuation members	9 524 000	9 151 000
	13 371 000	13 020 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2020	2019	2018
Total liability	12 772 000	13 921 000	16 087 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;

LA Health

Samwumed

Key Actuarial assumptions used:

Rate of Interest

Discount rate	Yield curve	10.85 %
Health Care Cost Inflation Rate	CPI + 1,5%	7.77 %
Net-of-health-care-cost-inflation Discount Rate	Yield curve based	2,86 %

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 10.85% per annum has been used. The corresponding index-linked yield at this term is 3.84%. 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 1 June 2022.

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

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
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13. Employee benefit obligations (continued)

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

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	13 020 000	12 772 000
Current service cost	281 000	205 000
Interest cost	1 217 000	1 516 000
Benefits paid	(840 000)	(866 439)
Actuarial (Gains)/Losses	(307 000)	(606 561)
Transfer of Current Portion - Note 9	(901 000)	(840 000)
Non - current Portion	12 470 000	12 180 000

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	13 792 000	13 371 000	12 950 000
Current Service Cost	288 000	281 000	274 000
Interest Cost	1 256 000	1 217 000	1 178 000

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	-	13 371 000	-
Current Service Cost	238 000	281 000	318 000
Interest Cost	R 1 106 000	R 1 217 000	R 1 636 000

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, 2022

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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	99	103
Other	38	43
As at year end, the following number of employees were eligible for Long Service Bonuses	137	146

Key Actuarial assumptions used:

Rate of Interest

Discount rate	Yield Curve	10.46%
General earnings Inflation rate (long-term)	Equal to CPI+1%	6.92%
Net Effective Discount Rate applied to earning-related Long Service Bonuses	Yield curve based	3.31%

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 10.46% 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 3.82%. 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 1 June 2022. The duration of the total liability was estimated to be 9.75 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.

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, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand 2022 2021

13. Employee benefit obligations (continued)

The amount recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	2 350 000	2 556 000
	<u>2 350 000</u>	<u>2 556 000</u>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2020	2019	2018
	<u>2 653 000</u>	<u>2 208 000</u>	<u>2 119 000</u>

Reconciliation of present value of fund obligation (LSA):

Present value of fund obligation at the beginning of the year	2 556 000	2 653 000
Current service cost	231 000	251 000
Interest cost	212 000	222 000
Benefits paid	(417 742)	(220 749)
Actuarial (gain)/losses	(231 258)	(349 251)
Transfer of Current Portion - Note 9	(114 000)	(504 000)
Non - current Portion	<u>2 236 000</u>	<u>2 052 000</u>

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	2 655 000	2 350 000	1 907 000
Current Service cost	284 000	231 000	163 000
Interest cost	239 000	212 000	173 000
	<u>3 178 000</u>	<u>2 793 000</u>	<u>2 243 000</u>

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	2 218 000	2 350 000	2 495 000
Current Service cost	213 000	231 000	252 000
Interest cost	201 000	212 000	226 000
	<u>2 632 000</u>	<u>2 793 000</u>	<u>2 973 000</u>

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

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13. Employee benefit obligations (continued)

13.3 Ex Gratia Benefits

The Ex-Gratia plans are defined benefit plans. Following the exit of the four remaining employees eligible for the Ex-Gracia benefit since the last valuation, there were no employees entitled to the benefit at this valuation.

Number of employees eligible for Ex-Gratia Benefits:

Roads	0	4
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Key actuarial assumptions used:

Discount rate	None Required	8.34%
Benefit increase rate (CPI inflation)	None Required	5.49%
Net Effective Discount Rate	None Required	2.70%

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."

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.

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	169 387	401 000
Interest paid	7 960	22 000
Benefits paid	(183 504)	(145 263)
Actuarial losses/(gains)	6 157	(108 350)
Transfer of Current Portion - Note 11	-	(150 898)
	-	18 489

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
Interest Cost	7 813	7 960	8 116

13.4 Retirement Funds

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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13. Employee benefit obligations (continued)

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.

14. Straight Service Charge

Department of Transport and Public Works	5 106 478	4 793 044
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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 55 881 387.

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.

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.

15. Operational Revenue

Admin fee	7 087	8 765
Commission	44 451	38 013
LG Seta Admin fee	38 730	53 395
Photocopies, telephone, sale of tenders and other	40 016	24 756
	<u>130 284</u>	<u>124 929</u>

16. Interest Received

Interest revenue		
Bank	359 521	183 327
Call Investment Deposits	445 023	601 839
	<u>804 544</u>	<u>785 166</u>

17. Government grants and subsidies

Operating grants		
Government Grants and Subsidies - Operational	40 508 168	41 118 501
Capital grants		
Government Grants and Subsidies - Capital	1 925 000	-
	<u>42 433 168</u>	<u>41 118 501</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
17. Government grants and subsidies (continued)		
Conditional and Unconditional Government Grants:		
Included in above are the following grants and subsidies received:		
Conditional grants received	9 165 168	8 326 501
Unconditional grants received	33 268 000	32 792 000
	<u>42 433 168</u>	<u>41 118 501</u>

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share	33 268 000	32 792 000
Public safety	1 983 328	-
Executive and Council	1 579 079	250 000
Corporate services	1 701 579	4 986 032
Planning and Development	2 797 619	-
Finance	858 763	1 000 000
Municipal Manager	244 800	2 090 469
	<u>42 433 168</u>	<u>41 118 501</u>

Conditions still to be met - remain liabilities (see note 10).

Equitable share

Current-year receipts	33 268 000	32 792 000
Conditions met - transferred to revenue	(33 268 000)	(32 792 000)
	<u>-</u>	<u>-</u>

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

Local Government Financial Management Grant (FMG)

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(858 763)	(1 000 000)
	<u>141 237</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 10).

