

# CENTRAL KAROO DISTRICT MUNICIPALITY



## Draft Annual Report

2022/2023

"Working together in development and growth"

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## MAYOR'S FOREWORD





## COMPONENT B: Executive Summary

### 1.1 Municipal Manager's Overview



## 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 2022/23 Annual Report reflects on the performance of the Central Karoo District Municipality for the period 1 July 2022 to 30 June 2023. 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 **75 673** according to the Municipal Economic Review Outlook (MERO) 2022-23. 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	14 935	51 080
LAINGSBURG	2 62	8 895
PRINCE ALBERT	4 183	14 272

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 2020	Trend		Real GDPR growth		
		2011 – 2020	2016 – 2020	2021e	2022f	2023f
<b>PS Primary Sector</b>	<b>R507.7 (14.7%)</b>	<b>2.9%</b>	<b>1.4%</b>	<b>7.9%</b>	<b>10.5%</b>	<b>-0.1%</b>
Agriculture, forestry & fishing	R505.7 (14.6%)	2.9%	1.4%	8.0%	10.5%	-0.1%
Mining & quarrying	R2.0 (0.1%)	2.9%	2.1%	-14.0%	17.2%	-6.5%
<b>SS Secondary Sector</b>	<b>R368.4 (10.6%)</b>	<b>-1.3%</b>	<b>-4.0%</b>	<b>1.2%</b>	<b>2.6%</b>	<b>-0.4%</b>
Manufacturing	R87.1 (2.5%)	-0.1%	-1.1%	7.7%	1.4%	0.4%
Electricity, gas & water	R165.4 (4.8%)	-0.6%	-1.8%	3.9%	0.3%	1.2%
Construction	R115.9 (3.4%)	-2.7%	-7.6%	-6.1%	6.5%	-2.8%
<b>TS Tertiary Sector</b>	<b>R2 584.2 (74.7%)</b>	<b>1.0%</b>	<b>-0.4%</b>	<b>4.6%</b>	<b>1.1%</b>	<b>1.1%</b>
Wholesale & retail trade, catering & accommodation	R415.5 (12.0%)	-1.8%	-4.7%	6.7%	8.7%	1.6%
Transport, storage & communication	R343.7 (9.9%)	-1.6%	-4.4%	3.3%	8.3%	0.3%
Finance, insurance, real estate & business services	R464.3 (13.4%)	2.6%	2.5%	3.8%	-0.5%	-0.6%
General government	R732.2 (21.2%)	3.0%	2.0%	1.6%	-3.5%	2.3%
Community, social & personal services	R628.5 (18.2%)	1.8%	0.9%	8.6%	-1.1%	1.2%
<b>Total Central Karoo District</b>	<b>R3 460.3 (100.0%)</b>	<b>1.0%</b>	<b>-0.6%</b>	<b>4.8%</b>	<b>2.8%</b>	<b>0.7%</b>

Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

### GDPR performance per municipal area: Central Karoo District

#### GDPR (CURRENT PRICES) Beaufort West, 2020 and 2021e



**GDPR**

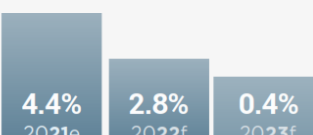
**2020**  
**R2.4 BILLION**

**↑ 4.4%**  
CONSTANT PRICE GROWTH

**2021e**  
**R2.6 BILLION**

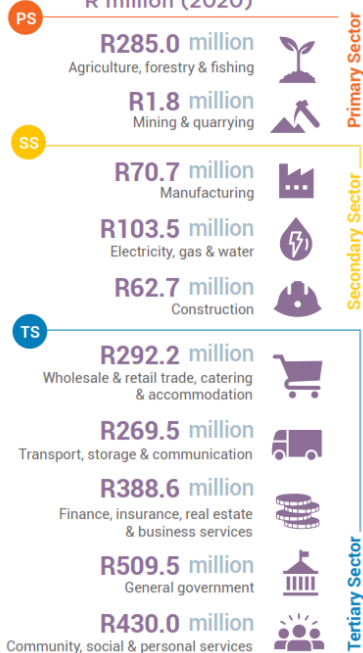
#### FORECAST

GDPR  
estimated growth



Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

#### R million (2020)



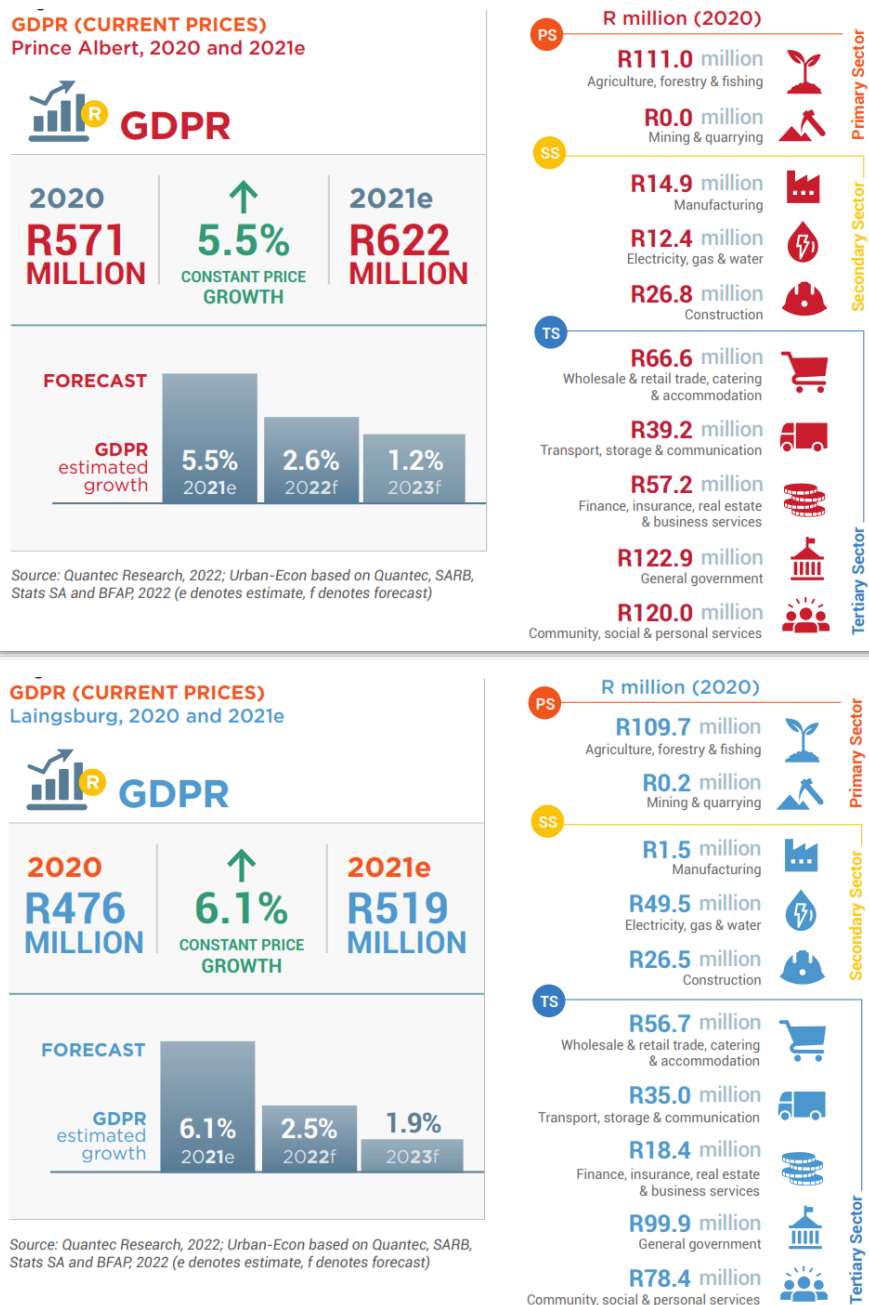


Table 2: Key economic activities

### 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 852km<sup>2</sup>, 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 Nieuvelid Mountains (Beaufort West).

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

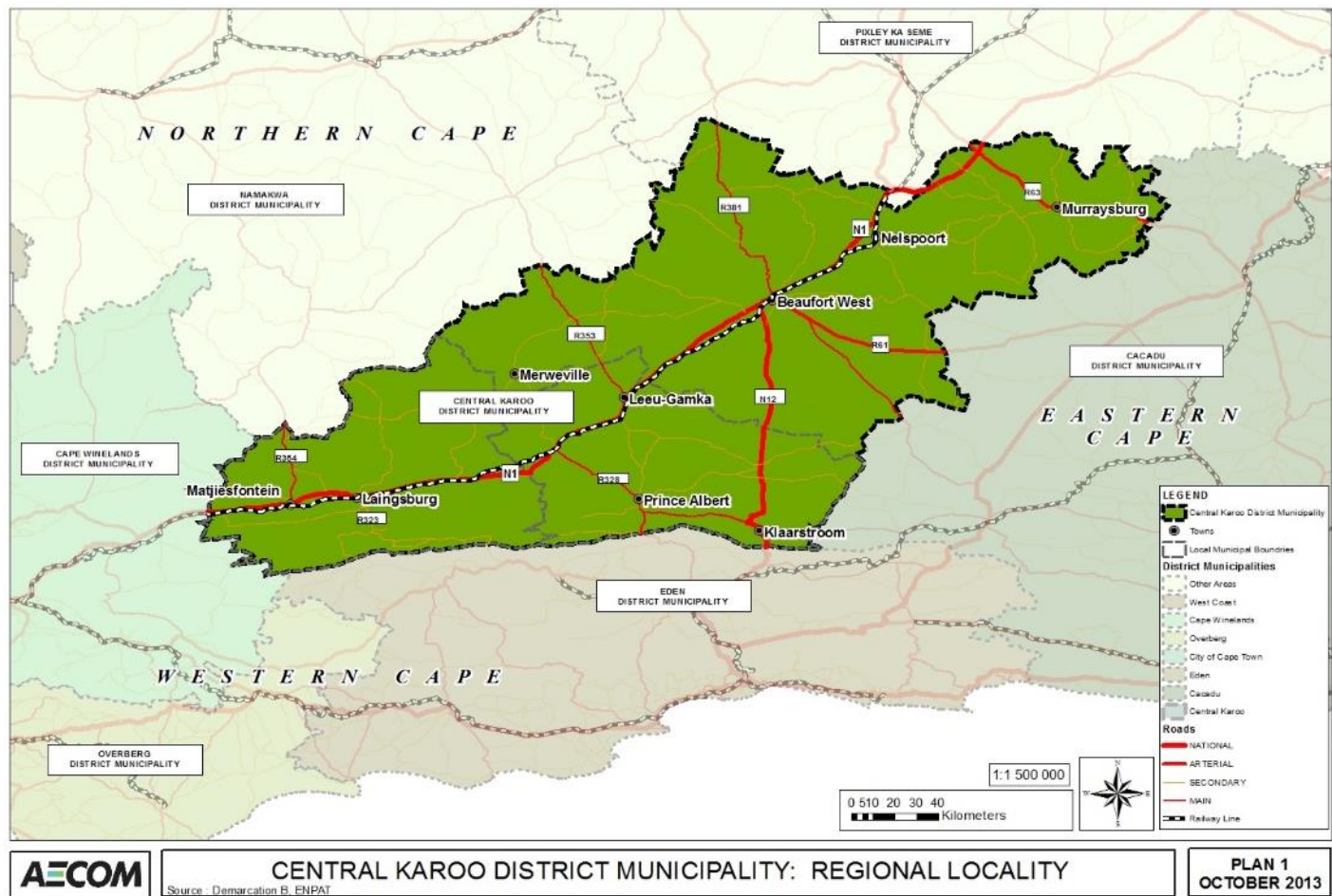


Image 1: Location of CKDM

The district houses the following local municipalities:

LOCAL MUNICIPALITY	DESCRIPTION
<b>BEAUFORT WEST MUNICIPALITY</b>	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.
<b>LAINGSBURG MUNICIPALITY</b>	Includes the historic settlement of Matjiesfontein. It is the smallest municipality (in terms of population) in the district and indeed in the whole of South Africa. The municipal area has a total population of approximately 8 289 residents. Laingsburg is situated halfway between Cape Town and Beaufort West on the N1 national road. Passing transport is one of the most important markets for Laingsburg. Laingsburg is characterized by rural agriculture, consisting mainly of sheep farming and the production of soft fruits, especially in the southern part of the municipal area. The potential for the latter is adversely affected by poor roads and long distances to major centres.
<b>PRINCE ALBERT MUNICIPALITY</b>	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 <sup>2</sup> with vast parts of these being in the rural areas where vast hectares are under agricultural production, mainly fruit and sheep farming. District roads radiate out of Prince Albert connecting it to its satellite towns of Prince Albert Road on the N1, Klaarstroom on the R329 and Leeu-Gamka on the N1. In recent years Prince Albert has seen the biggest economic growth in the region due to the demand in high-income property being bought especially by Europeans. It is known as a little town with Victorian and Karoo style architecture, art and décor shops, side walk coffee shops, the breathtakingly beautiful Swartberg Valley, Meiringspoort and the annual Olive Festival which attracts hundreds of tourists each year.

Table 3: Local Municipalities



## 1.4 Financial Health Overview

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

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

Municipal Financial Viability and Management.

Indicator	2021/22	2022/23
Cost coverage (Available cash+ investments): Monthly fixed operating expenditure	2 months	1 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	2021/22	2022/23
The percentage of a municipality's capital <b>budget</b> actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP)	79%	36%

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	2021/22	Original budget	Adjustment budget	Actual
		2022/23		
	R'000			
Income				
Grants	42 433	43 773	46 514	42 994
Taxes, levies and tariffs	0	0	0	0
Other	62 719	66 461	67 293	70 217
Sub-total	105 152	110 233	113 807	113 211
Less expenditure	(100 056)	(106 989)	(112 441)	(117 292)
Net surplus/(deficit)	5 096	3 244	1 366	(4 081)

Table 6: Financial overview

### 1.4.4 Operating ratios

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

Detail	Expected norm	Actual	Variance
		%	
Employee cost (excluding remuneration of Councillors)	35	53	18





Repairs and maintenance	12	0	12
Finance charges and depreciation	18	1.53	16.47
<i>Note: Repairs and maintenance on basic services are not applicable to the Municipality from the 2022/23 financial year</i>			

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	2021/22	2022/23
	R'000	
Original budget	2 716	2 708
Adjustment budget	2 716	2 179
Actual	2 152	790

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	<b>24</b> bursaries (R3000 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"> <li>Approved Employee Assistance Policy.</li> <li>16 September 2022 - Better Together Games</li> <li>18 October 2022 – Financial Wellness Day held.</li> <li>27 January 2023 – Employee Wellness Day held.</li> <li>Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	<b>Filled 21 vacancies</b> compared to 9 in 2021/22, 10 vacancies 2020/21, 10 vacancies 2019/20.
Provincial Disaster Management Support Grant	Mr Maarman was appointed as Disaster Management Intern from 1 March 2023 to 29 February 2024. His appointment is funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided <b>22 bursaries</b> to full-time students with the grant obtained since 2017. <b>Seven (7) student</b> bursaries were approved for 2022/23.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of <b>5 Interns</b> are appointed.
In-service training	<b>12 Students</b> were assisted with in-service training during the 2022/23 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>Recruitment &amp; Selection reviewed</li> <li>Gender Mainstreaming</li> <li>Study Bursary Policy reviewed</li> <li>Promotions, Transfer &amp; Secondment</li> <li>Education, Training and Development</li> <li>Probation</li> <li>Induction</li> <li>Employment Equity</li> <li>Mentoring &amp; Coaching</li> <li>Exit Management</li> <li>Service Charter</li> </ul>
Regional Skills Development	<ul style="list-style-type: none"> <li><b>18 Students</b> in the Region was enrolled in Public Accountability studies. Bursaries were provided by LGSETA through discretionary funding and will complete studies at the end of 2023.</li> </ul>

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	2022/23
Value of the 6% or 3% of leviable amount identified for skills development of black people. (This amount excludes the skills levy contributed to the Sectoral Education Training Authority through the South African Revenue Services.)	

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.

Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
A AND J PARTS	311 728.19	Retail trade, except of motor vehicles and motorcycles	Yes	No	No	0%	0%
A DIVISION OF SYNERTLYTIC SERVICES Pty Ltd	21 746.50	0	0	0	0	0%	0%
ADC OUTLET	232 315.75	Specialised construction activities	-	Yes	-	0%	0%
ADMIROR TRADING	631 719.25	Retail trade, except of motor vehicles and motorcycles	No	Yes	No	0%	0%
AFRICAN ONLINE SCIENTIFIC INFORMATION SYSTEMS	6 286.82	Publishing activities	No	Yes	No	0%	0%
AFRICAN OXYGEN	23 667.32	Professional, scientific and technical activities	No	No	Yes	65%	13%
ALFREDO ELRICO HERMANUS	87 621.99	Retail trade, except of motor vehicles and motorcycles	Yes	No	No	100%	0%
ANNA STOFFELS	6 500.00	Food and beverage service activities	Yes	No	No	100%	100%
ARCTIPOINT	51 889.15	Information service activities	No	Yes	No	52%	52%
ATKV SAKE (RF)	8 330.00	Accommodation	Yes	No	No	20%	20%
AVRIL WILMA JOHNSON	14 285.00	Food and beverage service activities	Yes	No	No	100%	100%
AYANDA MBANGA COMMUNICATIONS	133 919.89	Advertising and market research	No	Yes	No	100%	100%
BAB DEVELOPERS	323 280.00	Other personal service activities	Yes	No	No	100%	0%
BARLOWORLD SOUTH AFRICA	107 892.11	Building and Constructing Machinery and Accessories	No	No	Yes	65%	28%
BARRYS HANDEL	16 856.91	Wholesale and retail trade and repair of motor vehicles and motorcycles	No	Yes	No	0%	0%
BEAUFORT ALARMS	39 917.36	Security and investigation activities	Yes	No	No	0%	0%
BEAUFORT WES TYRES AND TREADS	615 571.29	Wholesale and retail trade and repair	No	Yes	No	51%	51%



Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
		of motor vehicles and motorcycles					
BEAUFORT WEST LUXURY COACHES	6 950.00	Land transport and transport via pipelines	Yes	No	No	100%	100%
BEAUFORT-WES LUGREELING EN VERKOELING	12 373.14	Electricity, gas, steam and air conditioning supply	Yes	No	No	0%	0%
BEAUFORT-WES PRESISIE MOTOR INGENIEURSWERKE	23 426.65	Retail trade, except of motor vehicles and motorcycles	Yes	No	No	0%	0%
BEAUWES PARTS CENTRE	39 438.19	Retail trade, except of motor vehicles and motorcycles	Yes	No	No	0%	0%
BELL EQUIPMENT SALES SOUTH AFRICA	425 896.42	Retail trade, except of motor vehicles and motorcycles	Yes	No	No	55%	17%
BELLAWIZ	36 881.90	Food and beverage service activities	Yes	No	No	100%	0%
BIDVEST OFFICE	161 596.02	Retail trade, except of motor vehicles and motorcycles	No	Yes	No	68%	68%
BIDVEST SERVICES	82 471.76	Activities of membership organizations	No	Yes	No	0%	0%
BIDVEST STEINER	8 776.80	Activities of membership organizations	No	Yes	No	30%	17%
BRENT ON FIRE	14 794.75	Accommodation and food service activities	Yes	No	-	0%	0%
BUFFELSDRIFT CLAY MINE	400 224.00	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see divisions 16 and 25)	Yes	No	-	0%	0%
CATERING IN THE KAROO	3 300.00	Food and beverage service activities	Yes	-	-	100%	50%
COURIER PRINTING (BEAUFORT WEST)	27 931.55	Printing and reproduction of recorded media	Yes	-	-	0%	0%
CZ ELEKTRIES	112 993.56	Electricity, gas, steam and air conditioning supply	Yes	-	-	0%	0%
DAC WOOD	12 319.47	Other manufacturing	Yes	-	-	0%	0%



Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
DE JAGERS LOODGIETER KONTRAKTEURS	51 810.98	Specialised construction activities	-	Yes	-	51%	25%
DRIZIT ENVIRONMENTAL	9 775.00	Consulting Services	0	Yes	0	0%	0%
EDRICK LODEWIKUS BRUWER	27 272.25	Other personal service activities	Yes	-	-	0%	0%
ELB EQUIPMENT HOLDINGS	26 065.08	Specialised construction activities	-	Yes	-	26%	20%
ESRI SOUTH AFRICA	30 586.55	Agriculture, forestry and fishing	-	Yes	-	26%	8%
FAIMEL AUTO ELECTRICAL AND SPARES	27 848.37	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	-	100%	50%
FRANZ JACOBUS ESTERHUYSE	33 118.00	Electricity, gas, steam and air conditioning supply	Yes	-	-	0%	0%
GEORGE HENRY SCHROEDER	6 099.00	Food and beverage service activities	-	Yes	-	100%	0%
GOB SECURITY SERVICES	34 868.00	Security and investigation activities	0	0	0	0%	0%
HIGH POWER EQUIPMENT AFRICA	208 235.82	Specialised construction activities	-	Yes	-	28%	16%
HUDACO TRADING	6 720.60	Specialised construction activities	-	Yes	-	37%	11%
IGNITE ADVISORY SERVICES	435 096.64	Activities of head offices; management consultancy activities	Yes	-	-	42%	19%
ILANJA SWEISINGENIEURSWERKE	20 786.70	Other personal service activities	Yes	-	-	0%	0%
INZALO ENTERPRISE MANAGEMENT SYSTEMS	3 016 007.78	Computer programming, consultancy and related activities	-	Yes	-	60%	12%
IT BRILLIANCE	34 293.00	Computer programming, consultancy and related activities	Yes	-	-	0%	0%
J P C BESTER EN SEUNS MOTORHAWA	26 050.19	Accommodation	Yes	-	-	0%	0%
JOHANN PIENAAR MOTORS	93 812.61	Wholesale and retail trade and repair	Yes	-	-	0%	0%



Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
		of motor vehicles and motorcycles					
JUVINON SYSTEMS	48 273.00	Information service activities	-	Yes	-	0%	0%
Kempston Motor Group Trust	6 697.62	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	-	0%	0%
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	2 594.06	Accommodation	-	Yes	-	0%	0%
KLEIN KAROO AGRI	96 292.64	Crop and animal production, hunting and related service activities	-	Yes	-	0%	0%
KOHLER SIGNS	18 975.00	Manufacture of fabricated metal products, except machinery and equipment	Yes	-	-	100%	10%
KOMATSU SOUTH AFRICA	128 380.44	engineered mining, construction, earthmoving and utility equipmen	-	-	Yes	25%	10%
KP UBUMNANDI GROUP	26 240.91	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	-	55%	0%
M EN M EIENDOMME	21 105.00	Undifferentiated goods- and services producing activities of private households for own use	-	Yes	-	0%	0%
Manewe's Projects	56 310.08	Transportation and storage	Yes	-	-	100%	50%
MARAIS MOTORS (BEAUFORT WES)	156 472.10	Wholesale and retail trade, repair of motor vehicles and motorcycle	Yes	-	-	0%	0%
MONTDOR PRINCE ALBERT	3 675.00	Accommodation and food service activities	Yes	-	-	0%	0%
MOORE STEPHENS (DIRECT)	1 974 515.67	Consulting Services	0	Yes	0	55%	55%
MUBESKO AFRICA	4 176 421.28	Financial and insurance activities	-	Yes	-	0%	0%
OHS CARE	91 873.06	Human health and social work activities	-	Yes	-	51%	51%



Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
PENNYWORTH TRADING	27 419.47	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	Yes	-	51%	51%
PIENAAR BROTHERS	50 566.22	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	-	Yes	25%	25%
PRINT AT GROUP	15 656.59	Manufacturing	Yes	-	-	0%	0%
PROUDLY KAROO	2 190.00	Manufacturing and Accommodation and food service activities	Yes	-	-	0%	0%
QUIDITY	60 327.00	Information and communication	Yes	-	-	0%	0%
RALPH ALXANDER KOSTER T/A MATOPPO INN	54 460.00	Accommodation and food service activities	Yes	0	0	0%	0%
Renu-Karoo Veld Restoration	19 498.25	Agriculture, forestry and fishing and Professional, scientific and technical activities	Yes	-	-	0%	0%
SHORT'S NISSAN	183 500.22	Wholesale and retail trade, repair of motor vehicles and motorcycles	0	yes	0	51%	26%
Silver Lake Trading 305 (Pty) Ltd	597 614.08	Financial and insurance activities	-	Yes	-	100%	100%
SOUTH CAPE TRAVEL	59 455.42	Travel Agency	0	Yes	0	0%	0%
SOUTHCAPE PETROLEUM	6 449 871.90	Fuel and Lubricants	-	Yes	-	0%	0%
SPOT-ON DEALS FORTY-THREE	131 404.64	Retail trade, except of motor vehicles and motorcycles	-	-	Yes	0%	0%
Stanmar Motors	1 828.91	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	-	25%	0%
Startune Pty Ltd	318 934.32	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see	-	Yes	-	0%	0%



Vendor Name	Amount Paid	Sector	Exempted Micro-Enterprise (EME)	QSE	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
		divisions 16 and 25)					
STEEL PIPES FOR AFRICA (GEORGE)	23 135.70	Agriculture, forestry and fishing	-	Yes	-	0%	0%
TG ELEKTRIES	14 459.96	Electricity, gas, steam and air conditioning supply	Yes	-	-	0%	0%
TICIVA TWENTY	432 586.00	Other personal service activities	-	Yes	-	0%	0%
TNA GENERAL SERVICES PTY LTD	19 489.00	Other personal service activities	Yes	-	-	100%	0%
TRADEPOST 163	13 533.78	Agriculture, forestry and fishing	Yes	-	-	0%	0%
TRAVELGROUND	102 607.00	Accommodation	-	Yes	-	0%	0%
TRENTYRE	73 902.08	Wholesale and retail trade and repair of motor vehicles and motorcycles	0	0	0	0%	0%
UBER TECHNOLOGIES	1 202 480.83	Computer programming, consultancy and related activities	Yes	-	-	0%	0%
UBERTECH CONSULTING	116 614.60	0	0	0	0	0%	0%
VALMAC OFFICE NATIONAL	66 894.89	Other personal service activities	-	Yes	-	100%	0%
VDW GROUP	21 694.95	Retail trade, except of motor vehicles and motorcycles	Yes	-	-	0%	0%
WAGON WHEEL	7 990.00	Accommodation	Yes	-	-	0%	0%
ZITANDA SHOPS	42 251.21	Postal and courier activities	-	Yes	-	0%	0%

Indicators	2022/23
Value of the 2% of Net Profit After Tax (NPAT) or 0.2% of allocated budget for supplier development	-

Indicators	2022/23
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.





Vendor Name	Amount Paid	Sector	Level of Black Ownership	Level of Black Women Ownership
AFRICAN OXYGEN	23 667.32	Professional, scientific and technical activities	65%	13%
ALFREDO ELRICO HERMANUS	87 621.99	Retail trade, except of motor vehicles and motorcycles	100%	0%
ANNA STOFFELS	6 500.00	Food and beverage service activities	100%	100%
ARCTIPOINT	51 889.15	Information service activities	52%	52%
ATKV SAKI (RF)	8 330.00	Accommodation	20%	20%
AVRIL WILMA JOHNSON	14 285.00	Food and beverage service activities	100%	100%
AYANDA MBANGA COMMUNICATIONS	133 919.89	Advertising and market research	100%	100%
BAB DEVELOPERS	323 280.00	Other personal service activities	100%	0%
BARLOWORLD SOUTH AFRICA	107 892.11	Building and Constructing Machinery and Accessories	65%	28%
BEAUFORT WES TYRES AND TREADS	615 571.29	Wholesale and retail trade and repair of motor vehicles and motorcycles	51%	51%
BEAUFORT WEST LUXURY COACHES	6 950.00	Land transport and transport via pipelines	100%	100%
BELL EQUIPMENT SALES SOUTH AFRICA	425 896.42	Retail trade, except of motor vehicles and motorcycles	55%	17%
BELLAWIZ	36 881.90	Food and beverage service activities	100%	0%
BIDVEST OFFICE	161 596.02	Retail trade, except of motor vehicles and motorcycles	68%	68%
BIDVEST STEINER	8 776.80	Activities of membership organizations	30%	17%
CATERING IN THE KAROO	3 300.00	Food and beverage service activities	100%	50%
DE JAGERS LOODGIETER KONTRAKTEURS	51 810.98	Specialised construction activities	51%	25%
ELB EQUIPMENT HOLDINGS	26 065.08	Specialised construction activities	26%	20%
ESRI SOUTH AFRICA	30 586.55	Agriculture, forestry and fishing	26%	8%
FAIMEL AUTO ELECTRICAL AND SPARES	27 848.37	Wholesale and retail trade and repair of motor vehicles and motorcycles	100%	50%
GEORGE HENRY SCHROEDER	6 099.00	Food and beverage service activities	100%	0%
HIGH POWER EQUIPMENT AFRICA	208 235.82	Specialised construction activities	28%	16%
HUDACO TRADING	6 720.60	Specialised construction activities	37%	11%
IGNITE ADVISORY SERVICES	435 096.64	Activities of head offices; management consultancy activities	42%	19%
INZALO ENTERPRISE MANAGEMENT SYSTEMS	3 016 007.78	Computer programming, consultancy and related activities	60%	12%



KOHLER SIGNS	18 975.00	Manufacture of fabricated metal products, except machinery and equipment	100%	10%
KOMATSU SOUTH AFRICA	128 380.44	engineered mining, construction, earthmoving and utility equipmen	25%	10%
KP UBUMNANDI GROUP	26 240.91	Wholesale and retail trade and repair of motor vehicles and motorcycles	55%	0%
Manewes Projects	56 310.08	Transportation and storage	100%	50%
MOORE STEPHENS (DIRECT)	1 974 515.67	Consulting Services	55%	55%
OHS CARE	91 873.06	Human health and social work activities	51%	51%
PENNYWORTH TRADING	27 419.47	Wholesale and retail trade, repair of motor vehicles and motorcycles	51%	51%
PIENAAR BROTHERS	50 566.22	Wholesale and retail trade, repair of motor vehicles and motorcycles	25%	25%
SHORT'S NISSAN	183 500.22	Wholesale and retail trade, repair of motor vehicles and motorcycles	51%	26%
Silver Lake Trading 305 (Pty) Ltd	597 614.08	Financial and insurance activities	100%	100%
Stanmar Motors	1 828.91	Wholesale and retail trade and repair of motor vehicles and motorcycles	25%	0%
TNA GENERAL SERVICES PTY LTD	19 489.00	Other personal service activities	100%	0%
VALMAC OFFICE NATIONAL	66 894.89	Other personal service activities	100%	0%

#### 1.6.4 Socio Economic Development Element

Indicators	2022/23
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	2022/23
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	2018/19	2019/20	2020/21	2021/22	2022/23
Status	Unqualified	Clean audit	Clean audit	Unqualified	Pending

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. G. McKenzie [July 2022 – 2 May 2022]  2.Cllr J. Botha [29 May 2022 – current]	Executive Mayor	PA	Proportional	19	2
		ANC		2	-
Cllr G. Pietersen	Deputy Mayor	PA	Proportional	21	-
Cllr. L. Paulse	Speaker/Full Time Councillor	ANC	Proportional	21	-
Cllr. E. Botha	Full Time Councillor	PA	Ward Councillor	21	-
Cllr. I.A. Jacobs	Full-Time Councillor	KDF	Proportional	20	1
Cllr. J. Mdudumani	Full-Time Councillor	ANC	Ward Councillor	19	2
Cllr. N. Constable	Part-Time councillor	KDF	Proportional	19	2
Cllr. R. Skuza [July – October 2022]	Part-time Councillor	ANC	Ward Councillor	6	3
Cllr. J. de Bruyn	Part-Time Councillor	Good	Proportional	12	2
Cllr D E Welgemoed	Part-Time Councillor	DA	Proportional	17	1
Alderman J. van der Linde	Part-Time Councillor	DA	Proportional	20	1
Cllr J. Reynolds	Part-Time Councillor	DA	Ward Councillor	13	8
Cllr. A P Swanepoel	Part Time Councillor	DA	Proportional	18	3
Cllr S.D. Koonthea	Part-Time Councillor	DA	Ward Councillor	12	9



Council members	Capacity	Political Party	Representation or proportional	Council meetings attendance	Council meetings non-attendance
				Number	Number
Cllr A. MacKay	Part-Time Councillor	PA	Ward Councillor	19	2
Cllr L V Piti	Part-Time Councillor	ANC	Proportional	12	-
Cllr D W Sampie	Part-Time Councillor	Good	Proportional	5	-
Cllr D U Snyders	Part-Time Councillor	DA	Proportional	2	-

Table 12: Councillors

Below is a table which indicates the Council meeting attendance for the 2022/23 financial year:

Meeting dates	Council meeting attendance	Apologies for non-attendance
21 July 2022	11	4
28 July 2022	11	4
3 August 2022	15	-
12 August 2022	13	2
31 August 2022	14	1 without an apology
19 September 2022	14	1 without an apology
18 October 2022	14	1
21 October 2022	13	2 without an apology
31 October 2022	13	2
25 November 2022	14	1
2 December 2022	12	1 2 without apology
25 January 2023	14	1
2 February 2023	13	2
20 February 2023	14	1
27 February 2023	13	2
16 March 2023	13	2
30 March 2023	14	1
4 April 2023	13	2
2 May 2023	14	1
29 May 2023	14	1
29 June 2023	15	-

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 2022 to 30 June 2023:

Name of member	Portfolio committee
G McKenzie [Chairperson] J. Botha [29 May 2023]	Executive Mayoral Committee Finance Committee
G Pietersen	Corp & HR Dev Committee
L.B.J. Mdudumani	
I.A. Jacobs	Municipal Services & Infrastructure Committee
E Botha [31 August 2022]	Economic & Socio Dev Committee

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 2022/23 mayoral term and their chairpersons are as follow:

#### i) Financial Committee

Name of member	Meeting dates
Cllr G. McKenzie [Chairperson] Cllr. J Botha <b>[Chairperson]</b>	25 July 2022
Cllr G. Pietersen	15 June 2023
Cllr. N. Constable	
Cllr. D. Welgemoed – <b>resigned on 13.04.2023</b>	
Cllr. J. de Bruyn - <b>terminated on 22.02.2023</b>	
Alderman J. van der Linde [29.05.2023]	
Cllr D. Sampie [29.05.2022]	

Table 15: Financial Services Portfolio Committee

#### ii) Training Portfolio Committee

Name of member	Meeting dates
Cllr. N. Constable ( <b>Chairperson</b> )	



Name of member	Meeting dates
Cllr. E. Botha	18 July 2022
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 <b>[Chairperson]</b>	12 July 2022  7 November 2022  20 April 2023
Cllr. L. Mdudumani	
Cllr. A. MacKay	
Cllr. J. Reynolds	
Cllr. J. de Bruyn	

Table 17: Municipal Services and Infrastructure Portfolio Committee

### iv) Corporate & Human Resources Development Portfolio Committee

Name of member	Meeting dates
Cllr. G. Pietersen <b>[Chairperson]</b>	18 July 2022  8 November 2022  18 April 2023
Cllr. R. Skuza	
Alderman 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 <b>[Chairperson]</b>	12 July 2022  7 November 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
		(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

### 2.1.2 Administrative governance structure

The administrative structure is outlined in the table below:

Name of official	Department	Performance agreement
		(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 21: Administrative governance structure

## Component B: Intergovernmental Relations

### 2.2 Intergovernmental Relations

#### 2.2.1 Provincial Intergovernmental Structures

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

They must:

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

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

Name of structure	Members	Dates of meetings	Outcomes of engagements/topics discussed
District Coordinating Forum (DCF)	Executive Mayors, Municipal Managers, various sector departments (as per invite)	28 November 2022 20 June 2023	JDMA Projects/ Programmes
			Clean Audit
			Shared Services
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 22: 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 2022/23 financial year:

### 2.3.1 Labour Forum

Name of representative	Capacity	Meeting dates
Cllr. I.A. Jacobs	Chairperson	14 July 2022 21 June 2023
Cllr. J. Mdudumani		
Cllr. J. de Bruyn		
Cllr. S. Koonthea		
Cllr. D. Sampie		
G Simpson	SAMWU representative	
L. Crafford	IMATU representative	
Mrs H. Jacobs	Head: Legal Services	

Table 23: 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	
Mr. M. Ngen	Municipal Manager: CKDM	
Mr. D. Welgemoed	Municipal Manager: Beaufort West Municipality	
Mr. J. Booysen	Municipal Manager: Laingsburg Municipality	
Mr. A. Hendrickse	Municipal Manager: Prince Albert Municipality	

Table 24: 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 25: 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.