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (Eg: Salary costs of the Financial Management Interns).

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17. Government grants and subsidies (continued)		
Other Grants		
Balance unspent at beginning of year	3 873 756	4 870 885
Current-year receipts	11 926 279	7 364 382
Conditions met - transferred to revenue	(8 306 405)	(7 326 501)
Repayments during the year	(2 259 822)	(1 035 010)
	<u>5 233 808</u>	<u>3 873 756</u>

Various grants were received from other spheres of Government.

Refer to Appendix B for the detailed disclosure of Grants and Subsidies.

18. Employee related costs

Employee Related Costs - Salaries and Wages	37 916 765	35 247 402
Bonuses	2 373 651	2 367 766
Contributions for UIF, Pensions and Medical Aids	8 766 564	7 978 633
Overtime payments	1 115 075	1 383 481
Long-service awards	209 000	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	1 778 632	1 260 213
Current service cost	228 000	211 000
Housing Benefits and Allowances	280 401	336 910
Leave Provision	766 483	181 257
Provision adjustment - Employee benefits	-	203 613
	<u>53 434 571</u>	<u>49 170 275</u>

Please refer to note 29 for prior year errors relating to this note.

Remuneration of Municipal Manager - Mr S Jooste

Annual Remuneration	-	596 641
Car Allowance	-	36 000
Performance Bonuses	-	-
Cellphone allowance	-	21 000
Contributions to UIF, Medical and Pension Funds	-	892
Other benefits and allowances	-	44 347
	-	<u>698 880</u>

Mr S Jooste resigned with an effective date of 30 June 2020. He received a package payout that reflected accordingly.

Remuneration of Municipal Manager - Dr SW Vatala

Annual Remuneration	900 179	-
Car Allowance	70 000	-
Performance Bonuses	-	-
Cellphone allowance	30 000	-
Contributions to UIF, Medical and Pension Funds	40 710	-
Other benefits and allowances	118 913	-
	<u>1 159 802</u>	<u>-</u>

Dr SW Vatala commenced with his appointment on 1 September 2021.

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18. Employee related costs (continued)

Remuneration of Chief Finance Officer - Ms U Baartman

Annual Remuneration	115 794	692 677
Car Allowance	26 503	159 018
Performance Bonuses	155 841	-
Cellphone allowance	5 000	35 000
Contributions to UIF, Medical and Pension Funds	31 148	164 930
Other benefits and allowances	58 889	91 729
Acting Allowance - Municipal Manager	-	2 712
	<u>393 175</u>	<u>1 146 066</u>

Ms U Baartman resigned with an effective date of 31 August 2021.

Remuneration of Chief Finance Officer - Mr MR Abdullah

Annual Remuneration	413 789	-
Car Allowance	-	-
Performance Bonuses	-	-
Cellphone allowance	12 500	-
Contributions to UIF, Medical and Pension Funds	19 684	-
Other benefits and allowances	30 343	-
	<u>476 316</u>	<u>-</u>

Mr MR Abdullah commenced with his appointment on 1 February 2022.

Remuneration of Manager: Corporate Services - Mr J Jonkers

Annual Remuneration	442 995	781 174
Car Allowance	78 312	144 000
Performance Bonuses	155 841	-
Cellphone allowance	16 315	35 000
Contributions to UIF, Medical and Pension Funds	67 131	100 277
Other benefits and allowances	37 757	82 725
Acting Allowance - Municipal Manager	73 077	28 294
	<u>871 428</u>	<u>1 171 470</u>

Mr J Jonkers resigned with an effective date of 16 January 2022.

Remuneration of Manager: Corporate Services - Dr RR Links

Annual Remuneration	66 517	-
Car Allowance	20 000	-
Performance Bonuses	-	-
Cellphone allowance	2 500	-
Contributions to UIF, Medical and Pension Funds	177	-
Other benefits and allowances	6 069	-
	<u>95 263</u>	<u>-</u>

Dr RR Links commenced with his appointment on 1 June 2022.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
18. Employee related costs (continued)		
Total Remuneration of Key Management Personnel		
Annual Remuneration	1 939 273	2 070 492
Car Allowance	194 815	339 018
Performance Bonuses	311 682	-
Cellphone Allowance	66 315	91 000
Contributions to UIF, Medical and Pension Funds	158 849	266 099
Other benefits and allowances	251 970	218 801
Acting Allowance	73 077	31 006
	2 995 981	3 016 416
19. Remuneration of councillors		
Executive Major	612 407	906 635
Executive Committee Members	1 381 552	1 135 719
Councillors	1 885 214	1 734 599
	3 879 173	3 776 953
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.		
Gazette number 46470 pertaining to the Remuneration of public office bearers act 20 of 1998 - Determination of the upper limits of the salaries, allowances and benefits of different members of municipal councils - was only published on the 2nd of June 2022.		
Council is required to approve this gazette and apply to the MEC for permission to implement the proposed increases. This will result in backpay in the new financial year still to be quantified.		
20. Depreciation and amortisation		
Property, plant and equipment	978 215	725 439
Intangible assets	36 491	36 146
	1 014 706	761 585
21. Finance costs		
Employee benefits	1 439 187	1 760 579
Less: Employee benefits transferred to Roads	(719 960)	(876 000)
Finance leases	21 885	9 522
	741 112	894 101
22. Debt impairment		
Debt impairment	-	30 467
Bad debts written off	82 256	-
	82 256	30 467

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
23. Transfers and Subsidies		
Other subsidies		
Bursaries and study assistance provided	1 354 286	253 700
Money allocations to B Municipalities	1 579 079	800 000
	<u>2 933 365</u>	<u>1 053 700</u>
24. Contracted services		
Other Contractors	<u>5 219 853</u>	<u>8 922 006</u>
25. Inventory consumed		
Materials, supplies and other consumables	<u>11 251 702</u>	<u>9 131 923</u>
26. Operational cost		
Administration costs - Roads	5 869 000	5 512 000
Advertising	145 689	148 496
Auditors remuneration	3 222 289	3 252 043
Bank charges	30 426	26 820
Bursaries (Employees)	152 288	100 050
Membership fees	595 075	589 935
Entertainment	355	7 386
Insurance	347 272	534 709
Employee Wellness	-	1 250
Computer expenses	2 509 850	2 635 509
Courier Fees	45 482	75 840
Telephone and postage	697 440	618 543
Training	401 524	-
Travel and Subsistence	2 144 345	1 295 388
Travel and Subsistence - Council	-	359 280
Rates	-	227 388
Registration and Congress Fees	147 390	81 987
Uniforms	276 964	-
Sundry Projects	3 148 799	2 768 037
Printing	154 447	501 860
Vehicle licences	23 556	24 453
Electricity, water & sanitation	864 200	713 124
Resettlement Costs	3 776	27 145
Signage Costs	44 303	-
Samples and Specimens	32	30 085
Workmen's Compensation Contributions	262 830	248 345
	<u>21 087 332</u>	<u>19 779 673</u>
27. Auditors' remuneration		
Fees	<u>3 222 289</u>	<u>3 252 043</u>
	<u>3 222 289</u>	<u>3 252 043</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
28. Cash (used in) generated from operations		
Surplus	5 471 031	6 301 960
Adjustments for:		
Depreciation and amortisation	1 014 706	761 585
(Gain)/Loss on disposal of assets and liabilities	-	106 501
Reversal of impairment loss	-	(3 241)
Reversal on inventory NRV	28 572	-
Contribution to debt impairment provision	-	30 467
Bad debts written off	82 256	-
Government Grants and Subsidies paid back	(2 259 822)	(1 035 010)
Government Grants and Subsidies received	46 194 279	41 156 382
Government Grants and Subsidies recognised as revenue	(42 433 168)	(41 118 501)
Contribution to current employee benefits	(381 805)	(1 526 294)
Contribution to non-current employee benefits	993 207	753 908
Non-cash movement in employee benefits	(293 337)	343 054
Actuarial (Gains)/Losses	(537 696)	(1 066 419)
Reversal of contribution to debt impairment provision	(82 255)	-
Changes in working capital:		
Inventories	60 768	(193 267)
Receivables from non-exchange transactions	(8 605 174)	246 997
Employee Benefit Receivables	375 724	(239 234)
Payables from exchange transactions	(6 407 529)	2 980 861
Decrease in taxes	(626 446)	(465 107)
	<u>(7 406 689)</u>	<u>7 034 642</u>
29. Prior period errors		
Accumulated Surplus		3 866 983
Balance previously reported as at 1 July 2020		(226 166)
VAT portion on the audit fees relating to the roads payment contribution adjusted		<u>3 640 817</u>
Restated Balance as at 1 July 2020		3 640 817
Surplus for the 2020/21 year as previously reported		6 449 875
I Zempie should have been a creditor and should have been included in the expense		(94 454)
Incorrect bonus provision inclusion corrected		22 793
Accrued Reimbursive costs for 25 June to 30 June 2021 not provided for previously		(20 673)
Inventory consumed creditors identified in the Creditors Recon		(27 543)
Operational Cost creditors identified in the Creditors Recon		(27 457)
Finance Cost creditors identified in the Creditors Recon		(579)
Surplus for the 2020/21 year as restated		<u>6 301 962</u>
		-
Restated Balance as at 1 July 2021		<u>9 942 779</u>
Payables from exchange transactions		7 301 168
Balance previously reported		94 454
I Zempie should have been a creditor and should have been included in the expense		58 739
Creditors previously not brought in as part of the sub-ledger		20 673
Accrued Reimbursive costs for 25 June to 30 June 2021 not provided for previously		<u>7 475 034</u>
Restated Balance		<u>7 475 034</u>

This prior year error relates to note 12.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
29. Prior period errors (continued)		
VAT		
Balance previously reported		796 598
VAT portion on the audit fees relating to the roads payment contribution adjusted		(226 166)
VAT on creditors previously not brought in		3 160
Restated Balance		573 592
This prior year error relates to note 4.		
Current Employee Benefits - Staff Bonuses accrued		
Balance previously reported		1 212 267
Incorrect bonus provision inclusion corrected		(22 793)
Restated Balance		1 189 474
This prior year error relates to note 9.		
Inventory Consumed		
Balance previously reported		9 104 379
Creditors previously not brought in as part of the sub-ledger		27 543
Restated Balance		9 131 922
Finance costs		
Balance previously reported		893 522
Creditors previously not brought in as part of the sub-ledger		579
Restated Balance		894 101
Employee related costs		
Balance previously reported		49 091 098
I Zempie should have been a creditor and should have been included in the expense		94 454
Incorrect bonus provision inclusion corrected		(22 793)
Accrued Reimbursable costs for 25 June to 30 June 2021 not provided for previously		7 516
Restated Balance		49 170 275
This prior year error relates to note 18.		
Remuneration of Councillors		
Balance previously reported		3 774 747
Accrued reimbursable costs for 25 June to 30 June 2021 not provided for previously		2 206
Restated Balance		3 776 953
Operational Cost		
Balance previously reported		19 741 265
Accrued reimbursable costs for 25 June to 30 June 2021 not provided for previously		10 951
Creditors previously not brought in as part of the sub-ledger		27 457
Restated Balance		19 779 673

Disclosure amendments made relating to the prior year:

Interest Received for the year has been moved from note 6 to it's note 16 this year.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
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29. Prior period errors (continued)

Transfers and Subsidies was disclosed in note 44 in the prior year and is now disclosed under note 23.