Impact		
Score	Grading	Description
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 26: 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	Director ate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
1	Continued financial sustainability	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
2	Lack of consequence Management	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
3	Lack of OHS compliance	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
4	High wage bill in relation to Municipal budget	All Sections	All Director ates	10.00	9.00	90.00	Medium	0.60	54.00	All HOD's
5	Excessive use of service providers	All Sections	All Director ates	8.00	9.00	72.00	Medium	0.60	43.20	All HOD's
6	Failure to effectively engage with the community to build trust, deliver outcomes and manage expectations	All Sections	All Director ates	10.00	6.00	60.00	Medium	0.70	42.00	All HOD's
7	Failure to comply to Grant conditions	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.40	40.00	All HOD's
8	Lack of PDO Compliance	All Sections	All Director ates	10.00	10.00	100.00	High	0.40	40.00	Manager: Strategic Support Services
9	Lack of Contract Management	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.40	40.00	All HOD's

	Risk	Section	Director ate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
10	Lack of data security and management	All Sections	All Director ates	10.00	10.00	100.00	Medium	0.40	40.00	All HOD's
11	Escalating social ills within the District	All Sections	All Director ates	10.00	10.00	100.00	Low	0.40	40.00	All HOD's

Table 27: 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
Dr S Vatala	Chairperson	02 August 2022 05 October 2022 06 December 2022 09 March 2023
Dr R Links		
Mr R Butler / Mr Mabena/ M Nhlengethwa	Member	
Mr A Koopman / Mr W Strong	Member	
Ms B Koopman	Member	
Mr Y Duimpies	Member of AC & External member	

Table 28: 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 29: 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 2022 to 30 June 2023
K Mc Kay	Member	30 July 2022 to June 2023
Y Duimpies	Member	30 July 2022 to 30 June 2023
A Augustyn	Member	30 July 2022 to 30 June 2023

Table 30: Members of the APAC

## 2.7 Internal Auditing

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

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

### 2.7.1 Audits completed

The table below provides detail on audits completed:

Area	Department	Number of hours	Date completed
PERFORMANCE MANAGEMENT QUARTER 1	Strategic	40	10 January 2023
PERFORMANCE MANAGEMENT QUARTER 2	Strategic	40	19 April 2023
PERFORMANCE MANAGEMENT QUARTER 3	Strategic	40	14 August 2023
PERFORMANCE MANAGEMENT QUARTER 4	Strategic	40	Finalising fieldwork
CONTRACT MANAGEMENT	All departments	40	Rolled-over to 2022/2023
SUPPLY CHAIN MANAGEMENT	Finance	144	Rolled-over to 2023/2024
ENTERPRISE RISK MANAGEMENT	Strategic	40	Rolled-over to 2023/2024
OCCUPATIONAL HEALTH AND SAFETY	All departments	40	Rolled-over to 2023/2024



Area	Department	Number of hours	Date completed
GOVERNANCE STRUCTURES & ETHICS	All departments	80	Rolled-over to 2023/2024
ICT REVIEW: ACCESS CONTROLS	Corporate & Strategic	40	Rolled-over to 2023/2024
GRANTS	Finance	160	Rolled-over to August 2023
AIR QUALITY	Municipal Health	40	Rolled-over to 2023/2024
EXPENDITURE MANAGEMENT	All departments	168	19 July 2023
INVENTORY MANAGEMENT	Finance	160	15 August 2023
PAYROLL	Finance	208	Rolled-over to 2023/2024
HUMAN RESOURCES	Corporate	400	Rolled-over to 2023/2024
ASSET MANAGEMENT	Finance	240	Rolled-over to 2023/2024
<b>Total hours</b>		<b>1920</b>	

Table 31: 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
<b>CREDIT CONTROL AND DEBT COLLECTION POLICY</b>	26 May 2022	N/A
<b>SUPPLY CHAIN MANAGEMENT POLICY</b>	26 May 2022	N/A
<b>VIREMENT POLICY</b>	26 May 2022	N/A
<b>CASH MANAGEMENT AND INVESTMENT POLICY</b>	26 May 2022	N/A
<b>BORROWING POLICY</b>	26 May 2022	N/A
<b>FUNDING AND RESERVE POLICY</b>	26 May 2022	N/A
<b>ASSET MANAGEMENT POLICY</b>	26 May 2022	N/A
<b>RISK MANAGEMENT POLICY</b>	26 May 2022	N/A
<b>ANTI-CORRUPTION AND FRAUD PREVENTION POLICY</b>	26 May 2022	N/A
<b>BUDGET POLICY</b>	26 May 2022	N/A
<b>UNFORESEEN AND UNAVOIDABLE EXPENDITURE POLICY</b>	26 May 2022	N/A
<b>TARIFF POLICY</b>	26 May 2022	N/A
<b>WHISTLE BLOWING POLICY</b>	26 May 2022	N/A
<b>THE RELIEF FUND POLICY</b>	26 May 2022	N/A
<b>INFRASTRUCTURE PROCUREMENT POLICY</b>	26 May 2022	N/A
<b>MUNICIPAL ENTITIES POLICY</b>	26 May 2022	N/A
<b>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</b>	26 May 2022	N/A
<b>TOOLS OF TRADE POLICY</b>	26 May 2022	N/A
<b>OVERTIME POLICY</b>	26 May 2022	N/A
<b>RECRUITMENT AND SELECTION POLICY</b>	26 May 2022	N/A
<b>ANNUAL LEAVE</b>	26 May 2022	N/A
<b>ACTING POLICY</b>	26 May 2022	N/A
<b>GRANTS IN AID POLICY</b>	26 May 2022	N/A

Table 32: 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 Policy	Yes	26 May 2022
Functional complaint management systems	No	n/a
Customer satisfaction surveys		

Table 33: Communication activities

### Communication Unit:

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

Table 34: Communication unit

Additional communication channels utilised:

Channel	Yes/No	Number of people reached
SMS system	Yes (internally)	19 (Councillors and heads of departments)
Local Radio (Radio Gamkaland)	Yes	100 000
Local newspaper (Courier)	Yes	9800

Table 35: 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
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
FULL COUNCIL DETAILS	YES
CONTACT DETAILS OF THE MUNICIPAL MANAGER	YES
CONTACT DETAILS OF THE CHIEF FINANCIAL OFFICER (CFO)	YES
PHYSICAL ADDRESS OF THE MUNICIPALITY	YES
POSTAL ADDRESS OF THE MUNICIPALITY	YES
<b>Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
DRAFT BUDGET	YES
ADJUSTED BUDGET	YES
ASSET MANAGEMENT POLICY	YES
INVESTMENT AND CASH MANAGEMENT POLICY	YES
SUPPLY CHAIN MANAGEMENT POLICY	YES
TARIFF POLICY	YES
SDBIP	YES
DELEGATIONS	YES
REVIEWED IDP	YES





Description of information and/or document	Yes/No
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
ANNUAL REPORT	YES
MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT	YES
MONTHLY BUDGET STATEMENT	YES
QUARTERLY REPORTS	YES
<b>Performance management (Section 75(1)(d) of the MFMA)</b>	
PERFORMANCE AGREEMENTS FOR EMPLOYEES APPOINTED AS PER S57 OF MSA	YES
<b>Municipal finance management internship program (Schedule 5B Vote 10(b) of the division of Revenue Act)</b>	
INTERNSHIP PROGRAM POLICY	NO

Table 36: 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).

Section 32(1) of the Municipal Staff Regulations (2021) indicates that all staff members of a municipality should participate in a Performance management and development system, excluding certain staff members mentioned in the Regulation. It also indicates that the Performance and development system must be collaborative, transparent and fair and should be applied in a consultative, supportive and non-discriminatory manner which enhances organisational efficiency, effectiveness and accountability.



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 2022/23**

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 2022/23 was approved by Council on 26 May 2022. 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 10 June 2022. 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 2022/23 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 2022/23 in terms of the IDP strategic objectives.

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

Category		Colour Explanation
KPI NOT YET MEASURED	n/a	KPI'S WITH NO TARGETS OR ACTUALS IN THE SELECTED PERIOD
KPI NOT MET	R	0% > = ACTUAL/TARGET < 75%
KPI ALMOST MET	O	75% > = ACTUAL/TARGET < 100%
KPI MET	G	ACTUAL/TARGET = 100%
KPI WELL MET	G2	100% > ACTUAL/TARGET < 150%
KPI EXTREMELY WELL MET	B	ACTUAL/TARGET > = 150%

Table 37: 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:

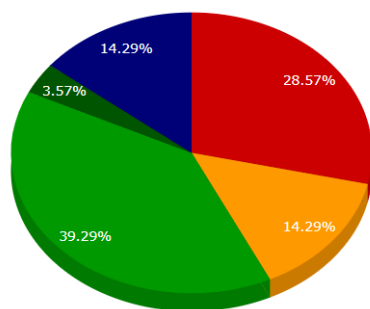
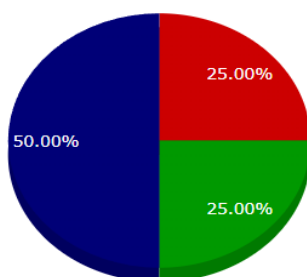


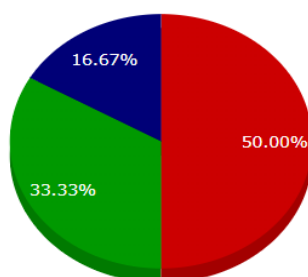
Figure 1: Overall Performance - CKDM

*Build a well capacitated workforce, skilled youth and communities*



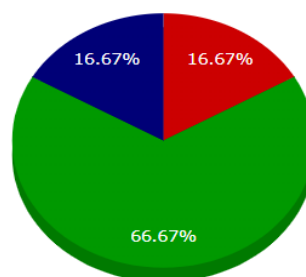
Not Yet Applicable	0 (0%)
Not Met	1 (25%)
Almost Met	0 (0%)
Met	1 (25%)
Well Met	0 (0%)
Extremely Well Met	2 (50%)

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



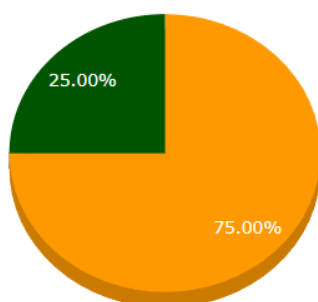
Not Yet Applicable	0 (0%)
Not Met	3 (50%)
Almost Met	0 (0%)
Met	2 (33.33%)
Well Met	0 (0%)
Extremely Well Met	1 (16.67%)

*Facilitate good governance principles and effective stakeholder participation*



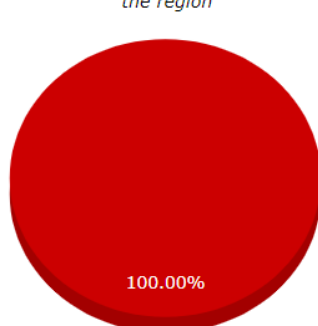
Not Yet Applicable	0 (0%)
Not Met	1 (16.67%)
Almost Met	0 (0%)
Met	4 (66.67%)
Well Met	0 (0%)
Extremely Well Met	1 (16.67%)

*Improve and maintain district roads and promote safe roads transport*



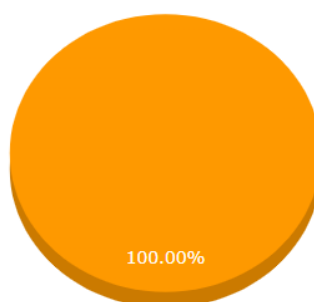
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	3 (75%)
Met	0 (0%)
Well Met	1 (25%)
Extremely Well Met	0 (0%)

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



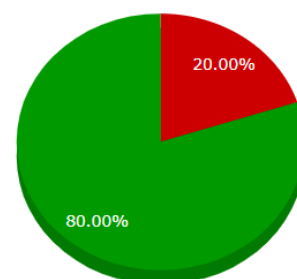
Not Yet Applicable	0 (0%)
Not Met	2 (100%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)

*Promote regional, economic development, tourism and growth opportunities*



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

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



Not Yet Applicable	0 (0%)
Not Met	1 (20%)
Almost Met	0 (0%)
Met	4 (80%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)



### 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL4	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2023	Proof of submission	1	0	0		0	0		0	0		1	0		1	0
TL12	Spend 0.5% of the municipality's personnel budget on training by 30 June 2023 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	Report generated from the financial system	0.50%	0%	0%		0%	0%		0%	0%		0.50%	0.83%		0.50%	0.83%
TL13	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2023	Proof of submission	1	0	0		0	0		0	0		1	1		1	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	Signed off Excel spread sheet - File Name: Personnel	11	0	0		0	0		0	0		1	8		1	8

Table 38: Build a well capacitated workforce, skilled youth and communities

## Strategic Objective 2: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter ending September 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL1	Spend 90% of the municipal capital budget by 30 June 2023 {(Actual amount spent /Total amount budgeted) X100}	Capital expense report generated from the financial system	80%	10%	1%		45%	0%		65%	0%		90%	0%		90%	1%
TL6	Review 15 budget related policies and submit to Council for approval by 31 May 2023	Proof of submission to Senior Clerk: Committee Services	20	0	0		0	0		0	0		15	15		15	15
TL7	Review and submit the MFMA delegation register to Council for approval by 31 May 2023	Proof of submission to Senior Clerk: Committee Services	1	0	0		0	0		0	0		1	0		1	0
TL8	Compile and submit the financial statements to the Auditor-General by 31 August 2022	Proof of submission to the Auditor-General	1	1	1		0	0		0	0		0	0		1	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]	Annual Financial Statements and calculation sheet	0.39%	0%	0%		0%	0%		0%	0%		10%	0%		10%	0%
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,	Annual Financial Statements and calculation sheet	1.57	0	0		0	0		0	0		1.5	0		1.5	0

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter ending September 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
	Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]																

Table 39: 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL2	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2023	Proof of submission	1	0	0		0	0		0	0		1	1		1	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]	RBAP, Quarterly progress reports and minutes of the Audit Committee	67%	0%	0%		0%	0%		0%	0%		70%	35%		70%	35%
TL11	Review Corporate and HR policies and submit to Council for approval by 30 June 2023	Proof of submission	7	0	0		0	0		0	0		2	17		2	17
TL20	Submit the draft Annual Report in Council by 31 January 2023	Proof of submission	1	0	0		0	0		1	1		0	0		1	1
TL21	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2022	Proof of submission	1	1	1		0	0		0	0		0	0		1	1
TL24	Submit the final IDP to Council by 31 May 2023 for approval	Proof of submission	1	0	0		0	0		0	0		1	1		1	1

Table 40: 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL25	Employ workers in temporary positions in terms of skills and labour needs within identified road projects by June 2023	Statistics submitted and temporary worker employment contracts	54	0	0		10	19		20	25		40	35		40	35
TL26	Spend 95% of the total approved Roads budget by 30 June 2023 [(Actual expenditure divided by approved allocation received) x100]	Summary of Road Capital Expenses from ABAKUS (Claimed)	96%	10%	0%		40%	49.74%		65%	66.92%		95%	103.15%		95%	103.15%
TL27	Regravel 40 kilometres of road by 30 June 2023	Signed off project file	48.81	10	0		20	18.23		30	21.11		40	31.95		40	31.95
TL28	Spend 95% of the total approved blading maintenance budget by 30 June 2023 [(Actual expenditure divided by approved allocation received) x100]	Claims submitted to Department Transport and Public Works	107%	10%	0%		40%	40.57%		65%	58.23%		95%	93.31%		95%	93.31%

Table 41: 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL5	Conduct monthly Covid 19 DJOC meetings with relevant stakeholders	Minutes of meetings	12	3	1		3	1		3	0		3	0		12	2
TL23	Spend 90% of the approved WOSA Safety Grant by 30 June 2023	Report generated from the financial system	67%	10%	0%		35%	0%		65%	0%		90%	0%		90%	0%

Table 42: 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL19	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2023	Signed contracts	54	0	0		0	0		0	0		25	24		<b>25</b>	<b>41</b>

Table 43: 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 2022			Quarter ending December 2022			Quarter ending March 2023			Quarter ending June 2023			Overall Performance 2022/23	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL15	Compile and submit bi-annual Water Quality Evaluation Reports to Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2023	Reports & proof of dispatch via email to Water Service Authorities (WSA's)	6	0	0		3	3		0	0		3	3		6	6
TL16	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg Local Authorities by 30 June 2023	Reports & proof of dispatch via email to Local Authorities	3	0	0		0	0		0	0		3	3		3	3
TL17	Compile and distribute a Municipal Health Information Document to Beaufort West, Prince Albert & Laingsburg Local Authorities by 30 June 2023	Information Documents & proof of dispatch via email to Local Authorities	1	0	1		0	0		0	0		1	0		1	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	Reports & proof of dispatch via email to Local Authorities	10	0	0		5	5		0	0		5	5		10	10
TL22	Review the Disaster Management Plan and submit to Council by 31 May 2023	Proof of submission	0	0	0		0	0		0	0		1	0		1	0

Table 44: Promote regional, economic development, tourism and growth opportunities

### 3.3 Service Providers Performance

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

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

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



## 3.4 Municipal Functions

### 3.4.1 Analysis of Functions

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

Municipal function	Municipal function (Yes / No)
Constitution Schedule 4, Part B functions:	
AIR POLLUTION	YES
BUILDING REGULATIONS	NO
CHILD CARE FACILITIES	NO
DISASTER MANAGEMENT & FIREFIGHTING SERVICES	ONLY RESPONSIBLE FOR COORDINATING TRAINING AND STANDARDISATION OF ALL FIRE SERVICES AT ALL B-MUNICIPALITIES IN THE DISTRICT. FIRE DEPARTMENTS SITUATED AT LOCAL MUNICIPALITIES
LOCAL TOURISM	YES
MUNICIPAL PLANNING	YES
MUNICIPAL HEALTH SERVICES	YES
Constitution Schedule 5, Part B functions:	
LICENSING AND CONTROL OF UNDERTAKINGS THAT SELL FOOD TO THE PUBLIC	YES
NOISE POLLUTION	NO
POUNDS	NO
PUBLIC PLACES	NO
REFUSE REMOVAL, REFUSE DUMPS AND SOLID WASTE	NO
STREET TRADING	NO
STREET LIGHTING	NO
TRAFFIC AND PARKING	NO