The impact on the surplus due to changes in interest rate risk disclosure was adjusted for the prior year in note 38.

The ratios in the financial sustainability note 36 were amended year on year.

The naming of the disclosures relating to the National Treasury budget schedules was updated to reflect the latest descriptions in the budget comparison and other relevant disclosures.

The prior year Other Grants section of note 17 was corrected to show the FMG grant movement separately.

See below for a summary of GRAP 3 amendments effect on the financial statements:

Statement of financial performance	Balance as previously reported	Re-classifications	Prior period errors	Restated Balance
	-	-	-	-
Actuarial gains	1 066 419	-	-	1 066 419
Straight service charges	4 793 044	-	-	4 793 044
Department of Transport - Roads Service Charges	51 959 456	-	-	51 959 456
Reversal on impairment loss	3 241	-	-	3 241
Interest received	785 166	-	-	785 166
Licences and permits	27 100	-	-	27 100
Operational Revenue	124 930	-	-	124 930
Rental from fixed assets	51 288	-	-	51 288
Government grants and subsidies	41 118 501	-	-	41 118 501
Employee related cost	(49 091 098)	-	(79 177)	(49 170 275)
Remuneration of Councillors	(3 774 747)	-	(2 206)	(3 776 953)
Depreciation and amortisation	(761 585)	-	-	(761 585)
Loss on disposal of assets and liabilities	(106 501)	-	-	(106 501)
Finance costs	(893 522)	-	(579)	(894 101)
Debt Impairment	(30 467)	-	-	(30 467)
Transfers and Subsidies	(1 053 700)	-	-	(1 053 700)
Inventory consumed	(9 104 379)	-	(27 544)	(9 131 923)
Contracted services	(8 922 006)	-	-	(8 922 006)
Operational Cost	(19 741 265)	-	(38 408)	(19 779 673)
	6 449 875	-	(147 914)	6 301 961

30. Unauthorised expenditure

Opening balance as previously reported	8 865 202	8 795 509
Opening balance as restated	8 865 202	8 795 509
Add: Current Year Operating Expenditure	170 200	69 693
Add: Expenditure identified - current	3 695 101	-
Add: Expenditure identified - prior period	-	-
Less: Approved/condoned/authorised by council	-	-
Closing balance	12 730 503	8 865 202

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

Figures in Rand 2022 2021

30. Unauthorised expenditure (continued)

Unauthorised expenditure for the year can be summarised as follows:

2022	Budget Expenditure	Actual Expenditure	Variance	Recalculate Unauthorised
Finance	13 380 000	17 075 101	(3 695 101)	(3 695 101)
Corporate Services	31 708 000	18 298 733	13 409 267	-
Municipal Manager	3 621 000	2 280 945	1 340 055	-
Executive and Council	8 526 000	7 953 203	572 797	-
Technical Services	54 952 000	54 036 088	915 912	-
	112 187 000	99 644 070	12 542 930	(3 695 101)

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)

31. 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	12 089	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	177 974	165 885

The opening balance of Fruitless and wasteful expenditure - as well as Irregular expenditure - formed part of a forensic investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure performed during the 2020/2021 financial year.

The Covid 19 pandemic resulted in a significant delay in the process that was to follow, but was covered by Government Gazette 429 providing exemption from the MFMA and its relevant regulations until the state of disaster is lifted.

The effect of this investigation on fruitless and wasteful expenditure's recoverability is not known at this time.

32. 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	6 669 799	-
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	37 629 043	30 959 244

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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32. Irregular expenditure (continued)

Amounts potentially recoverable

Recoverability, condonement and disciplinary steps of all other irregular expenditure will be evaluated by Council in terms of section 32 of MFMA.

After a forensic investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure was performed during the 2020/2021 financial year, the following defendants were noted as being responsible for the amounts mentioned below:

Mr S Jooste (Previous Municipal Manager)	5 119 500	5 119 500
Africa Creek Investment (Pty) Ltd	4 507 500	4 507 500
Mr Jonton Snyman	4 507 500	4 507 500
NB Wilson & Associates	612 000	612 000
Mr Lance Wilson	612 000	612 000
Mrs Lorraine Wilson	612 000	612 000
	<u>15 970 500</u>	<u>15 970 500</u>

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.

33. 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	573 681	534 805
Amount paid - current year	(573 681)	(534 805)
Amount paid - previous years	-	-
	<u>-</u>	<u>-</u>

Audit fees - [MFMA 125 (1)(c)]

Opening balance	4 140 261	1 765 705
Correction of prior period error	226 166	-
Restated opening balance	<u>4 366 427</u>	<u>1 765 705</u>
Current year fee	3 222 290	3 252 043
Amount paid - current year	(3 013 039)	(877 487)
Amount paid - previous years	(4 366 427)	-
	<u>209 251</u>	<u>4 140 261</u>

PAYE, SDL and UIF - [MFMA 125 (1)(c)]

Opening balance	-	790 363
Current year subscription / fee	8 572 220	8 420 657
Amount paid - current year	(8 572 220)	(8 420 657)
Amount paid - previous years	-	(790 363)
	<u>-</u>	<u>-</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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33. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year subscription / fee	12 473 542	10 820 544
Amount paid - current year	(12 473 542)	(10 820 544)
Amount paid - previous years	-	-
	<u>-</u>	<u>-</u>

VAT - [MFMA 125 (1)(c)]

VAT receivable	<u>1 200 038</u>	<u>573 592</u>
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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.