Table 45: Municipal Function





## 3.5 Component A: Road infrastructure services

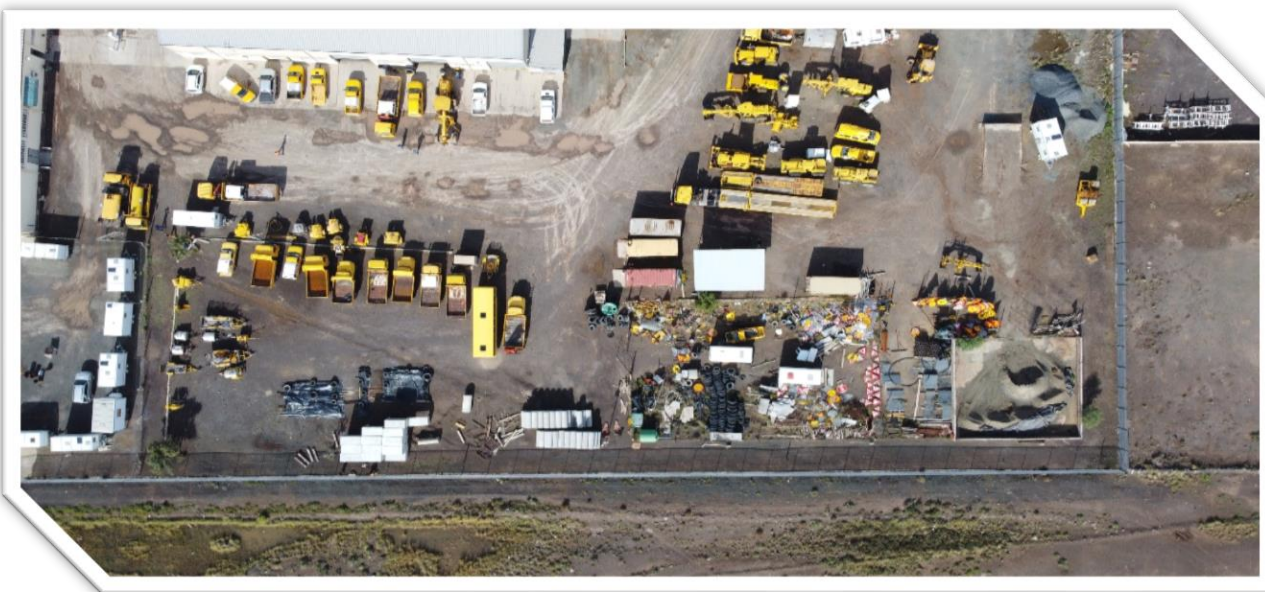
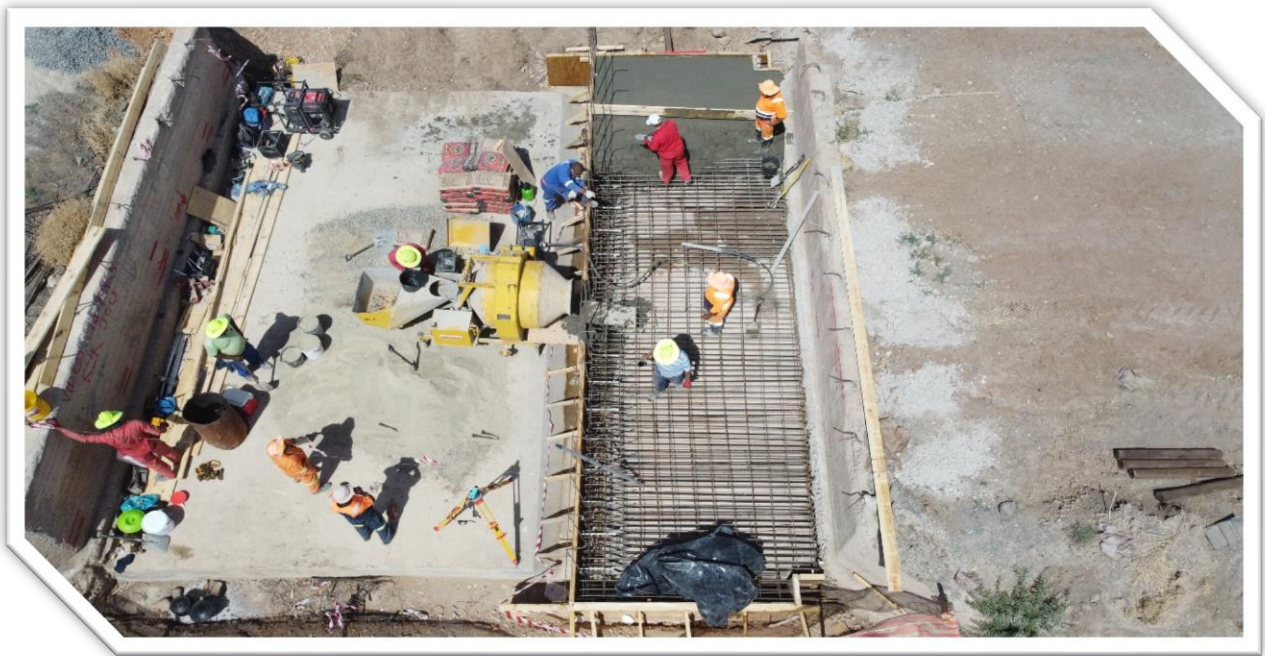
### 3.5.1 Road maintenance and construction

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 2022/23:

Roads	Maintained 2021/22	Maintained 2022/23
	Km's	
Trunk road	82.47	82.47
Main road	629.95	629.95
Divisional road	1691.36	1691.36
Minor road	1188.68	1188.68
<b>Total</b>	<b>3636.30</b>	<b>3636.30</b>

Table 46: Provincial roads allocated for maintenance

Roads	Bladed 2021/22	Bladed 2022/23
	Km's	
Trunk road	172	215.34
Main road	2188.43	1766.5
Divisional road	4009.08	3628.76
Minor road	1494.88	833.69
<b>Total</b>	<b>7864.39</b>	<b>6444.29</b>

Table 47: Provincial roads allocated for construction

Roads	Regravelled 2021/22	Regravelled 2022/23
	Km's	
Trunk road	0.00	8.8
Main road	48.81	23.15
Divisional road	0.00	0.00
Minor road	0.00	0.00
<b>Total</b>	<b>48.81</b>	<b>31.95</b>

Table 48: Provincial roads allocated for gravel

### 3.5.3 Employees: Road infrastructure services

The table below indicates the number of employees in the Road infrastructure services for the 2022/23 financial year:

Job level	2021/22	2022/23			
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Temporary	52	38	38	0	0
0 – 3	50	52	50	2	3,8%
4 – 6	7	10	8	2	20%



Job level	2021/22	2022/23			
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 – 9	29	41	32	9	21,9%
10 – 12	9	10	10	0	0
13 – 18	6	8	7	1	0
Sect. 57	0	0	0	0	0
<b>Total (Permanent)</b>	<b>101</b>	<b>121</b>	<b>107</b>	<b>14</b>	<b>11,5%</b>
<b>*Temporary employees are not included in the budgeted posts of the municipality</b> <b>End 2020- 5% vacancy rate</b> <b>End 2021 – 16% vacancy rate</b> <b>End 2022 – 4,7% vacancy rate</b> <b>End 2023 – 11,5% vacancy rate</b>					

Table 49: 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)	2022/23			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Total Expenditure	53 935	54 952	54 036	916
<b>Total</b>	<b>53 935</b>	<b>54 952</b>	<b>54 036</b>	<b>916</b>

Table 50: 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 51: 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 52: 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 53: LED initiatives

### 3.6.1.4 Employees: Local Economic Development

The table below indicates the number of employees in the LED Unit for the 2022/23 financial year:

Job level	2021/22	2022/23			
	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
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>100%</b>

Table 54: 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 55: 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 56: 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 57: 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
0 – 3		0	0	0	0
4 – 6		0	0	0	0
7 – 9		0	0	0	0
10 – 12		0	0	0	0
13 – 16		0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100%</b>

Table 58: 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 2022/23 financial year was as follows: -

CATEGORY	TARGETS	ACHIEVEMENT AGAINST TARGETS	PREVIOUS YEAR' PERFORMANCE
WORK OPPORTUNITIES (WO)	294	225	307
FULL-TIME EQUIVALENTS (FTE'S)	56	41	66



## 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 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: 2022 - 2027**

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
Develop and review management plans, policies, procedures etc. in order to ensure that MHS remains an efficient, adequate and comprehensive package of services.	Management Plans for Municipal Health Services, Sampling, Climate Change, Air Quality, Drought Response, Loadshedding etc.
Manage and render an efficient and cost-effective municipal health service in all our communities under sometimes difficult circumstances.	Capacity constraints, Workload, etc.
Receive an audit percentage of 89% in terms of the EH National Norms & Standards; 2015 - Audit conducted by the WC DoH obo NDoH.  Previous percentages achieved were 84% (2019) and 74% (2016)	The norms and standards for environmental health assist in setting a benchmark of quality against which delivery of environmental health services can be monitored.  The main purpose of the norms and standards is to provide a national approach in ensuring standardization of functions and activities in the delivery of environmental health services and establish a level against which environmental health service delivery can be assessed and gaps identified.

Table 59: Highlights Municipal Health





### 3.7.2 Challenges: Municipal Health

*The table below reflects some of the challenges.*

DESCRIPTION	ACTION TO ADDRESS
<b>Rendering of additional, non-mandated services</b>	<p>Additional responsibilities outside the MHS scope of practice, re. Air Quality Management &amp; Integrated Waste Management, 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>
<b>Water quality, quantity &amp; access to water</b>	<p>Providing and maintaining safe drinking water are central to alleviating poverty and improving the quality of life of people.</p> <p>Municipalities must submit Business Plans to DWA&amp;S in order to obtain funding for a survey &amp; project roll-out in rural areas in order to address issues w.r.t. water quality, quantity &amp; access to water and sanitation facilities for the affected households.</p>
<b>Landfill sites not complying to permit conditions &amp; legislative requirements</b>	<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 &amp; Norms &amp; 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>
<b>Illegal dumping of waste / littering</b>	<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>



DESCRIPTION	ACTION TO ADDRESS
	<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>
<b>Recycling facilities / reduce, re-use and recycling activities</b>	<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>
<b>Sewer blockages</b>	<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 &amp; conditions detrimental to the environment.</p>
<b>Informal settlements</b>	<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>
<b>Uncontrolled keeping of animals</b>	<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 &amp; 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>

DESCRIPTION	ACTION TO ADDRESS
<b>Power Outages</b>	<p>We are dependent on an uninterrupted source of power and when it fails the consequences can be devastating.</p> <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>
<b>Mining Activities: Shale Gas /Uranium</b>	<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 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 &amp; financial resources) should be conducted at Mun. / Prov. / Nat. level to deal with servicing, regulation, compliance monitoring &amp; enforcement.</p> <p>A detailed study to determine an appropriate legislative &amp; policy framework to regulate all phases of shale gas development should also be conducted.</p>

### 3.7.3 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.

### **3.7.3.1 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.
- **72** water samples for bacteriological analysis were taken during the reporting period.
- **45 (63%)** 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 2022 and June 2023**.
- 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.

### 3.7.3.2 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.
- **52** 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.
- **9** samples for bacteriological analysis were taken during the reporting period.
- **4 (44%)** 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.
- **56** 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 2023**.
- 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.

### 3.7.3.3 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 **914** 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
- **1 300** inspections were conducted at food premises during the reporting period.
- **110** 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***

- **50** samples of foodstuffs were taken for lab analysis during the reporting period.
- **34 (68%)** 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***

- **5** inspections were conducted at milking sheds during this reporting period.
- **14** milk samples were taken for bacteriological analysis during the period.
- **6 (43%)** 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***

- **3** 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.

**3.7.3.4 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.
- **239** inspections were conducted at public premises during the reporting period.
- **90** 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.
- **13** 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 2022 and June 2023**.
- 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.



### 3.7.3.5 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.

- **3** Air quality related complaint was received and investigated during the reporting period.
- **A State of the Air Report (SOAR)** was compiled regarding the various aspects of air quality management and sent to the Directorate Air Quality of the Department Environmental Affairs.

### 3.7.3.6 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.
- **8** notifiable medical conditions were reported during the reporting period.
- All notifications received are investigated and reports submitted to the WC DoH.

### 3.7.3.7 Chemical safety

#### Objective:

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

#### Activities:

##### ***a) Pesticide Poisonings***

- **No** incidents of pesticide poisonings were reported and investigated during the reporting period.





### 3.7.3.8 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:*

- **1 940** 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.

### 3.7.3.9 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.
- **1** application for an exhumation was received and monitored during the reporting period.

##### *b) Monitoring of Crematoria / Funeral Parlours*

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

### 3.7.3.10 Training and education

#### Objective:

To raise public awareness through awareness campaigns, local and social media.

#### Activities:

##### *a) Health and Hygiene Training and Education*

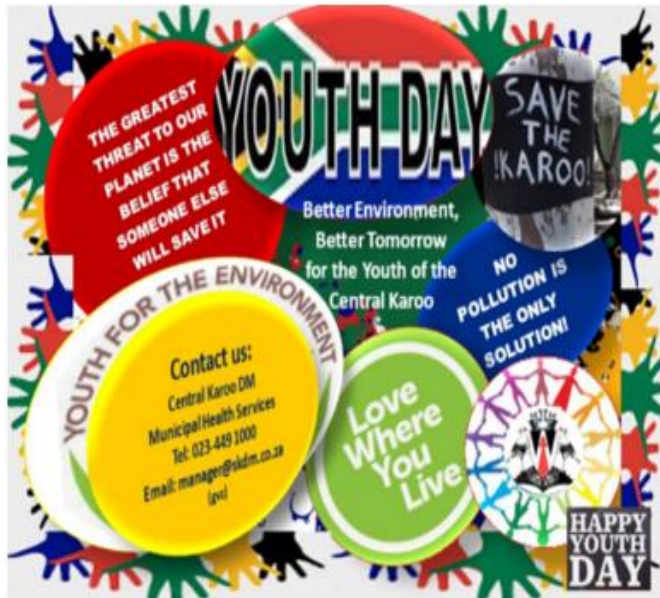
- **10** municipal health related articles / messages were published in the local newspaper "The Courier".
- **19** municipal health related messages were posted on Facebook pages in the district.
- **6** health and hygiene training and education activities were also conducted during the reporting period.





Residents of the Central Karoo should be proud of the areas that they live in.

If an area has a litter problem, it is going to reduce or even destroy the pride that we have about living in the Karoo. ... It also means that we worry about other problems associated with litter, such as economic impact, crime and anti-social behaviour.



**DON'T  
WASTE OUR  
OPEN SPACE**  
help prevent illegal dumping



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



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**SECTION: MUNICIPAL HEALTH SERVICES**  
 Head Office: 63 Danks Street, P/Bag X500  
 Beaufort West, 6870  
 Tel: 023 449 1000 / Email: [manager@ckdm.co.za](mailto:manager@ckdm.co.za)

**Think Green**

If you are the last to  
 leave the room,  
 please turn off  
 the lights!



**TURN OFF  
 WHEN NOT  
 IN USE**



**Save energy  
 and save the  
 environment**



**REDUCE**



**REUSE**



**RECYCLE**



**RETHINK!**

Waste isn't waste until we waste it



A message by the CKDM  
 Section Municipal Health Services  
 (gvr)



#### **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.

#### **3.7.3.11 Complaints**

- All Environmental health related public complaints were investigated.
- Compliance notices were issued where deemed necessary by Environmental Health Practitioners.

#### **3.7.3.12 Projects**

##### **Objective:**

To promote a safe and healthy environment.

##### **Activities:**

1 Project Proposal was drafted in order to obtain funding.

##### **a) *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.

#### **3.7.3.13 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 – 50.
- Waste management – 64.
- Food Control – 1 456.
- Health Surveillance of Premises – 239.
- Environmental Pollution Control – 4.
- Communicable Diseases Control – 4.
- Chemical Safety – 0.
- Vector Control – 3.
- Management of Human Remains – 29.



### 3.7.3.14 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 w.r.t the Section's operational & strategic KPI's was updated on the Ignite-system on a monthly basis.

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

Nr	KPI	Type	Target	Actual	Comment
1	Compile & submit <b>MHS Annual Report Input</b> to the Manager Strategic Services <b>by 31 August 2022</b>	Operational	1	1	Target achieved
2	Compile and distribute a <b>Municipal Health Information Document</b> to Local Authorities <b>by 30 June 2023</b>	Strategic	1	1	Target achieved
3	<b>Register</b> EHP's for Continuous Professional Development ( <b>eCPD</b> ) <b>training</b> at an online training institution <b>by 30 November 2022</b>	Operational	8	8	Target achieved
4	Compile & submit <b>MHS Adjustment Budget Input</b> to CFO <b>by 31 January 2023</b>	Operational	1	1	Target achieved
5	Compile & submit <b>MHS IDP Input</b> to IDP Coordinator <b>by 31 January 2023</b>	Operational	1	1	Target achieved
6	Submit <b>MHS Budget Input</b> to CFO <b>by 28 February 2023</b>	Operational	1	1	Target achieved
7	Review <b>MHS Rates</b> & submit to <b>CFO</b> <b>by 28 February 2023</b>	Operational	1	1	Target achieved
8	Compile & submit a <b>Municipal Health Project Proposal</b> to the relevant Provincial and / or National department <b>by 30 June 2023</b>	Operational	1	1	Target achieved
9	Compile & publish bi-annual <b>MHS related articles / slogans / images</b> in the local newspaper "The Courier" <b>by 30 June 2023</b>	Operational	4	7	Target achieved

Nr	KPI	Type	Target	Actual	Comment
10	Compile and submit bi-annual <b>Water Quality Evaluation Reports</b> to Water Service Authorities <b>by 30 June 2023</b>	Strategic	6	6	Target achieved
11	Compile and submit bi-annual <b>Informal Settlement Evaluation Reports</b> to Local Authorities <b>by 30 June 2023</b>	Strategic	10	10	Target achieved
12	Compile & submit <b>MHS SDBIP Input</b> to Director Corporate Services <b>by 31 March 2023</b>	Operational	1	1	Target achieved
13	Compile and submit annual <b>Waste Management Evaluation Report</b> to Local Authorities <b>by 30 June 2023</b>	Strategic	3	3	Target achieved
14	<b>Register</b> all Environmental Health Practitioners at the Health Professional Council ( <b>HPCSA</b> ) <b>by 31 May 2023</b>	Operational	8	8	Target achieved
15	Compile & submit a <b>State of the Air Report</b> to DEADP (Air Quality) <b>by 30 June 2023</b>	Operational	1	1	Target achieved

### 3.7.3.15 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.

### 3.7.3.16 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 60: 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.



Highlights	Description
Fire Safety Awareness programmes conducted at Local Primary Schools in the District.	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
Integrated Support Plan in conjunction with WC: PDMC	<ul style="list-style-type: none"> <li>- Together with WC: PDMC and appointed Service Provider by Provincial Disaster Management, Central Karoo manages to completes and handed over the Risk Assessment Plan</li> </ul>
Appointment of fire officials at CKDM. (NARYSEC Training Program - Capacitating the Fire Section)	<ul style="list-style-type: none"> <li>- Narysec Training Program placed 6 trained Fire Fighters from Nelspoort at CKDM Fire Services from February 2022 until March 2022 for In Service Training.</li> <li>•</li> </ul>
Appointment of Disaster Intern	<ul style="list-style-type: none"> <li>- 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.</li> <li>•</li> </ul>

Table 61: Highlights Disaster Management





### 3.8.2 Challenges: Disaster management

Challenges	Action to address
<ol style="list-style-type: none"> <li>1. Equipment Factor</li> <li>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</li> </ol>	<ul style="list-style-type: none"> <li>• 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.</li> </ul> <ol style="list-style-type: none"> <li>1. Service Level Agreement to be drafted and workshopped with B- Municipalities to serve before all respective Councils for approval and to be implemented.</li> </ol>

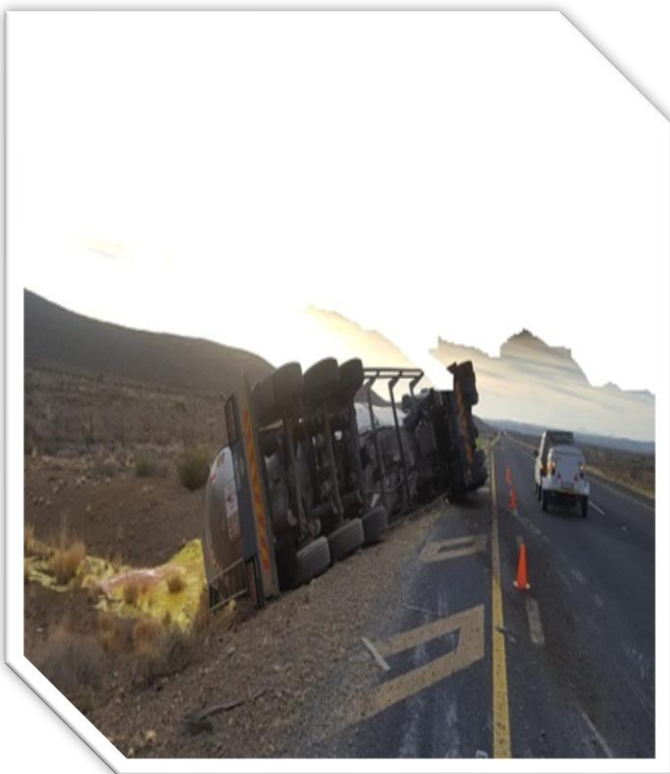
Table 62: Challenges Disaster Management

### 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"> <li>• 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.</li> <li>• Providing “hypo-water rollers” to the communities of Prince Albert &amp; Laingsburg as project to supply drinking water to households that are in need.</li> </ul>
Assisting vaccination registrations with the Department of Health & GCIS.	<ul style="list-style-type: none"> <li>• 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</li> </ul>

Table 63: Activities Disaster Management





### 3.8.4 Employees: Disaster management

Job level	2021/22	2022/23			
				Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	Employees	Posts	Employees		
	No.	No.	No.	No.	%
Temporary	8	9	9	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	0	0	0	0	0
13 – 16	2	1	1	0	0
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>

Table 64: 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	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Posts)
	No.	No.	No.	No.	%
<b>Fixed Term - MM</b>	1	1	0	1	100
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	1	1	1	0	0
10 – 12	0	0	0	0	0
13 – 16	2	2	2	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25%</b>

Table 65: 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"> <li>Records management is an objective in the District Municipality's strategy and strategic plan</li> <li>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</li> <li>Information contained in records is managed effectively throughout the office by drafting and implementing records management policies and systems</li> <li>Information can be identified and retrieved when required by providing well-structured records classification and record keeping system</li> <li>All records are kept safe in custody</li> <li>There is a systematic disposal programme in place</li> <li>All audio-visual records are managed according to the requirements of the National Archives and Records Service Act and good governance</li> <li>All electronic records are managed according to the requirements of the National Archives and Records Service Act and good governance</li> <li>Report monthly on outstanding documents</li> <li>There are evaluation criteria in place to monitor compliance with sound records management practices</li> <li>Maintain file plan, applications for transfer and disposal of systems and documentation</li> <li>Review disposal authority and retention periods on current file plan and submit information to Western Cape Archives and Records Service</li> </ul>
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, refreshments and cleaners for the meetings
Key Locker, Access Control and Alarm system	<p>Manage the:</p> <ul style="list-style-type: none"> <li>Key locker and key register</li> <li>Access control system &amp; weekly reporting</li> <li>Alarm system and alarm codes</li> </ul>
Telephone system and accounts	<ul style="list-style-type: none"> <li>Reconcile Telephone accounts for auditing and provide compiled list to Salary Clerk</li> <li>Manage users</li> <li>Report faults / applications for new extensions / transfer of lines</li> <li>Capture client numbers and personnel codes on telephone system</li> </ul>

Function	Description
Inzalo EMS System for requisitions	<ul style="list-style-type: none"> <li>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 by the HOD</li> </ul>

Table 66: Activities Records Management

### 3.9.2.2 Matters addressed: Records Management

Items	Number	Action
<b>Records Management</b>	Continuous	<ul style="list-style-type: none"> <li>Capturing of incoming, internal and outgoing post as well as the filing of all documentation.</li> <li>Applications for transfer and disposal of current systems, terminated systems and financial documentation</li> <li>Maintaining file plan and submitting amendments as required</li> <li>Reviewing retention periods and submit the information to the Western Cape Archives and Records Service</li> <li>Records audit survey submitted bi-annually</li> <li>Applications for transfer &amp; disposal of current systems, terminated systems and financial documentation</li> <li>Control &amp; ensure that all audio-visual records are managed according to the requirements of the National Archives and Records Service</li> <li>Report monthly to MM and Director: Corporate and Strategic Support Services on Quidity system</li> <li>Attend records management meetings</li> </ul>
<b>Supervision</b>		<ul style="list-style-type: none"> <li>Oversee Committee Clerk that, in accordance with attendance register for meetings, the Audio and agenda (with attachments) were received for scanning and filing</li> <li>Supervise, co-ordinate and delegate the Records Clerk, Reception, General Assistant and cleaning services within Council</li> </ul>
<b>Surety</b>		<ul style="list-style-type: none"> <li>Capturing, filling and updating of surety information</li> <li>Safekeeping of surety files</li> </ul>
<b>Council Chambers / Equipment management and organising</b>		<ul style="list-style-type: none"> <li>Booking of Council Chamber for meetings, arrangement supplies, material and refreshments and cleaners for the meetings</li> </ul>
<b>Key Locker, Access Control and alarm system</b>		<ul style="list-style-type: none"> <li>Manage key locker, key register</li> <li>Manage the access control – report weekly</li> <li>Manage the alarm system and alarm codes</li> </ul>
<b>Telephone system and accounts</b>		<ul style="list-style-type: none"> <li>Print and reconcile telephone accounts of personnel</li> <li>Memo's/correspondence to personnel on accounts for more than 3 hours as per policy and outstanding payments</li> <li>Compile a list for deduction of accounts from salary and compile report for the Municipal Manager &amp; Director: Corporate &amp; Strategic Support Services</li> <li>Manage the telephone accounts on the Teltrace system (capturing &amp; deleting of personnel)</li> <li>Report faults / applications for new extensions / transfer of lines</li> <li>Capture client numbers and personnel codes on telephone system</li> </ul>
<b>Traffic Fines</b>		<ul style="list-style-type: none"> <li>Manage traffic fines received and transfer to responsible person</li> </ul>

Table 67: 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
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>

Table 68: 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	24 bursaries (R3000 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"> <li>• Approved Employee Assistance Policy.</li> <li>• 16 September 2022 - Better Together Games</li> <li>• 18 October 2022 – Financial Wellness Day held.</li> <li>• 27 January 2023 – Employee Wellness Day held.</li> <li>• Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	Filled 21 vacancies compared to 9 in 2021/22, 10 vacancies 2020/21, 10 vacancies 2019/20.
Provincial Disaster Management Support Grant	Mr Maarman was appointed as Disaster Management Intern from 1 March 2023 to 29 February 2024. His appointment is funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided 22 bursaries to full-time students with the grant obtained since 2017. Seven (7) student bursaries were approved for 2022/23.
National Treasury Grant	The DM takes full advantage of the grant in ensuring that a maximum of 5 Interns are appointed.
In-service training	12 Students were assisted with in-service training during the 2022/23 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>• Recruitment &amp; Selection reviewed</li> <li>• Gender Mainstreaming</li> <li>• Study Bursary Policy reviewed</li> <li>• Promotions, Transfer &amp; Secondment</li> <li>• Education, Training and Development</li> <li>• Probation</li> <li>• Induction</li> <li>• Employment Equity</li> <li>• Mentoring &amp; Coaching</li> <li>• Exit Management</li> <li>• Service Charter</li> </ul>
Regional Skills Development	<ul style="list-style-type: none"> <li>• 18 Students in the Region was enrolled in Public Accountability studies. Bursaries were provided by LGSETA through discretionary funding and will complete studies at the end of 2023.</li> </ul>

Table 69: Highlights Human Resources

### 3.10.2 Employees: Human Resources

Job level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	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
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

Table 70: 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
Capacitating of BTO and Income and Expenditure Sections.	The municipality appointed a Chief Clerk Budget & Accounting as well as a Payroll Clerk. Two of the senior staff are also enrolled in a Diploma in Public Accountability programme to obtain all the required unit standards required by the minimum competency regulations.
FMG Internships	All of the 5 FMG internship positions were filled during the financial year.

Table 71: 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 but not functional.
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 Assistant Accountant position urgently required	Review of the organogram is in process.

Table 72: 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 (Fulltime Equivalents)	Vacancies (as 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
<b>Total</b>	<b>15</b>	<b>10</b>	<b>13</b>	<b>0</b>	<b>0</b>

Table 73: Employees Financial Services



## 3.12 Component F: Organisational Performance Scorecard

The main development and service delivery priorities for 2023/24 is the Municipality's Top Layer SDBIP for 2023/24 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
TL32	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2024	Organisational structure reviewed and submitted to Council	1
TL38	Spend 0.5% of the municipality's personnel budget on training by 30 June 2024 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	0.50%
TL39	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2024	Workplace Skills Plan reviewed and submitted	1
TL40	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 2024	Number of people employed	1

Table 74: 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
TL29	Spend 90% of the municipal capital budget by 30 June 2024 {(Actual amount spent /Total amount budgeted) X100}	% of capital budget spent	90%
TL49	Review 19 budget related policies and submit to Council for approval by 31 May 2024	Number of policies reviewed and submitted to Council for approval	19
TL50	Review and submit the MFMA delegation register to Council for approval by 31 May 2024	MFMA delegation registered reviewed and submitted to Council for approval	1
TL51	Compile and submit the financial statements to the Auditor-General by 31 August 2023	Financial statements compiled and submitted to the Auditor-General	1
TL52	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 [(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	5%



Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL53	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 2024	1.5

Table 75: 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
TL30	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2024	RBAP revised and submitted to the Audit Committee	1
TL31	Complete 80% of the audits as per the RBAP by 30 June 2024 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	80%
TL34	Submit the draft Annual Report in Council by 31 January 2024	Draft Annual Report submitted in Council	1
TL35	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2023	IDP and Budget Process Plan submitted	1
TL36	Submit the final IDP to Council by 31 May 2024 for approval	Final IDP submitted for approval	1
TL37	Review Corporate and HR policies and submit to Council for approval by 30 June 2024	Number of policies reviewed and submitted	2

Table 76: 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
TL46	Create job opportunities in terms of skills and labour needs within identified road projects by June 2024	Number of job opportunities created	40
TL47	Spend 95% of the total approved Roads budget by 30 June 2024 [(Actual expenditure divided by approved allocation received) x100]	% of total approved Roads budget spent	95%
TL48	Regravel 40 kilometres of road by 30 June 2024	Number of kilometres regavelled	40

Table 77: Improve and maintain district roads and promote safe roads transport

### 3.12.5 Promote regional, economic development, tourism and growth opportunities

Ref	KPI Name	Description of Unit of Measurement	Annual Target
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TL33	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2024	Number of full time equivalent (FTE's) created	<b>40</b>
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Table 78: Promote regional, economic development, tourism and growth opportunities

### 3.12.6 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
TL41	Compile and submit bi-annual Water Quality Evaluation Reports to the Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2024	Number of Water Quality Evaluation Reports submitted to Water Service Authorities by 30 June 2024	<b>6</b>
TL42	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2024	Number of Waste Management Evaluation Reports submitted to local municipalities by 30 June 2024	<b>3</b>
TL43	Compile and distribute a Municipal Health Information Document to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2024	Number of Information Documents submitted to Local Authorities by 30 June 2024	<b>1</b>
TL44	Compile and submit bi-annual Informal Settlement Evaluation Reports for Kwa-Mandlenkosi, Merweville & Murraysburg to the Beaufort West municipality & Prince Albert & Klaarstroom to the Prince Albert Municipality by 30 June 2024	Number of Informal Settlement Evaluation Reports submitted to local municipalities by 30 June 2024	<b>10</b>
TL45	Review the Disaster Management Plan and submit to Council by 31 May 2024	Disaster Management Plan reviewed and submitted	<b>1</b>

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	8
The percentage of a training expenditure versus personnel expenditure actually spent on implementing its workplace skills plan	0,76%	0,83%

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



## 4.2 Introduction to the municipal workforce

The Municipality currently employs 157 officials compared to 149 officials at the end of 2022. The staff establishments collectively contribute to the achievement of the Municipality's objectives.

The Human Resources related obligations placed on Municipalities in terms of Section 51 of the Municipal Systems Act is to organize its administration to:

- Be responsive to the need of the local community.
- Facilitate a Culture of Public service and accountability amongst staff.
- Be performance orientated and focused on the objectives of local government.
- Align roles and responsibilities with priorities and objectives reflected in the Integrated Development Plan (IDP).
- Organize structures and administration in a flexible way to respond to changing priorities and circumstances.
- Perform functions through operationally effective and appropriate administrative units.
- Assign clear responsibilities.
- Maximize efficiency of communication & decision-making.
- Delegate responsibility to the most effective level within the administration.
- Involve staff in management decisions as far as practicable.
- Provide an equitable, fair, open and non-discriminatory working environment.

### 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 for 2022/2023 according to the EE Plan 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
34	34	100%	113	113	100%	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 according to the EE Plan 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 reached
111	116	95%	40	41	100%	1	1	100%

Table 82: Employment equity targets/actual by gender classification



#### 4.2.1.3 Employment equity targets vs population 2022/23

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 2022/23	34	113	0	10	0	157
% of positions filled 2022/23	21,66	71,97	0	6,37	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	2	1	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	6	15	0	4	5	16	0	1	47
Semi-skilled and discretionary decision making	5	28	0	0	1	4	0	0	38
Unskilled and defined decision making	10	41	0	0	5	4	0	0	60
Total permanent	23	88	0	5	11	25	0	5	157
Non- permanent employees	10	32			2	3			47
Grand Total	33	120	0	5	13	28	0	5	204

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	4	7	0	4	5	8	0	2	30
Financial Services	2	1	0	0	1	11	0	2	17
Road Infrastructure Services	16	80	0	1	4	5	0	0	106
Total permanent	23	88	0	5	11	25	0	5	157
Non-permanent	10	32			2	3			47
Grand Total	33	120		5	13	28		5	204

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	85	12
General workers	60	2
<b>Total</b>	<b>157</b>	<b>15</b>
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	4	
Corporate Services	30	1
Financial Services	17	
Technical Services	106	14
<b>Total</b>	<b>157</b>	<b>15</b>

Table 86: Vacancy rate per post and functional level

#### 4.2.1.7 Turn-over rate

The turn-over rate shows a slight decrease for 2022/23.

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%
2022/23	21	9	5,73%

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	2022/23
Municipal Manager	0	0	0
Corporate Services	0	0	0
Financial Services	0	0	0
Technical Services	9	6	0
<b>Total</b>	<b>9</b>	<b>6</b>	<b>0</b>

Table 88: Injuries

##### 4.2.2.2 Sick leave





Sick leave for 2021/22 was a total of 734 days and 1227 days for 2022/23. The table below shows a increase in sick leave days taken compared to 2021/22.

Department	2021/22		2022/23	
	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
Leave Policy and Procedures	Revised 25 May 2017
Nepotism	Approved 22-Apr-05
Sexual harassment	Reviewed March 2018
Smoking	Approved 01-Jul-01
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



Approved policies	
Name of policy	Date approved/revised
Recruitment & Selection reviewed	29 May 2023
Gender Mainstreaming	29 May 2023
Study Bursary Policy reviewed	29 May 2023
Promotions, Transfer & Secondment	29 May 2023
Education, Training and Development	29 May 2023
Probation	29 May 2023
Induction	29 May 2023
Employment Equity	29 May 2023
Mentoring & Coaching	29 May 2023
Exit Management	29 May 2023
Service Charter	2 May 2023

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 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Municipal Manager	1	0	0	0
Chief Financial Officer	1	0	0	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
<b>Total</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>2</b>

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).

	Total personnel budget	Total allocated	Total spent	
Financial year	R'000	R'000	R'000	% spent
<b>2019/20</b>	49 251	795	498	63%
<b>2020/21</b>	48 982	813	744	92%
<b>2021/22</b>	62 153	753	470	62%
<b>2022/23</b>	54 650	749	455	61%

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		
2021/22	53 435	100 056	53%
2022/23	62 433	117 292	53%

Table 93: Personnel expenditure

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

Financial year	2021/22	2022/23		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Mayor	638	988	688	587
Executive Committee members	1 382	1 491	1 626	1 528
Councillors	1 885	2 372	2 472	2 714
Sub total	3 905	4 851	4 786	4 829
Senior Managers				
Annual Remuneration	1 939	3 692	3 652	3 013
Motor Vehicle / Travel allowance	195	-	-	314
Performance Bonus	312	197	197	312
Telephone allowance	66	122	40	102



Financial year	2021/22	2022/23		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Contributions to UIF, Medical, Pension and Bargaining Council	159	2	12	51
Other benefits and allowances	325	315	315	490
Sub total	2 996	4 328	4 216	4 281
Other Staff				
Basic salaries and wages	37 917	34 330	37 182	42 211
Employee related costs - Contributions for UIF, Pensions and medical Aids	8 607	6 940	7 447	9 602
Overtime	1 115	848	983	1 329
Travel, Motor vehicle, Accommodation, Subsistence and Other Allowances	1 266	2 510	2 652	1 515
Current service cost	228	632	632	126
Housing allowance	280	391	393	275
13th Cheque	2 062	2 714	1 977	2 742
Employee benefits provision	776	341	370	265
In-kind benefits	206	278	98	85
Sub Total	50 439	48 984	51 734	58 151
Total Municipality	53 435	53 313	55 951	62 433

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 2022/23 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 2022/23 financial year:

Description	2021/22	2022/23		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Financial performance				
Property rates	0	0	0	0



Description	2021/22	2022/23		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Service charges	0	0	0	0
Rental of Facilities and Equipment	77	50	100	96
Investment revenue	804	1 049	1 349	1 298
Transfers recognised – operational	40 508	43 773	45 423	42 993
Other own revenue	61 837	65 362	65 844	68 824
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>103 226</b>	<b>110 234</b>	<b>112 716</b>	<b>113 211</b>
Employee related costs	53 435	53 313	55 951	62 432
Remuneration of Councillors	3 905	4 851	4 831	4 829
Contracted services	5 585	5 829	10 613	8 677
Depreciation and amortisation	1 026	666	666	970
Debt impairment	0	0	0	82
Finance charges	741	0	0	832
Impairment loss on Receivables	82	79	79	89
Inventory Consumed	11 252	19 566	16 055	14 055
Loss on disposal of property, plant and equipment (PPE)	-	0	0	1 929
Transfers and Subsidies	2 933	530	522	1 216
General expenses	21 096	23 505	23 724	22 258
<b>Total expenditure</b>	<b>100 055</b>	<b>108 339</b>	<b>112 441</b>	<b>117 369</b>
<b>Surplus/(Deficit)</b>	<b>3171</b>	<b>1895</b>	<b>275</b>	<b>(4158)</b>
Transfers recognised - capital	1 925	0	1 091	0
Contributions recognised - capital and contributed assets	0	0	0	0
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>5 096</b>	<b>1 895</b>	<b>1 366</b>	<b>(4 158)</b>
<b>Capital expenditure</b>				
Transfers recognised - capital	0	0	0	0
Public contributions and donations	0	0	0	0
Borrowing	0	3 000	0	0
Internally generated funds	0	306	8	0
<b>Total sources of capital funds</b>	<b>0</b>	<b>3 306</b>	<b>8</b>	<b>0</b>
<b>Financial position</b>				