Councillors' outstanding debt to municipality

The following Councillors and former Councillors had arrear amounts outstanding for more than 90 days at 30 June, 2022:

30 June 2022	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	-	41 841	41 841
Councillor G de Vos	-	1 170	1 170
Councillor M Daniels	-	737	737
Councillor J Jonas	-	4 515	4 515
Councillor T Prince	-	439	439
Councillor GP Adolph	-	2 511	2 511
	<u>-</u>	<u>120 479</u>	<u>120 479</u>
30 June, 2021	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
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
	<u>-</u>	<u>127 779</u>	<u>127 779</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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33. 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).

2022

	Up to R30 000	Between R30 000 and R200 000
Emergency	-	47 049
Impractical	494 679	2 684 923
Sole Supplier/Agent	968 790	309 736
	1 463 469	3 041 708

	Amount	Sole Supplier/ Agent	Impractical	Emergency
July	164 446	5	7	0
August	116 141	3	4	0
September	734 904	20	9	0
October	250 278	17	9	0
November	289 914	11	5	0
December	85 751	5	6	0
January	103 961	5	5	0
February	217 837	6	5	0
March	187 064	14	6	0
April	447 901	9	1	1
May	1 620 870	13	8	0
June	286 111	4	7	0
	4 505 178	112	72	1

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

CENTRAL KAROO DISTRICT MUNICIPALITY

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Figures in Rand	2022	2021
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33. Additional disclosure in terms of Municipal Finance Management Act (continued)

	Amount	Sole Supplier/ Agent	Impractical	Emergency
Prior period regulation 32 contracts	-			
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

Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]

Non-compliance with MFMA Section 24

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.

Non-compliance with MFMA Section 71

The monthly in-year budget report was not always timeously submitted during the financial year.

Non-compliance with MFMA Section 65 (2) (e)

Money owing by the municipality was not paid within 30 days of receiving the relevant invoice or statement from the supplier.

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	2 550	15 905
Beaufort West Luxury Coaches	8 990	89 600
Admiror Trading	43 989	31 929
AH Enterprises	-	110 078
Clear-cut events	-	10 125
Mubesko Africa	1 571 662	490 230
Illanja Sweiswerke t/a B en B Sweiswerke	80 214	180 181
Alfreda Elrico Hermanus	54 397	-
Magrietha Heibrecht Jacobs	830	-
TNA General Services (Pty) Ltd	4 255	-
	1 766 887	928 048

34. 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, 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
35. Financial instruments disclosure		
Financial assets		
Receivables from non-exchange transactions	9 584 978	979 804
Call Investment Deposits	7 689 957	11 242 552
Bank balances	5 214 715	10 635 167
Cash on hand	1 294	1 300
	22 490 944	22 858 823
Financial liabilities		
Non-current Capitalised Lease Liability	99 629	240 644
Trade payables	2 040 258	5 428 205
Sundry creditors	(260 690)	608 277
Debtors with credit balances	5 538	24 319
Current capitalised lease liability	141 015	131 508
	2 025 750	6 432 953

36. 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 2.06:1 (2022)

Current assets exceeded current liabilities with the current ratio being 1.52:1 (2021)

Cash Cost Coverage Ratio of 2 months (2022)

Cash Cost Coverage Ratio of 3 months (2021)

Accumulated surplus of R15 413 806 (2022)

Accumulated surplus of R 9 942 775 (2021)

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.

COVID-19 Expenditure

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. The State of Disaster was lifted in April 2022.

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

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36. Financial sustainability (continued)		
Type of expenditure	Nature of expenditure	
Cloth masks	Inventory consumed	15 755 28 480
Sanitiser, sanitiser dispensers and equipment	Inventory consumed	27 835 90 809
Disinfection of premises	Contracted services	13 018 44 976
Disposable and surgical masks	Inventory consumed	13 939 40 880
Face Shields	Inventory consumed	24 990 5 217
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	15 704 11 680
Covid Law Enforcement Monitoring Officers	Employee Related Cost	472 357 204 000
	583 598	445 205
The COVID-19 response expenditure is funded from the following sources:		
Own Funding	76 755	-
Department of Transport - Roads	18 731	65 000
Grant funding	488 112	380 205
	583 598	445 205

CENTRAL KAROO DISTRICT MUNICIPALITY

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2022

2021

37. 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.

There has been no movement on this matter.

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 the matter for almost over 2 years now.

This matter is still ongoing and we are still awaiting a trial date in the High Court.

The costs exposure for the Central Karoo District Municipality could range between R100 000.00 and R200 000.00, inclusive of all other fees that has been paid by the municipality this far.

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.

There has been no movement on this matter for over two years now.

FINANCIAL PERFORMANCE GUARANTEES FOR THE REHABILITATION OF LAND DISTURBED BY PROSPECT MINING IN TERMS OF THE EXECUTION OF ENVIRONMENTAL MANAGEMENT PLAN/PROGRAMME

CENTRAL KAROO DISTRICT MUNICIPALITY

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37. Contingent Liabilities (continued)

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.

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

There has been no movement on this matter for over two years now.

38. 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.

CENTRAL KAROO DISTRICT MUNICIPALITY

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38. Risk management (continued)

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, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	1 785 106	-	-	-
Unspent Government Grants and Receipts	5 375 045	-	-	-
Short-term liabilities				
Capital repayments	153 393	102 262	-	-
Finance cost	(12 378)	(2 633)	-	-
At 30 June, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	7 475 036	-	-	-
Unspent Government Grants and Receipts	3 873 756	-	-	-
Short-term liabilities				
Capital repayments	153 393	255 655	-	-
Finance cost	(21 885)	(15 011)	-	-

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, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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 cash-backed and as a result R5 375 045 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:

	2022	2021
Cash and Cash Equivalents	12 904 672	21 877 719
Receivables from non-exchange transactions	9 562 137	954 582

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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38. Risk management (continued)

Market risk

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
Receivables from non-exchange transactions
Unspent and Unpaid conditional grants and subsidies
Trade and other payables

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:

(2022: 2.00%) (2021: 0,50%) Increase in interest rates	601 395	171 032
(2022: 0,25%) (2021: 0,25%) Decrease in interest rates	(75 174)	(85 516)

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, 2022

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39. Budget Comparison Information

Budget Information

The Annual Budget of the Municipality is prepared for a 2021/22 MTREF period and is applicable from 1 July 2021 until 30 June 2022.