Description	2021/22	2022/23		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Total current assets	25 651	14 646	20 494	
Total non-current assets	17 160	20 380	14 351	
Total current liabilities	12 709	11 968	10 455	
Total non-current liabilities	14 805	16 235	13 173	
Accumulated Surplus/(Deficit)	15 296	6 822	11 217	
Cash flows				
Net cash from (used) operating	(659)	4 933	(7 406 )	
Net cash from (used) investing	(789)	(2 709)	(1 434)	
Net cash from (used) financing	(131)	0	(141)	
Cash/cash equivalents at year-end	(1 579)	2 224	(8 981)	
Cash backing/surplus reconciliation				
Cash and investments available	21 879	11 473	12 906	
Application of cash and investments	0	0	0	
Balance - surplus (shortfall)	21 879	11 473	12 906	
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			
2022/2023	101 015	105 152	(4137)	104%	100 393	100 055	338	99.66%

Table 96: Performance against budgets



### 5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2021/22	2022/23		
	Actual	Original budget	Adjusted budget	Actual
	R'000			
Vote 1 - Executive and Council	42 377	49 642	46 493	44 390
Vote 2 - Budget and Treasury Office	958	1 050	3 556	2 557
Vote 3 - Corporate Services	5 839	4 061	4 337	5 982
Vote 4 – Technical Services	55 881	55 480	59 421	60 529
<b>Total revenue by vote</b>	<b>105 055</b>	<b>110 233</b>	<b>113 807</b>	<b>113 458</b>

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 2022/23 financial year:

Description	2021/22	2022/23		
		Original budget	Adjusted budget	
	Actual	budget	budget	Actual
	R'000			
Property rates	0	0	0	0
Property rates - penalties and collection charges	0	0	0	0
Service charges - electricity revenue	0	0	0	0
Service charges - water revenue	0	0	0	0
Service charges - sanitation revenue	0	0	0	0
Actuarial gains	537	0	0	2 566
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	77	50	100	96
Interest earned - external investments	804	1 049	1 349	1 298
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	82	0	0	0
Licences and permits	33	18	23	47
Agency services	5 106	6 658	6 850	5 493
Department of Transport - Roads service charges	55 881	54 205	55 939	60 528
Government grants and subsidies - operating	42 433	43 773	45 423	42 993
Other income	195	0	0	189
Gains on disposal of property, plant and equipment	0	0	0	0
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>105 148</b>	<b>105 753</b>	<b>109 684</b>	<b>113 210</b>

Table 98: Revenue collection by source





### 5.1.3 Operational services performance -

The table below indicates the operational services performance for the 2022/23 financial year:

Description	2021/22	2022/23		
	Actual	Original Budget	Adjusted budget	Actual
		R'000		
Roads transport	55 881	55 480	59 421	60 529
<b>Component A: Sub-total</b>	55 881	55 480	59 421	60 529
Planning and development	696	2 435	0	0
<b>Component B: Sub-total</b>	696	2 435	0	0
Municipal health	33	32	27	0
<b>Component C: Sub-total</b>	33	32	27	0
Disaster management	33	0	100	0
<b>Component D: Sub-total</b>	55 881	55 480	59 421	60 529
Executive and Council	42 286	49 642	46 493	44 390
Internal Audit	100	0	100	91
Finance and Administration	4 084	2 644	7 765	8 514
Other				
<b>Component E: Sub-total</b>	46 470	52 286	54 358	52 995

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	2021/22	2022/23		
	Actual	Original budget	Adjustment budget	Actual
	R'000			
Total operational revenue (excluding tariffs)	55 881	55 480	59 421	60 529
Total operational expenditure	51 628	55 480	58 792	61 320
Net operational (service) expenditure	4 253	0	629	(791)

Table 100: Financial performance: Roads and storm water

### 5.2.2 Municipal Health

Description	2021/22	2022/23		
	Actual	Original budget	Adjustment budget	Actual
Total operational revenue (excluding tariffs)	33	32	27	0
Total operational expenditure	4 943	5 701	5 385	5 527
Net operational (service) expenditure	(4 910)	(5 669)	(5 358)	(5 527)

Table 101: Financial performance: Municipal Health

### 5.2.3 Disaster management

Description	2021/22	2022/23		
	Actual	Original budget	Adjustment budget	Actual
	R'000			
Total operational revenue (excluding tariffs)	33	0	100	0
Total operational expenditure	4 943	1 667	1 720	4 646
Net operational (service) expenditure	(4 910)	(1 667)	(1 620)	(4 646)

Table 102: Financial performance: Disaster management

### 5.2.4 Executive and Council

Description	2021/22	2022/23		
	Actual	Original budget	Actual	Original budget
	R'000			
Total operational revenue (excluding tariffs)	42 286	49 642	46 493	44 390
Total operational expenditure	9 266	10 528	11 251	9 133
Net operational (service) expenditure	33 020	39 114	35 245	35 257

Table 103: Financial performance: Executive and Council



### 5.2.5 Internal Audit

Description	2021/22	2022/23		
	Actual	Original budget	Actual	Original budget
	R'00000			
Total operational revenue (excluding tariffs)	100	0	0	0
Total operational expenditure	963	921	1 177	1 083
Net operational (service) expenditure	(872)	(921)	(1 177)	(1 083)

Table 104: Financial Performance: Internal Audit

### 5.2.6 Finance and Administration

Description	2021/22	2022/23		
	Actual	Original budget	Actual	Original budget
	R'000			
Total operational revenue (excluding tariffs)	4 084	2 644	7 765	8 514
Total operational expenditure	19 552	22 665	28 392	31 037
Net operational (service) expenditure	(15 468)	(20 021)	(20 627)	(22 523)

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: 2022/23								
C DC5 Central Karoo	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
<b>Direct transfers</b>								
Equitable share and related	-	36 456	(36 456)	-	-	-	-	-
<b>Infrastructure</b>	1 131	2 055	(933)	(91)	(1 131)	1 031	1 031	-
Rural roads assets management systems grant	1 131	2 055	(933)	(91)	(1 131)	1 031	1 031	-
<b>Capacity building and other current transfers</b>	141	2 321	(2 252)	(69)	(141)	0	0	-
Local government financial management grant	141	1 000	(931)	(69)	(141)	0	0	-
Expanded public works programme integrated grant for municipalities	-	1 321	(1 321)	-	-	-	-	-
<b>Sub total direct transfers</b>	1 272	40 832	(39 642)	(159)	(1 272)	1 031	1 031	-
<b>Total: Transfers from National Treasury</b>	1 272	40 832	(39 642)	(159)	(1 272)	1 031	1 031	-
<b>Transfers for Provincial Departments</b>								
<b>Municipal Allocations from Provincial Department</b>								
<b>Provincial Treasury</b>	405	500	(107)	-	(146)	653	653	-
Western Cape Financial Management Support Grant	9	-	-	-	-	9	9	-
Western Cape Financial Management Capability Building Grant	-	200	-	-	-	200	200	-
Western Cape Financial Management Capacity Building Grant	396	300	(107)	-	(146)	443	443	-
<b>Community Safety</b>	344	-	-	-	(344)	-	-	-
Safety initiative implementation - Whole of Society Approach (WOSA)	344	-	-	-	(344)	-	-	-
<b>Local Government</b>	3 362	1 450	(991)	(1)	(2 201)	1 618	1 618	-
Local Government Internship Grant	12	100	(25)	-	(12)	75	75	-
Joint District and Metro Approach Grant	1 800	1 000	(6)	(1)	(1 800)	993	993	-
Local Government Public Employment Support Grant	200	-	-	-	-	200	200	-
Local Government Emergency Load-shedding Relief Grant	-	350	-	-	-	350	350	-
Municipal Drought Relief Grant	1 350	-	(960)	-	(390)	-	-	-
<b>Total: Transfers from Provincial Departments</b>	4 111	1 950	(1 098)	(1)	(2 691)	2 271	2 271	-
<b>Transfers for Other Grant Providers</b>								
<b>Municipal Allocations from other grant providers</b>								
<i>of which</i>								
<b>Other Grant Providers</b>	(8)	2 605	(2 052)	(42)	-	503	503	-
The Chemical industries Education and Training Authority	(210)	1 315	(846)	(42)	-	216	216	-
Nedbank Winter Outreach	-	30	-	-	-	30	30	-
Local Government Sector and Training Authority (Africa Creek)	202	-	-	-	-	202	202	-
Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368)	-	38	-	-	-	38	38	-
Local Government Sector and Training Authority (LGLDP - 20239677)	-	17	-	-	-	17	17	-
Local Government Sector and Training Authority (LGLDP - 20216264)	-	1 206	(1 206)	-	-	-	-	-
<b>Total: Transfers from Other grant providers</b>	(8)	2 605	(2 052)	(42)	-	503	503	-
<b>TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER</b>	5 375	45 387	(42 792)	(202)	(3 963)	3 805	3 805	-

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		
2021/22	42 433	105 152	40%
2022/23	42 994	113 213	38%

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	2021/22	2022/23
Current ratio	Current assets/current liabilities	2.02	1.96
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)	2 Months	1 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	2021/22	2022/23
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	2021/22	2022/23
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	2021/22	2022/23
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	57%	57%

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	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Repairs and maintenance	R and M/ (Total revenue excluding capital revenue)	0.21%	0.13%

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	2021/22	2022/23		
	Actual	Original budget	Adjustment budget	Actual expenditure
R'000				
Other assets				0
General vehicles	0	0	741	0
Plant and equipment	1 998	20	455	0
Computers -hardware/equipment	108	690	828	741
Furniture and other office equipment	42	196	156	179
Other	0	3 000	0	0
<b>Intangibles</b>				
Computers - software and programming	4	0	0	0
<b>Total capital expenditure on new assets</b>	<b>2 152</b>	<b>3 906</b>	<b>2 179</b>	<b>920</b>

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	2021/22	2022/23		
	Actual	Original budget	Adjusted budget	Actual
	R'000	R'000	R'000	R'000
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	52 373	60 377	65 921	70 023
Government - operating	44 269	50 626	36 456	45 387
Government – capital	0	600	350	0
Interest	805	1 000	1 349	1 298
Dividends	0	0	0	0
Suppliers and employees	(103 823)	(115 570)	(105 473)	(116 139)
Finance charges	(22)	0	0	(12)
Transfers and grants	(2 933)	(2 893)	(3 415)	(1 217)
<b>Net cash from/(used) operating activities</b>	<b>(7 407)</b>	<b>(5 860)</b>	<b>(4 812)</b>	<b>(659)</b>
Proceeds on disposal of fixed assets	0	0	0	0
Purchase of intangible assets	0	0	0	0
Decrease/(increase) in non-current receivables	0	0	465	0
Capital assets	(1 435)	(2 709)	(120 191)	(790)
Increase in loan	0	0	0	0
<b>Net cash from/(used) investing activities</b>	<b>(1 435)</b>	<b>(2 709)</b>	<b>(119 725)</b>	<b>(790)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	0	0	0	0
<b>Payments</b>				
Repayment of borrowing	(132)	0	0	(141)
<b>Net cash from/(used) financing activities</b>	<b>(132)</b>	<b>0</b>	<b>0</b>	<b>(141)</b>
Net increase/(decrease) in cash held	(8 973)	(8 569)	(124 537)	(1 590)
Cash/cash equivalents at the year begin:	21 879	9 642	12 716	12 906
Cash/cash equivalents at the year-end:	12 906	1 073	(111 821)	11 316

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
2021/22	0	0	0	0	9 721	9 721
2022/23	0	0	0	0	5 740	5 740
Difference	0	0	0	0	3 981	3 981
% Growth year on year	0	0			-41%	-41%

*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	2021/22	2022/23
	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	241	99
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
<b>Municipality Total</b>	<b>241</b>	<b>99</b>

Table 116: Actual borrowings



## 5.9 Municipal investments

Investment type	2021/22	2022/23
	R'000	
Securities - National Government	0	0
Listed corporate bonds	0	0
Deposits – Bank	7 690	9 507
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
<b>Municipality total</b>	<b>7 690</b>	<b>9 507</b>

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



Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of committee
	<ul style="list-style-type: none"> <li>- Community Development and empowerment initiatives</li> <li>- Youth and Gender equality</li> </ul> <p><b>Office of the Municipal Manager:</b></p> <ul style="list-style-type: none"> <li>- Internal Audit</li> <li>- Appointments</li> <li>- Labour Relations / Training</li> </ul>

Table 118: Committees and Committee purposes

## APPENDIX B: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	Director / Manager
<b>Office of the Municipal Manager</b>	Mr M Nhlengethwa (Acting)
<b>Corporate Services</b>	Dr R R Links
<b>Roads Infrastructure Services</b>	Mr. A Koopman
<b>Financial Services</b>	Mr N P Mabhena (Acting)

Table 119: Third Tier Structure

## APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2022/23

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 2022/23			
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	Performance Management	Manager Strategic Services	<b>As charged per tariff listing</b>
Mubesko Africa (Pty)Ltd	Accounting Services	Snr Manager: Financial Services	<b>As charged per tariff listing</b>
Moore Stephens	Internal Audit Services	Snr Manager: Financial Services	<b>As charged per tariff listing</b>
Ubertech	IT Support	Snr Manager: Corporate Services	<b>As charged per tariff listing</b>
Telkom	Telephone	Snr Manager: Corporate Services	<b>As charged per tariff listing</b>



Long Term Contracts 2022/23			
Name of Service provider (Entity or Municipal Department)	Description of services rendered by the Service Provider	Project Manager	Contract Value
			R'000
Ricoh	Rental of 4-in-1 copy machine	Snr Manager: Corporate Services	<b>As charged per tariff listing</b>
Nashua	Rental of 4-in-1 copy machine	Snr Manager: Corporate Services	<b>As charged per tariff listing</b>
B-Muns	Shared Services	Legal and Executive Support	<b>As charged per tariff listing</b>
Sebata	Financial System	Snr Manager: Financial Services	<b>As charged per tariff listing</b>

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 2022/23 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	2021/22	2022/23		
	Actual	Original budget	Adjusted budget	Actual
	R'000			
Vote 1 - Executive and Council	42 377	49 642	46 493	44 390
Vote 2 - Budget and Treasury Office	958	1 050	3 556	2 557
Vote 3 - Corporate Services	5 839	4 061	4 337	5 982
Vote 4 – Technical Services	55 881	55 480	59 421	60 529
<b>Total revenue by vote</b>	<b>105 055</b>	<b>110 233</b>	<b>113 807</b>	<b>113 458</b>

Table 121: Revenue collection performance by vote

### APPENDIX F (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2021/22	2022/23		
	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	538	0	0	2 566
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	77	50	100	96
Interest earned - external investments	805	1 049	1 349	1 298
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	82	0	0	14
Licences and permits	34	18	23	47
Agency services	5 106	5 077	5 077	5 493
Department of Transport - Roads service charges	55 881	43 773	45 423	60 529
Government grants and subsidies - operating	42 433	58 686	58 971	42 994
Other income	130	0	0	176



Description	2021/22	2022/23		
		Original	Adjusted	
	Actual	budget	budget	Actual
	R'000			
Gains on disposal of property, plant and equipment	0	0	0	0
Total revenue (excluding capital transfers and contributions)	105 115	110 233	112 716	113 213

Table 122: Revenue collection performance by vote

## APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CENTRAL KAROO MTREF ALLOCATIONS: 2022/23								
	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
<b>C DC5 Central Karoo</b>								
<b>Direct transfers</b>								
Equitable share and related	-	36 456	(36 456)	-	-	-	-	-
<b>Infrastructure</b>	1 131	2 055	(933)	(91)	(1 131)	1 031	1 031	-
Rural roads assets management systems grant	1 131	2 055	(933)	(91)	(1 131)	1 031	1 031	-
<b>Capacity building and other current transfers</b>	141	2 321	(2 252)	(69)	(141)	0	0	-
Local government financial management grant	141	1 000	(931)	(69)	(141)	0	0	-
Expanded public works programme integrated grant for municipalities	-	1 321	(1 321)	-	-	-	-	-
<b>Sub total direct transfers</b>	1 272	40 832	(39 642)	(159)	(1 272)	1 031	1 031	-
<b>Total: Transfers from National Treasury</b>	1 272	40 832	(39 642)	(159)	(1 272)	1 031	1 031	-
<b>Transfers for Provincial Departments</b>								
<b>Municipal Allocations from Provincial Department</b>								
<b>Provincial Treasury</b>	405	500	(107)	-	(146)	653	653	-
Western Cape Financial Management Support Grant	9	-	-	-	-	9	9	-
Western Cape Financial Management Capacity Building Grant	-	200	-	-	-	200	200	-
Western Cape Financial Management Capacity Building Grant	396	300	(107)	-	(146)	443	443	-
<b>Community Safety</b>	344	-	-	-	(344)	-	-	-
Safety initiative implementation - Whole of Society Approach (WOSA)	344	-	-	-	(344)	-	-	-
<b>Local Government</b>	3 362	1 450	(991)	(1)	(2 201)	1 618	1 618	-
Local Government Internship Grant	12	100	(25)	-	(12)	75	75	-
Joint District and Metro Approach Grant	1 800	1 000	(6)	(1)	(1 800)	993	993	-
Local Government Public Employment Support Grant	200	-	-	-	-	200	200	-
Local Government Emergency Load-shedding Relief Grant	-	350	-	-	-	350	350	-
Municipal Drought Relief Grant	1 350	-	(960)	-	(390)	-	-	-
<b>Total: Transfers from Provincial Departments</b>	4 111	1 950	(1 098)	(1)	(2 691)	2 271	2 271	-
<b>Transfers for Other Grant Providers</b>								
<b>Municipal Allocations from other grant providers</b>								
<i>of which</i>								
<b>Other Grant Providers</b>	(8)	2 605	(2 052)	(42)	-	503	503	-
The Chemical Industries Education and Training Authority	(210)	1 315	(846)	(42)	-	216	216	-
Nedbank Winter Outreach	-	30	-	-	-	30	30	-
Local Government Sector and Training Authority (Africa Creek)	202	-	-	-	-	202	202	-
Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368)	-	38	-	-	-	38	38	-
Local Government Sector and Training Authority (LGLDP - 20239677)	-	17	-	-	-	17	17	-
Local Government Sector and Training Authority (LGLDP - 20216264)	-	1 206	(1 206)	-	-	-	-	-
<b>Total: Transfers from Other grant providers</b>	(8)	2 605	(2 052)	(42)	-	503	503	-
<b>TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER</b>	5 375	45 387	(42 792)	(202)	(3 963)	3 805	3 805	-

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 2022/23

No loans or grants have been made by the Central Karoo District Municipality for the 2022/23 financial year.





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

The monthly budget statement for July 2022 was submitted to the provincial Treasury on 08/09/2022 which was not within the required time frame.





# Report of the auditor-general to the Western Cape Provincial Parliament and 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 5 to 95, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standard of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 30 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors identified in the financial statements of the municipality at, and for the year ended 30 June 2023.