A reconciliation of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial statements is included as an annexure to the financial statements.

Explanation of variances between approved and final budget amounts

GRAP 24 specifically requires reasons for the differences between approved budget and final budget amounts. The main reasons for differences between the approved and final budget is due to additional monies received by the Department of Transport and grant allocation amendments.

Explanation of variances between the final budget and actual figures

Explanation of variances between the final budget and actual amount are provided below. Amounts under R5 000 or a percentage change of less than 10% were seen as not material.

Statement of Financial Position

Ref 1.

Growth in bank by surplus amount.

Ref 2

Late submissions of Roads claims resulted in a slight decline in investable cash.

Ref 3

Roads claims were submitted late, resulting in payments being received after year end. Vat was not budgeted for separately.

Ref 4

Actuarial movements are unpredictable due to external factors beyond the control of the municipality.

Ref 5

In line with general inflation.

Ref 6

Actuarial Movement are unpredictable due to external factors beyond the control of the municipality.

Ref 7

Depreciation was more than budgeted and the MSIG capital budget grant was not received.

Ref 8

Intangible assets were not budgeted for correctly from a Carrying value perspective.

Ref 9

New finance leases from the prior year were not taken into account in the budget process.

Ref 10

Acceptable

Ref 11

Two grants were not brought into the budget, and as such could not be spent during the financial year.

Ref 12

Actuarial Movement are unpredictable due to external factors beyond the control of the municipality.

Ref 13

Non-current Finance leases were omitted during the budget process.

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

Notes to the Audited Annual Financial Statements

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39. Budget Comparison Information (continued)

Ref 14

Actuarial Movement are unpredictable due to external factors beyond the control of the municipality.

Statement of Financial Performance

Ref 15

Additional COVID19 relief provided.

Ref 16

Late submissions of Roads claims resulted in a slight decline in investable cash. This affected our interest earnings

Ref 17

In line with previous year

Ref 18

In line and acceptable

Ref 19

This is determined by National and Provincial Treasury, additional allocations received during the year.

Ref 20

Acceptable variance

Ref 21

Actuarial movements are unpredictable due to external factors beyond the control of the municipality.

Ref 22

Stock variances due to year end system stock take update

Ref 23

Vacant posts not filled / not filled timeously.

Ref 24

Upper limit amendments were only gazetted on 2 June 2022. Thus effect of backpay only to be felt in following year.

Ref 25

Bad debts were written off this year equalling the prior years provision for debt impairment.

Ref 26

Finance leases were in effect for the full financial year whereas they were only depreciated for 3 months in the prior financial year. Change in estimates also contributed to the increase in depreciation year on year.

Ref 27

Finance leases and other finance charge budget items were omitted during the budget process.

Ref 28

Acceptable

Ref 29

The Preferential procurement act court case resulted in a halt in procurement processes which affected expenditure.

Ref 30

Acceptable

Ref 31

Acceptable

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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39. Budget Comparison Information (continued)

Ref 32

A Fire Truck was purchased during the financial year financed via a grant.

Cash Flow Statement

Motivations for amendments made to the original budget is present in the Adjustment Budget report.

40. 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 J Bostander	46 714	46 714
Councillor M Furmen	22 552	22 552
Councillor M Daniels	737	737
Councillor EZ Njadu	41 841	43 388
Councillor G de Vos	1 170	6 923
Councillor J Jonas	4 515	4 515
Councillor T Prince	439	439
Councillor GP Adolph	2 511	2 511
	120 479	127 779

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 18 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.

2022	Staff Leave Obligation	Staff Bonus Obligation	Travel and Subsistence	Total
Municipal Manager	56 775	194 847	47 719	299 341
Chief Financial Officer	31 779	315 882	8 599	356 260
Head Corporate Services	6 386	315 882	25 659	347 927
	94 940	826 611	81 977	1 003 528
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

CENTRAL KAROO DISTRICT MUNICIPALITY

Audited Annual Financial Statements for the year ended 30 June, 2022

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41. Events after the reporting date

The Joint District and Metro Approach Grant as well as the Local Government Public Employment Support Grant were not included in an adjustment budget within 60 days of receipt in the 2021/2022 financial year - as required by the Local Government: Municipal Finance Management Act, 2003 Municipal Budget and Reporting Regulations par 23(3). There is a possibility that the Municipality will have to repay this in the new year.

A legal letter was received from Albert Hibbert Inc Attorneys representing TTM Trading and Projects (Pty) Ltd with regards to a contract dispute with Central Karoo District Municipality (Contract nr: CKDM026/2020/21). Legal costs regarding this potential contingent liability cannot be quantified at this point of time.

Dr SW Vatala (Municipal Manager) and Mr MR Abdullah (Chief Financial Officer) were suspended from their official duties pending investigation on 12 August 2022.

The Accounting Officer further is not aware of any other matter or circumstance arising since the end of the financial year.

42. Statutory Receivables

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	1 200 038	573 592
	<u>1 200 038</u>	<u>573 592</u>

Determination of transaction amount

Statutory receivables are initially measured at transaction value, and subsequently at cost.

43. Contingent Assets

During the previous 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.

Mr S Jooste (Previous Municipal Manager)	5 119 500	5 119 500
Africa Creek Investment (Pty) Ltd	4 507 500	4 507 500
Mr Jonton Snyman	4 507 500	4 507 500
NB Wilson & Associates	612 000	612 000
Mr Lance Wilson	612 000	612 000
Mrs Lorraine Wilson	612 000	612 000
	<u>15 970 500</u>	<u>15 970 500</u>

This is an ongoing investigation.

44. Loss on disposal of assets and liabilities

Intangible assets	-	11 984
Property, plant and equipment	-	94 516
	<u>-</u>	<u>106 500</u>

CENTRAL KAROO DISTRICT MUNICIPALITY

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Notes to the Audited Annual Financial Statements

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45. Impairment of assets		
Reversal of impairments		
Property, plant and equipment	-	(3 241)

In the previous year the condition of certain Property, plant and equipment assets were re-evaluated, resulting in a reversal of previous impairment losses disclosed.

46 REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2022

For management purposes, the municipality is organized 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:

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 - EOA	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	Insect facilities, air quality monitoring, health inspections at shops
	4.5 - Civil Defence	Individually Reported	Disaster Management	Fire Services Support
	4.6 - LED	Aggregated	Governance and Administration	Supporting service departments
	4.7 - Work for water	Aggregated	Governance and Administration	Supporting service departments
Vote 5 - Technical Services	4.8 - IDP	Aggregated	Governance and Administration	Supporting service departments
	4.9 - Human Resources	Aggregated	Governance and Administration	Supporting service departments
	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 KÁROO DISTRICT MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Governance and Administration		Environment health		Disaster Management		Roads Function		Non-Reportable		Total	
	R	R	R	R	R	R	R	R	R	R	R	R
SEGMENT REVENUE												
External revenue from exchange transactions	6 080 216	33 076	-	55 881 387	-	-	-	-	-	-	-	61 984 682
Rental of Facilities and Equipment	77 179	-	-	-	-	-	-	-	-	-	-	77 179
Interest Earned - External Investments	804 844	-	-	-	-	-	-	-	-	-	-	804 844
Interest Earned - Outstanding Debtors	460	-	-	-	-	-	-	-	-	-	-	460
Licences and Permits	5 188 033	33 078	-	55 881 387	-	-	-	-	-	-	-	61 112 498
Other Revenue	41 137 983	-	58 328	-	-	-	-	-	-	-	-	41 185 421
External revenue from non-exchange transactions	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Agency Services	40 488 970	-	58 328	-	-	-	-	-	-	-	-	40 546 897
Transfers Recognised - Operational	648 524	-	-	-	-	-	-	-	-	-	-	648 524
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Gains	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	47 217 309	33 078	58 328	55 881 387	-	-	-	-	-	-	-	103 190 102
SEGMENT EXPENDITURE												
Employee Related Costs	18 159 365	4 840 821	1 249 262	29 391 332	-	-	-	-	-	-	-	53 434 571
Remuneration of Councilors	8 879 174	-	-	-	-	-	-	-	-	-	-	8 879 174
Debt Impairment	82 256	-	-	-	-	-	-	-	-	-	-	82 256
Depreciation and Asset Impairment	666 115	17 451	331 140	-	-	-	-	-	-	-	-	1 014 705
Finance Charges	740 879	0	-	238	-	-	-	-	-	-	-	741 111
Inventory consumed	395 631	8 751	31 785	10 875 594	-	-	-	-	-	-	-	11 251 702
Contracted Services	2 714 844	50 265	24 532	2 427 212	-	-	-	-	-	-	-	5 219 853
Transfers and Grants	2 933 365	-	-	-	-	-	-	-	-	-	-	2 933 365
Other Expenditure	9 286 641	236 965	142 826	11 421 862	-	-	-	-	-	-	-	21 087 393
Losses	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	38 792 265	4 955 992	1 779 604	54 115 209	-	-	-	-	-	-	-	99 644 070
Surplus/(Deficit)	8 425 044	(4 922 914)	(1 721 277)	1 765 179	-	-	-	-	-	-	-	3 546 033
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	1 925 000	-	-	-	-	-	-	-	-	1 925 000
Surplus/(Deficit) after Capital Transfers & Contributions	8 425 044	(4 922 914)	203 728	1 765 179	-	-	-	-	-	-	-	5 471 033
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	8 425 044	(4 922 914)	203 728	1 765 179	-	-	-	-	-	-	-	5 471 033
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	8 425 044	(4 922 914)	203 728	1 765 179	-	-	-	-	-	-	-	5 471 033
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	8 425 044	(4 922 914)	203 728	1 765 179	-	-	-	-	-	-	-	5 471 033
* 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.												
Capital Expenditure for the year	184 973,34	19 800,00	1 987 880,00	-	-	-	-	-	-	-	-	2 152 453,34