### Events after reporting date

8. As disclosed in note 46 to the financial statements, the key event after the reporting date relates to an insurance claim for a damaged fire truck.

### Other matters

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

### Unaudited supplementary schedule

10. The supplementary information set out on pages 96 to 97 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

11. In terms of section 125 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, we do not express an opinion on it. This relates to note 35 of the financial statements.

### Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standard of GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

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

14. 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.
15. 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

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

Strategic objective	Page numbers	Purpose
<b>Strategic objective 4:</b> improve and maintain district roads and promote safe road transport	11	Improve and maintain district roads and promote safe roads transport
<b>Strategic objective 7:</b> promote safe, healthy and socially stable communities through the provision of sustainable environmental health services	14	Promote safe, healthy, and socially stable communities through the provision of sustainable environmental health services

18. I evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner

- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

20. I performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion or conclusion.

21. I did not identify any material findings on the reported performance information for the selected strategic objectives.

## **Other matters**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

## **Report on compliance with legislation**

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **HR management**

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

### **Expenditure management**

29. Reasonable steps were not taken to prevent irregular expenditure amounting to R25 038 563 as disclosed in note 34.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA.



30. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R10 040 667, as disclosed in note 34.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

### **Strategic planning and performance management**

31. A framework for integrated development planning in the district was adopted without consultation with the local municipalities in the district, as required by section 27(1) of the MSA.

### **Other information in the annual report**

32. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
33. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
34. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. I have nothing to report in this regard.

### **Internal control deficiencies**

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with applicable legislation included in this report.
38. The management oversight function was not sufficiently implemented to detect, prevent non-compliance with applicable legislation and correct non-compliance where it has occurred. The internal control deficiency resulted from vacancies in key positions responsible for the oversight function.

## Other reports

39. I draw attention to the following engagement conducted. The report on this engagement did not form part of my opinion on the financial statements or my findings on the compliance with legislation.
40. An independent investigation on allegation of misappropriation of funds conducted during the period 12 August 2022 to 6 February 2023 was concluded on 6 February 2023 and resulted in criminal proceedings against one employee.

*Auditor General*

Cape Town

5 December 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure to the auditor's report**

The annexure includes the following:

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

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional scepticism**

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic objectives and on the municipality's compliance with selected requirements in key legislation.

#### **Financial statements**

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 – definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1) Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a) Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii) Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e) Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j) Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b) Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a) Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), 17(1)(b) Regulations 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e) Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii) Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i) Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act of 2000	CIDB Act section 18(1)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1) Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a) Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42 Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b) Sections 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a) Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)



## APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2023





# **Central Karoo District**

## **DISTRICT MUNICIPALITY**



### **AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2023**

# CENTRAL KAROO DISTRICT MUNICIPALITY

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# CENTRAL KAROO DISTRICT MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### GRADING OF MUNICIPALITY

C

### COUNTRY OF ORIGIN AND LEGAL FORM

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

### JURISDICTION

The Central Karoo District Municipality includes the following municipal areas:

Beaufort West Municipality  
Prince Albert Municipality  
Laingsburg Municipality

### EXECUTIVE MAYOR

J Botha

### DEPUTY EXECUTIVE MAYOR

G Pietersen

### SPEAKER

LM Paulse

### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor  
Deputy Executive Mayor  
Executive Councillor  
Executive Councillor  
Executive Councillor

J Botha  
G Pietersen  
EF Botha  
LBJ Mdudumani  
IA Jacobs

### MUNICIPAL MANAGER

Mr MG Nkungwana (Acting)

### CHIEF FINANCIAL OFFICER

Mr M Nhlengethwa (Acting)

### REGISTERED OFFICE

63 Donkin Street  
Beaufort West  
6970

### AUDITORS

Auditor General of South Africa

# CENTRAL KAROO DISTRICT MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### PRINCIPAL BANKERS

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

### ATTORNEYS

Crawfords Attorneys  
Coetzee & van den Bergh Attorneys  
Van der Waal

### RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)  
Collective Agreements  
Division of Revenue Act  
Electricity Act (Act no 41 of 1987)  
Employment Equity Act (Act no 55 of 1998)  
Housing Act (Act no 107 of 1997)  
Infrastructure Grants  
Municipal Budget and Reporting Regulations  
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 on Standard Chart of Accounts  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Systems Amendment Act (Act no 7 of 2011)  
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 1966)  
Value Added Tax Act

### MEMBERS OF THE CENTRAL KAROO DISTRICT MUNICIPALITY

#### WARD

Proportional  
Proportional  
Proportional  
Directly-elected  
Directly-elected  
Directly-elected  
Proportional  
Proportional  
Proportional

#### COUNCILLOR

N Constable  
J Reynolds  
J van der Linde  
AP Swanepoel  
DW Sampie  
DU Snyders  
LV Piti  
A MacKay  
SD Koonthea



# CENTRAL KAROO DISTRICT MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 2 to 95 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 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 reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2023 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 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.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.



Mr MG Nkungwana (Acting)  
Municipal Manager

05/12/2023

Date

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023**

	Notes	2023 R	2022 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>14 462 140</b>	<b>17 160 271</b>
Property, Plant and Equipment	2	7 856 022	9 740 522
Intangible Assets	3	62 218	47 259
Non-Current Receivables from Non-Exchange Transactions	4	6 543 900	7 372 490
<b>Current Assets</b>		<b>20 259 555</b>	<b>25 750 118</b>
Inventory	5	1 556 651	1 348 910
Receivables from Exchange Transactions	6.1	4 304 975	8 934 755
Receivables from Non-exchange Transactions	6.2	1 138 375	815 313
VAT receivable	14	1 419 368	1 244 665
Current Portion of Non-Current Receivables	4	531 100	500 510
Cash and Cash Equivalents	7	11 309 086	12 905 965
<b>Total Assets</b>		<b>34 721 695</b>	<b>42 910 390</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>13 173 001</b>	<b>14 805 629</b>
Long-term Borrowings	8	-	99 629
Non-current Employee Benefits	9	13 173 001	14 706 000
<b>Current Liabilities</b>		<b>10 430 424</b>	<b>12 741 140</b>
Consumer Deposits	10	1 500	4 500
Current Employee Benefits	11	5 229 592	5 055 606
Trade and Other Payables from Exchange Transactions	12	1 594 871	2 164 973
Unspent Transfers and Subsidies	13	3 504 832	5 375 045
Current Portion of Long-term Borrowings	8	99 629	141 015
<b>Total Liabilities</b>		<b>23 603 424</b>	<b>27 546 769</b>
<b>Net Assets</b>		<b>11 118 270</b>	<b>15 363 622</b>
Accumulated Surplus		11 118 270	15 363 622
<b>Total Net Assets and Liabilities</b>		<b>34 721 695</b>	<b>42 910 390</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 R	2022 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>45 558 206</b>	<b>43 053 119</b>
<b>Transfer Revenue</b>		<b>42 993 976</b>	<b>42 433 168</b>
Government Grants and Subsidies	16	42 993 976	42 433 168
<b>Other Revenue</b>		<b>2 564 230</b>	<b>619 951</b>
Actuarial Gains	9	2 564 230	537 696
Reversal of impairment loss	29	-	82 255
<b>Revenue from Exchange Transactions</b>		<b>67 665 051</b>	<b>62 168 956</b>
Licences and Permits	17	47 241	33 818
Rental from Fixed Assets	18	96 190	77 179
Interest Earned - External Investments	19	1 298 247	804 544
Operational Revenue	20	196 573	167 357
Department of Transport - Roads Service Charges	21	60 528 654	55 881 387
Straight Service Charge	21	5 492 609	5 106 478
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	5	5 538	98 192
<b>Total Revenue</b>		<b>113 223 257</b>	<b>105 222 075</b>
<b>EXPENDITURE</b>			
Employee related costs	22	(62 400 419)	(53 434 571)
Remuneration of Councillors	23	(4 829 376)	(3 905 174)
Debt impairment		(89 823)	(82 256)
Contracted Services	24	(9 491 206)	(5 585 130)
Depreciation and Amortisation	25	(938 798)	(1 026 083)
Finance Costs	26	(834 165)	(741 125)
Inventory Consumed	5	(12 599 317)	(11 251 702)
Loss on disposal of assets and liabilities	45	(1 935 520)	-
Transfers and Subsidies	27	(1 532 684)	(2 933 365)
Operational Costs	28	(22 817 296)	(21 099 402)
<b>Total Expenditure</b>		<b>(117 468 604)</b>	<b>(100 058 807)</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(4 245 347)</b>	<b>5 163 268</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2023

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023**

	Accumulated Surplus/ (Deficit) R	Total R
<b>Balance at 1 July 2021</b>	9 942 775	9 942 775
Correction of Error - note 30	257 579	257 579
<b>Restated balance</b>	<b>10 200 354</b>	<b>10 200 354</b>
Net Surplus/(Deficit) for the year	5 163 268	5 163 268
Net Surplus/(Deficit) previously reported	5 471 033	5 471 033
Effects of Correction of Errors - note 30	(307 765)	(307 765)
<b>Restated balance at 30 June 2022</b>	<b>15 363 622</b>	<b>15 363 622</b>
Net Surplus/(Deficit) for the year	(4 245 347)	(4 245 347)
<b>Balance at 30 June 2023</b>	<b>11 118 274</b>	<b>11 118 274</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 R	2022 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Other Revenue		70 369 867	52 200 607
Government - Operating		45 087 237	44 269 279
Government - Capital		-	1 925 000
Interest income		1 298 247	804 544
Cash payments			
Suppliers of goods and services		(48 945 435)	(46 203 286)
Employee related cost		(66 844 579)	(57 445 262)
Finance Costs		(14 165)	(24 205)
Transfers and Grants		(1 532 684)	(2 933 365)
<b>Net Cash from Operating Activities</b>	<b>31</b>	<b>(581 512)</b>	<b>(7 406 688)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(874 348)	(1 431 072)
Purchase of Intangible Assets		-	(3 783)
<b>Net Cash from Investing Activities</b>		<b>(874 348)</b>	<b>(1 434 855)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Finance leases		(141 015)	(131 508)
<b>Net Cash from Financing Activities</b>		<b>(141 015)</b>	<b>(131 508)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1 596 874)</b>	<b>(8 973 051)</b>
Cash and Cash Equivalents at the beginning of the year		12 905 965	21 879 019
Cash and Cash Equivalents at the end of the year		11 309 086	12 905 965
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1 596 879)</b>	<b>(8 973 054)</b>



CENTRAL KAROO DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2023	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)	Reasons for Material variances
		R	R	R	R	R	%	
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash		10 887 483	(10 579 839)	307 644	1 808 823	1 501 179	488%	Please see reasons under Note 33.2.1.1
Cash and Cash Equivalents		10 887 483	(10 579 839)	307 644	11 309 086	11 001 442		
Less:								
Call Investment Deposits		-	-	-	(9 500 263)	(9 500 263)		
Call Investment Deposits		-	7 689 957	7 689 957	9 500 263	1 810 306	24%	Please see reasons under Note 33.2.1.2
Short-term Investments								
Add:								
Cash and Cash Equivalents: Call Investment Deposits			7 689 957	7 689 957	9 500 263	1 810 306		
Consumer Debtors		-	9 026 844	9 026 844	4 304 975	(4 721 869)	-52%	Please see reasons under Note 33.2.1.3
Receivables from Exchange Transactions		-	9 026 844	9 026 844	4 304 975	(4 721 869)		
Other Debtors		1 838 001	(645 764)	1 192 237	2 557 744	1 365 507	115%	Please see reasons under Note 33.2.1.4
Receivables from Non-exchange Transactions		838 049	354 188	1 192 237	1 138 375	(53 862)		
Less:								
Receivables from Non-exchange Transactions: Rates		-	-	-	-	-		
Add:								
Unpaid Transfers and Subsidies		-	-	-	-	-		
Other current assets		930 158	(930 159)	-	-	-		
Operating Lease Asset		-	-	-	-	-		
VAT Receivable		69 794	(69 794)	-	1 419 368	1 419 368		
Current Portion of long-term receivables		636 996	(136 486)	500 510	531 100	30 590	6%	Please see reasons under Note 33.2.1.5
Inventory		1 283 549	(4 259)	1 279 290	1 556 651	277 361	22%	Please see reasons under Note 33.2.1.6
<b>Total Current Assets</b>		<b>14 646 029</b>	<b>5 350 453</b>	<b>19 996 482</b>	<b>20 259 555</b>	<b>263 073</b>	<b>1%</b>	
<b>Non-Current Assets</b>								
Long-term Receivables		6 907 001	465 489	7 372 490	6 543 900	(828 590)	-11%	Please see reasons under Note 33.2.2.1
Non-Current Receivables from Non-Exchange Transactions		6 907 001	465 489	7 372 490	6 543 900	(828 590)		
Property, Plant and Equipment		12 825 870	(1 626 656)	11 199 214	7 856 022	(3 343 192)	-30%	Please see reasons under Note 33.2.2.2
Intangible Assets		647 502	(600 243)	47 259	62 218	14 959	32%	Please see reasons under Note 33.2.2.3
<b>Total Non-Current Assets</b>		<b>20 380 373</b>	<b>(1 761 410)</b>	<b>18 618 963</b>	<b>14 462 140</b>	<b>(4 156 823)</b>	<b>-22%</b>	
<b>TOTAL ASSETS</b>		<b>35 026 402</b>	<b>3 589 043</b>	<b>38 615 445</b>	<b>34 721 695</b>	<b>(3 893 750)</b>	<b>-10%</b>	



National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2023	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)	Reasons for Material variances
		R	R	R	R	R	%	
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Borrowing		20 670	120 345	141 015	99 629	(41 386)	-29%	Please see reasons under Note 33.2.3.1
Consumer Deposits	Current Portion of Long-term Borrowings	20 670	-	141 015	99 629	(41 386)	-29%	
Trade and Other Payables	Consumer Deposits	4 458 930	(2 837 093)	1 621 837	5 099 703	3 477 866	214%	Please see reasons under Note 33.2.3.2
	Trade and Other Payables from Exchange Transactions	3 759 113	(2 007 221)	1 751 892	1 594 871	(157 021)	-10%	Please see reasons under Note 33.2.3.3
	Trade and other payables from non-exchange transactions	699 817	(699 817)	-	-	-	-	
	Unspent Transfers and Subsidies	-	346 991	346 991	3 504 832	3 157 841	-	
	Transfers and Subsidies Payable	-	-	-	-	-	-	
	VAT	-	(477 046)	(477 046)	-	477 046	-	
Provisions		7 488 694	(2 221 231)	5 267 463	5 229 592	(37 871)	-1%	Please see reasons under Note 33.2.3.4
	Current Employee Benefits	7 488 694	(2 221 231)	5 267 463	5 229 592	(37 871)	-1%	
<b>Total Current Liabilities</b>		<b>11 968 294</b>	<b>(4 937 979)</b>	<b>7 030 315</b>	<b>10 430 424</b>	<b>3 400 109</b>	<b>48%</b>	
<b>Non-Current Liabilities</b>								
Borrowing		-	99 629	99 629	-	(99 629)	-100%	Please see reasons under Note 33.2.4.1
	Long-term Borrowings	-	99 629	99 629	-	(99 629)	-100%	
Provisions		16 235 992	(1 529 990)	14 706 002	13 173 001	(1 533 001)	-10%	Please see reasons under Note 33.2.4.2
	Non-current Provisions	13 494 502	(13 494 502)	-	-	-	-	
	Non-current Employee Benefits	2 741 490	11 964 512	14 706 002	13 173 001	(1 533 001)	-11%	
<b>Total Non-Current Liabilities</b>		<b>16 235 992</b>	<b>(1 430 361)</b>	<b>14 805 631</b>	<b>13 173 001</b>	<b>(1 632 630)</b>	<b>-11%</b>	
<b>TOTAL LIABILITIES</b>		<b>28 204 286</b>	<b>(6 368 340)</b>	<b>21 835 946</b>	<b>23 603 424</b>	<b>1 767 478</b>	<b>8%</b>	
<b>NET ASSETS</b>								
Accumulated Surplus/(Deficit)		6 822 115	9 957 362	16 779 477	11 118 270	(5 661 207)	-34%	Please see reasons under Note 33.2.5.1
<b>TOTAL NET ASSETS</b>		<b>6 822 115</b>	<b>9 957 362</b>	<b>16 779 477</b>	<b>11 118 270</b>	<b>(5 661 207)</b>	<b>-34%</b>	

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 KARBOD DISTRICT MUNICIPALITY

National Treasury Classification Format		GRAP Annual Financial Statement Classification Format				Reasons for Material variances	
		Original Budget	Adjustments	Final Budget	Actual Outcome 2023	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)
REVENUE		R	R	R	R	R	%
Rental of Facilities and Equipment		50 000	50 000	100 000	96 190	(3 810)	-4%
Interest Earned - External Investments		1 049 000	300 000	1 349 000	1 298 247	(50 753)	-4%
Licences and Permits		18 358	5 000	23 358	47 241	23 883	102%
Agency Services		6 657 600	192 000	6 849 600	-	(6 849 600)	-100%
Transfers and subsidies		43 772 740	1 650 179	45 422 919	42 993 976	(2 428 943)	-5%
Other Revenue		58 685 730	284 999	58 970 729	66 217 835	7 247 107	12%
Operational Revenue		58 538 271	432 458	58 970 729	196 573	(58 774 156)	
Department of Transport - Roads Service Charges		-	-	-	60 528 654	60 528 654	
Straight Service Charge		-	-	-	5 492 609	5 492 609	
Sales of Goods and Rendering of Services		147 459	(147 459)	-	-	-	
Gains		-	-	-	2 569 768	2 569 768	
Actuarial Gains		-	-	-	2 564 230	2 564 230	
Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-	5 538	5 538	
Total Revenue (excluding capital transfers and contributions)		110 233 428	2 482 178	112 715 606	113 223 257	507 651	0%
EXPENDITURE							
Employee Related Costs		53 312 860	2 638 530	55 951 390	62 400 419	6 449 029	12%
Remuneration of Councillors		4 851 478	(20 000)	4 831 478	4 829 376	(2 102)	0%
Debt Impairment		78 675	-	78 675	89 823	11 148	14%
Reversal of Impairment Loss/(Impairment Loss) on Receivables		-	-	-	-	-	
Bad Debts Written Off		78 675	-	78 675	89 823	11 148	
Depreciation and Asset Impairment		665 903	-	665 903	938 798	272 895	41%
Finance Charges		-	-	-	834 165	834 165	100%
Inventory consumed		19 664 962	(3 610 205)	16 054 757	12 599 317	(3 455 440)	-22%
Inventory Consumed		19 664 962	(3 610 205)	16 054 757	12 599 317	(3 455 440)	
Contracted Services		5 828 950	4 783 584	10 612 534	9 491 206	(1 121 328)	-11%
Transfers and Subsidies		280 000	242 000	522 000	1 532 684	1 010 684	194%
Other Expenditure		22 306 285	1 418 004	23 724 289	22 817 296	(906 993)	-4%
Operational Costs		22 306 285	1 418 004	23 724 289	22 817 296	(906 993)	
Losses		-	-	-	1 935 520	1 935 520	100%
Gains/(Loss) on Sale of Fixed Assets		-	-	-	1 935 520	1 935 520	
Total Expenditure		106 989 113	5 451 913	112 441 026	117 468 604	5 027 578	4%