CENTRAL KANOO 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	R	R	R	R	R	R
SEGMENT REVENUE												
External revenue from exchange transactions	5 575 512	27 100	218	52 040 354	-	-	-	-	-	-	-	57 744 222
Rentals of Facilities and Equipment	51 288	-	-	-	-	-	-	-	-	-	-	51 288
Interest Earned - External Investments	704 227	-	-	80 939	-	-	-	-	-	-	-	785 166
Interest Earned - Outstanding Debts	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	4 920 997	27 100	218	51 559 455	-	-	-	-	-	-	-	56 980 659
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
External revenue from non-exchange transactions	42 119 167	-	85 753	-	-	-	-	-	-	-	-	42 154 920
Dividends Received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Agency Services	41 052 748	-	-	-	-	-	-	-	-	-	-	41 118 501
Transfers Recognised - Operational	1 066 419	-	85 753	-	-	-	-	-	-	-	-	1 066 419
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Gains	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (including capital transfers and contributions)	47 795 679	27 100	85 969	52 040 354	-	-	-	-	-	-	-	99 929 142
SEGMENT EXPENDITURE												
Employee Related Costs	16 739 065	3 719 322	1 023 949	27 697 537	-	-	-	-	-	-	-	49 170 273
Remuneration of Councilors	3 776 953	-	-	-	-	-	-	-	-	-	-	3 776 953
Debt Impairment	30 467	-	-	-	-	-	-	-	-	-	-	30 467
Depreciation and Asset Impairment	375 860	15 166	344 201	25 358	-	-	-	-	-	-	-	761 585
Finance Charges	894 101	-	-	-	-	-	-	-	-	-	-	894 101
Inventory consumed	627 715	-	-	8 504 203	-	-	-	-	-	-	-	9 131 923
Contracted Services	4 074 652	180	2 673	4 844 501	-	-	-	-	-	-	-	8 922 006
Transfers and Grants	1 053 700	-	-	-	-	-	-	-	-	-	-	1 053 700
Other Expenditure	8 892 140	159 075	134 787	10 660 173	-	-	-	-	-	-	-	19 886 175
Leases	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	36 505 552	3 893 743	1 505 611	51 792 177	-	-	-	-	-	-	-	93 627 183
Surplus/(Deficit)	11 290 026	(3 866 643)	(1 439 641)	318 218	-	-	-	-	-	-	-	6 301 959
Transfers Recognised - Capital	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	11 290 026	(3 866 643)	(1 439 641)	318 218	-	-	-	-	-	-	-	6 301 959
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	11 290 026	(3 866 643)	(1 439 641)	318 218	-	-	-	-	-	-	-	6 301 959
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	11 290 026	(3 866 643)	(1 439 641)	318 218	-	-	-	-	-	-	-	6 301 959
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	11 290 026	(3 866 643)	(1 439 641)	318 218	-	-	-	-	-	-	-	6 301 959
* 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.												
Capital Expenditure for the year	653 466	-	-	5 370	-	-	-	-	-	-	-	658 836

**APPENDIX A - Unaudited
CENTRAL KAROO DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022**

EXTERNAL LOANS	Rate	Start Date	Balance at 30 June 2021	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2022
LEASE LIABILITY							
Ricoh IMC3500 3110R610607	7.00%	01/03/2021	75 714	-	-	(26 755)	48 958
Ricoh IMC3500 3110R610518	7.00%	01/03/2021	75 714	-	-	(26 755)	48 958
Ricoh IMC3500 3110R610806	7.00%	01/03/2021	75 712	-	-	(26 755)	48 958
Ricoh MP6503SP G659C970117	7.00%	01/03/2021	145 013	-	-	(51 243)	93 769
Total Lease Liabilities			372 152	-	-	(131 508)	240 644
TOTAL EXTERNAL LOANS			372 152	-	-	(131 508)	240 644

**APPENDIX B - 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 2021	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	VAT transferred to Revenue	Impairment of Grant	Balance 30 June 2022	Unspent 30 June 2022 (Creditor)	Unpaid 30 June 2022 (Debtor)
National Government Grants										
Equitable Share	-	33 268 000	-	(33 268 000)	-	-	-	-	-	-
Local government financial management grant	-	1 000 000	-	(802 498)	-	(56 265)	-	141 237.02	141 237	-
Expanded public works programme integrated grant for municipalities	-	1 269 000	-	(1 269 000)	-	-	-	-	-	-
Rural Asset Management Grant (RAMS)	1 967 193	1 963 000	(1 967 000)	(806 287)	-	(25 922)	-	1 130 984	1 130 984	-
Total National Government Grants	1 967 193	37 500 000	(1 967 000)	(36 145 784)	-	(82 188)	-	1 272 221	1 272 221	-
Provincial Government Grants										
Western Cape Financial Management Capacity Building Grant	583 375	250 000	(283 375)	(154 285)	-	-	-	395 715	395 715	-
Safety initiative implementation - Whole of Society Approach (WOSA)	1 040 546	-	-	(696 410)	-	-	-	344 136	344 136	-
Municipal Drought Relief Grant	-	2 929 079	-	(1 579 079)	-	(10 065)	-	1 350 000	1 350 000	-
Western Cape Financial Management Support Grant	-	100 000	-	(80 450)	-	-	-	9 485	9 485	-
Local Government Public Employment Support Grant	-	200 000	-	-	-	-	-	200 000	200 000	-
Joint District and Metro Approach Grant	-	1 800 000	-	-	-	-	-	1 800 000	1 800 000	-
Fire Service Capacity Building Grant	-	1 925 000	-	(1 925 000)	-	-	-	-	-	-
Local Government Internship Grant	9 448	70 000	(9 448)	(58 328)	-	-	-	11 673	11 673	-
Total Provincial Government Grants	1 633 368	7 274 079	(292 822)	(2 568 551)	(1 925 000)	(10 065)	-	4 111 008	4 111 008	-
Other Grant Providers										
The Chemical Industries Education and Training Authority	71 411	1 420 200	-	(1 610 633)	-	(90 946)	-	(209 968)	-	(209 968)
Local Government Sector and Training Authority	201 784	-	-	-	-	-	-	201 784	201 784	-
Total Other Grant Providers	273 195	1 420 200	-	(1 610 633)	-	(90 946)	-	(8 184)	201 784	(209 968)
Total Grants	3 873 756	46 194 279	(2 259 822)	(40 324 968)	(1 925 000)	(183 199)	-	5 375 045	5 585 013	(209 968)