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2023	Difference between Final Budget and Actual Outcome	Variance Outcome as % of Final Budget	Reasons for Material variances
		R	R	R	R	R	%	
<b>Surplus/(Deficit)</b>		3 244 315	(2 969 735)	274 580	(4 245 347)	(4 519 927)	-1646%	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	Government Grants and Subsidies (Capital only)							
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			1 091 090	1 091 090	-	(1 091 090)	-100%	Please see reasons under Note 33.2.6.8
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment		-	-	-	-	100%	
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		3 244 315	(1 878 645)	1 365 670	(4 245 347)	(5 611 017)	-411%	
<b>Taxation</b>							100%	
<b>Surplus/(Deficit) after Taxation</b>		3 244 315	(1 878 645)	1 365 670	(4 245 347)	(5 611 017)	-411%	
Attributable to Minorities							100%	
<b>Surplus/(Deficit) Attributable to Municipality</b>		3 244 315	(1 878 645)	1 365 670	(4 245 347)	(5 611 017)	-411%	
Share of Surplus/(Deficit) of Associate							100%	
<b>Surplus/(Deficit) for the year</b>		3 244 315	(1 878 645)	1 365 670	(4 245 347)	(5 611 017)	-411%	

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 2023

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2023	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)	Reasons for Material variances
		R	R	R	R	R	%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Other Revenue		60 376 989	5 543 698	65 920 687	70 369 867	4 449 180	7%	Please see reasons under Note 33.2.8.1
Transfers and Subsidies - Operational	Government - Operating	50 626 246	(5 672 506)	44 953 740	45 087 237	133 497	0%	Please see reasons under Note 33.2.8.2
Transfers and Subsidies - Capital	Government - Capital	600 000	(250 000)	350 000	-	(350 000)	-100%	Please see reasons under Note 33.2.8.3
Interest		-	1 349 000	1 349 000	1 298 247	(50 753)	-4%	Please see reasons under Note 33.2.8.4
<b>Payments</b>								
Suppliers and Employees		(103 634 389)	(11 145 966)	(114 780 355)	(115 790 014)	(1 009 659)	1%	Please see reasons under Note 33.2.8.5
	Suppliers of goods and services	-	-	-	(48 945 435)	(48 945 435)		
	Employee related cost	-	-	-	(66 844 579)	(66 844 579)		
Finance charges		-	-	-	(14 165)	(14 165)	100%	
Transfers and Grants		(2 893 000)	2 371 000	(522 000)	(1 532 884)	(1 010 884)	194%	Please see reasons under Note 33.2.8.6
<b>Net Cash from/(used) Operating Activities</b>		<b>5 075 846</b>	<b>(7 804 774)</b>	<b>(2 728 928)</b>	<b>(581 512)</b>	<b>2 147 416</b>	<b>-79%</b>	Please see reasons under Note 33.2.8.7
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE		(285 959)	285 959	-	-	-	100%	Please see reasons under Note 33.2.9.1
Decrease (increase) in Non-Current Receivables		-	-	-	-	-	100%	Please see reasons under Note 33.2.9.2
<b>Payments</b>								
Capital Assets		(2 708 860)	529 423	(2 179 437)	(874 348)	1 305 089	-60%	Please see reasons under Note 33.2.9.3
	Purchase of Property, Plant and Equipment	(2 708 860)	529 423	(2 179 437)	(874 348)	1 305 089		
	Purchase of Intangible Assets	-	-	-	-	-		
<b>Net Cash from/(used) Investing Activities</b>		<b>(2 994 819)</b>	<b>815 382</b>	<b>(2 179 437)</b>	<b>(874 348)</b>	<b>1 305 089</b>	<b>-60%</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Increase (decrease) in consumer deposits		-	189 944	189 944	-	(189 944)	-100%	Please see reasons under Note 33.2.10.1
<b>Payments</b>								
Repayment of Borrowing		-	-	-	(141 015)	(141 015)	100%	Please see reasons under Note 33.2.10.2
	Repayment of Finance leases	-	-	-	(141 015)	(141 015)		
<b>Net Cash from/(used) Financing Activities</b>		<b>-</b>	<b>189 944</b>	<b>189 944</b>	<b>(141 015)</b>	<b>(330 959)</b>	<b>-174%</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>2 081 027</b>	<b>(6 799 448)</b>	<b>(4 718 421)</b>	<b>(1 596 874)</b>	<b>3 121 547</b>	<b>-66%</b>	
Cash and Cash Equivalents at the year begin:		11 472 746	1 243 276	12 716 022	12 905 965	189 943	1%	
Cash and Cash Equivalents at the year end:		<b>13 553 773</b>	<b>(5 556 172)</b>	<b>7 997 601</b>	<b>11 309 091</b>	<b>3 311 490</b>	<b>41%</b>	

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

APPENDIX F  
CENTRAL KAROO DISTRICT MUNICIPALITY  
APPROPRIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

2023	National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final Budget Adjustment (i.e. s31 of the MFMA)	Shifting of Funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved by-law)	Final Budget	Actual Outcome 2023	Unauthorised expenditure	Variance	Variance (Actual Outcome as % of Final Budget)	Variance (Actual Outcome as % of Original Budget)
			R	R	R	R	R	R	R	R	R	%	%
<b>FINANCIAL PERFORMANCE</b>													
	Rental of Facilities and Equipment		50 000	50 000	100 000	-	-	100 000	95 190	-	-3 810	-4%	92%
	Interest Earned - External Investments		1 049 000	300 000	1 349 000	-	-	1 349 000	1 298 247	-	-50 753	-4%	24%
	Licences and Permits		18 358	5 000	23 358	-	-	23 358	47 241	-	23 883	102%	157%
	Agency Services		6 657 600	192 000	6 849 600	-	-	6 849 600	-	-	-6 849 600	-100%	-100%
	Transfers and subsidies	Government Grants and Subsidies (Operational only)	43 772 740	1 650 179	45 422 919	-	-	45 422 919	42 993 976	-	-2 428 943	-5%	-2%
	Other Revenue		58 685 730	284 959	58 970 729	-	-	58 970 729	66 217 836	-	7 247 107	12%	13%
		Operational Revenue	58 685 271	432 458	58 970 729	-	-	58 970 729	196 573	-	-58 774 156	-100%	-100%
		Department of Transport - Roads Service Charges	-	-	-	-	-	-	60 528 654	-	60 528 654	-100%	-100%
		Straight Service Charge	-	-	-	-	-	-	5 493 609	-	5 493 609	-100%	-100%
		Sales of Goods and Rendering of Services	147 459	-147 459	-	-	-	-	-	-	-	-	-
		Gains	-	-	-	-	-	-	2 559 768	-	2 559 768	-100%	-100%
		Actuarial Gains	-	-	-	-	-	-	2 564 230	-	2 564 230	-100%	-100%
		Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
		Gains/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
		Inventories/(Write-down)/(Reversal of Write-down to Net Realisable Value)	-	-	-	-	-	-	5 538	-	5 538	-100%	-100%
	<b>Total Revenue (excluding capital transfers and contributions)</b>		110 233 428	2 482 178	112 715 606	-	-	112 715 606	113 223 257	-	507 651	0%	3%
	Employee Related Costs		53 312 860	2 638 520	55 951 380	-	-	55 951 380	62 400 419	-6 545 593	6 449 029	12%	17%
	Remuneration of Councillors		4 851 478	-20 000	4 831 478	-	-	4 831 478	4 829 376	-	-2 102	0%	0%
	Debt Impairment		78 675	-	78 675	-	-	78 675	89 823	-11 148	11 148	14%	0%
		Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	-	-	-	-	-	89 823	-11 148	11 148	-100%	-100%
		Bad Debts Written Off	78 675	-	78 675	-	-	78 675	-	-	-	-	-
		Depreciation and Asset Impairment	665 903	-	665 903	-	-	665 903	938 798	-195 895	272 895	41%	41%
		Finance Charges	-	-	-	-	-	-	834 165	-834 116	49	100%	100%
		Inventory consumed	19 664 962	-3 610 205	16 054 757	-	-	16 054 757	12 599 317	3 382 577	-3 455 440	-22%	-36%
		Contracted Services	5 829 950	4 793 584	10 612 534	-	-	10 612 534	9 491 206	262 751	-1 121 328	-11%	63%
		Transfers and Subsidies	280 000	242 000	522 000	-	-	522 000	1 010 684	-1 010 684	-1 010 684	-100%	447%
		Other Expenditure	22 305 285	1 418 004	23 724 289	-	-	23 724 289	22 817 296	727 130	-906 993	-4%	2%
		Operational Costs	22 305 285	1 418 004	23 724 289	-	-	23 724 289	22 817 296	727 130	-906 993	-4%	2%
		Losses	-	-	-	-	-	-	1 935 520	-1 888 483	1 935 520	-100%	-100%
		Loss on disposal of assets and liabilities	-	-	-	-	-	-	1 935 520	-1 888 483	1 935 520	-100%	-100%
	<b>Total Expenditure</b>		105 989 113	5 451 913	112 441 026	-	-	112 441 026	117 468 804	-6 113 323	5 027 578	4%	10%
	<b>Surplus/(Deficit)</b>		3 244 315	-2 969 735	274 580	-	-	274 580	-4 245 347	-	-4 519 927	-1646%	-231%
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	1 091 090	1 091 090	-	-	1 091 090	-	-	-1 091 090	-100%	-100%
	Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		3 244 315	-1 878 645	1 365 670	-	-	1 365 670	-4 245 347	-	-5 611 017	-411%	-231%
	Taxation		-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit) after Taxation</b>		3 244 315	-1 878 645	1 365 670	-	-	1 365 670	-4 245 347	-	-5 611 017	-411%	-231%
	Attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit) Attributable to Municipality</b>		3 244 315	-1 878 645	1 365 670	-	-	1 365 670	-4 245 347	-	-5 611 017	-411%	-231%
	Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit) for the year</b>		3 244 315	-1 878 645	1 365 670	-	-	1 365 670	-4 245 347	-	-5 611 017	-411%	-231%

2023 (continued)									
National Treasury Classification Format	GRAP Annual Financial Statement Classification Format				Variance (Actual Outcome as % of Final Budget)				
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved by-law)	Final Budget	Actual Outcome 2023	Unauthorised expenditure	Variance (Actual Outcome as % of Final Budget)
<b>CAPITAL EXPENDITURE AND FUND SOURCES</b>									
Total expenditure and funds sources									
Total Capital expenditure	3 905 503	-1 726 066	2 179 437	-	-	2 179 437	1 004 775	-	-1 174 662 -54%
<b>Sources of capital funds</b>									
Transfers recognised - capital	600 000	1 305 937	1 905 937	-	-	1 905 937	-	-	-1 905 937 -100%
Internally generated funds	305 503	-32 003	273 500	-	-	273 500	1 004 775	14 238	731 275 267%
<b>Total sources of capital funds</b>	<b>905 503</b>	<b>1 273 934</b>	<b>2 179 437</b>	<b>-</b>	<b>-</b>	<b>2 179 437</b>	<b>1 004 775</b>	<b>14 238</b>	<b>-1 174 662 -54%</b>
<b>CASHFLOWS</b>									
Net cash from / (used) in operating activities	5 075 846	-7 804 774	-2 728 928	-	-	-2 728 928	-581 512	-	2 147 416 -79%
Net cash from / (used) in investing activities	-2 984 819	815 382	-2 179 437	-	-	-2 179 437	-874 348	-	1 305 089 -60%
Net cash from / (used) in financing activities	-	-5 556 172	189 944	-	-	189 944	-141 015	-	-330 959 -174%
<b>Net increase/(decrease) in cash and cash equivalents at year end</b>	<b>2 081 027</b>	<b>-12 545 564</b>	<b>-4 718 421</b>	<b>-</b>	<b>-</b>	<b>-4 718 421</b>	<b>-1 596 874</b>	<b>-</b>	<b>3 121 547 -66%</b>
Cash and cash equivalents at the beginning of the year	11 472 746	1 243 276	12 716 022	-	-	12 716 022	12 905 965	-	189 943 1%
<b>Cash and cash equivalents at the end of the year</b>	<b>13 553 773</b>	<b>-11 302 288</b>	<b>7 987 601</b>	<b>-</b>	<b>-</b>	<b>7 987 601</b>	<b>11 309 091</b>	<b>-</b>	<b>3 311 490 41%</b>
									<b>-17%</b>



2022	National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget (i.t.o. s28 and s31 of the MFMA)	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Restated Audited Outcome 2022	Reported Unauthorised expenditure	Variance	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	
			R	R	R	R	R	R	R	R	R	R	R	
FINANCIAL PERFORMANCE														
	Rental of Facilities and Equipment		93 000	-	93 000	-	-	93 000	77 179	-	-15 821			
	Interest Earned - External Investments		93 000	-	93 000	-	-	93 000	77 179	-	-15 821			
	Licences and Permits		1 000 000	-	1 000 000	-	-	1 000 000	804 544	-	-195 456			
	Agency Services		-	-	-	-	-	-	33 818	-	-			
	Transfers and subsidies		47 837 700	378 000	48 215 700	-	-	-	-	-	-7 707 532			
	Other Revenue	Government Grants and Subsidies (Operational only)	59 308 810	1 733 942	61 042 752	-	-	61 042 752	61 155 223	-	112 471			
	Operational Revenue		59 308 810	1 733 942	61 042 752	-	-	61 042 752	167 357	-	-60 875 395			
	Department of Transport - Roads Service Charges		-	-	-	-	-	-	55 881 387	-	55 881 387			
	Straight Service Charge		-	-	-	-	-	-	5 106 478	-	5 106 478			
	Sales of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-			
	Gains		-	-	-	-	-	-	718 144	-	718 144			
	Actual Gains		-	-	-	-	-	-	537 696	-	537 696			
	Reversal of Impairment Loss on receivables		-	-	-	-	-	-	82 255	-	82 255			
	Inventories/(Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-	-	-	-	98 192	-	98 192			
Total Revenue (excluding capital transfers and contributions)														-7 054 377
	Employee Related Costs		58 477 430	640 000	59 117 430	-	-	59 117 430	53 434 571	-	-5 682 859			
	Remuneration of Councillors		4 624 850	-	4 624 850	-	-	4 624 850	3 905 174	-	-719 676			
	Debt Impairment		-	-	-	-	-	-	82 256	-	82 256			
	Reversal of Impairment Loss/(Impairment Loss) on Receivables		-	-	-	-	-	-	82 256	-	82 256			
	Depreciation and Amortisation		811 660	-	811 660	-	-	928 360	1 026 083	-	96 723			
	Finance Costs		-	-	-	-	-	-	741 125	-	741 125			
	Inventory consumed		11 935 850	-	11 935 850	-	-755 377	11 180 473	11 251 702	-	-4 116 858			
	Contracted Services		10 077 590	-	10 077 590	-	-375 602	9 701 988	5 595 130	-	-20 569			
	Transfers and Subsidies		2 893 000	-	2 893 000	-	19 796	2 912 796	2 933 365	-	-			
	Other Expenditure		19 417 600	1 733 942	21 151 542	-	993 483	22 145 025	21 099 402	-	-1 045 623			
	Operational Costs		19 417 600	1 733 942	21 151 542	-	993 483	22 145 025	21 099 402	-	-1 045 623			
	Losses		-	-	-	-	-	-	-	-	-			
Total Expenditure														-10 553 115
	Surplus/(Deficit)		1 530	-262 000	-260 470	-	-	-260 470	3 238 268	-	3 498 738			
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	1 925 000			
	Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-			
Surplus/(Deficit) after Capital Transfers & Contributions														5 423 738
	Taxation		-	-	-260 470	-	-	-260 470	5 163 268	-	5 423 738			
	Surplus/(Deficit) after Taxation		1 530	-262 000	-260 470	-	-	-260 470	5 163 268	-	5 423 738			
	Attributable to Minorities		-	-	-	-	-	-	-	-	-			
	Surplus/(Deficit) Attributable to Municipality		1 530	-262 000	-260 470	-	-	-260 470	5 163 268	-	5 423 738			
	Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-	-			
	Surplus/(Deficit) for the year		1 530	-262 000	-260 470	-	-	-260 470	5 163 268	-	5 423 738			

2022 (continued)

2022 (continued)																							
National Treasury Classification Format		GRAP Annual Financial Statement Classification Format																		National Treasury Classification Format			
		Original Budget		Budget Adjustments (i.t.o. s28 and s31 of the MFMA)		Final Adjustment Budget		Shifting of Funds (i.t.o. s31 of the MFMA)		Virement (i.t.o. Council approved by-law)		Final Budget		Restated Audited Outcome 2022		Reported Unauthorised expenditure		Variance		Expenditure authorised in terms of section 32 of MFMA		Balance to be recovered	
		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>CAPITAL EXPENDITURE AND FUND SOURCES</b>																							
Total expenditure and funds sources																							
Total Capital expenditure																							
Sources of capital funds																							
Transfers recognised - capital																							
Internally generated funds																							
Total sources of capital funds																							
		2 715 500	-500	2 715 000	-	-	-	-	-	-	-	2 715 000	2 152 453	-	-	-	-	-	-562 547				
<b>CASHFLOWS</b>																							
Net cash from / (used) in operating activities		2 312 120	-262 120	2 050 000	-	-	-	-	-	-	-	2 050 000	-7 406 688	-	-	-	-	-9 456 688					
Net cash from / (used) in investing activities		-2 708 860	-	-2 708 860	-	-	-	-	-	-	-	-2 708 860	-1 434 855	-	-	-	-	1 274 005					
Net cash from / (used) in financing activities		-396 740	-262 120	-658 860	-	-	-	-	-	-	-	-658 860	-8 973 051	-	-	-	-	-131 508					
Net increase/(decrease) in cash and cash equivalents at year end		11 470 440	-	11 470 440	-	-	-	-	-	-	-	11 470 440	21 879 019	-	-	-	-	10 408 579					
Cash and cash equivalents at the beginning of the year		11 073 700	-262 120	10 811 580	-	-	-	-	-	-	-	10 811 580	12 905 968	-	-	-	-	2 094 388					
Cash and cash equivalents at the end of the year																							

## **ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS**

### **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.

#### **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.



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Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017.

The municipality is continually busy during the year with a process to align items in the annual financial statements with the Item Segment of mSCOA. The result of this process results in reclassifications and naming of items in the annual financial statements.

#### **1.4 Amended Disclosure Policy**

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

#### **1.5 Materiality**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances.

The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

#### **1.6 Presentation of budget information**

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

The information is presented for budgets that are made publicly available.

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.

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**1.7 Consistent and new accounting policies**

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

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

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

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 25	<p><b><u>Employee benefits</u></b></p> <p>The objective of this Standard is to prescribe the accounting and disclosure for employee benefits.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2023
GRAP 104	<p><b><u>Financial Instruments</u></b></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>	1 April 2025
GRAP 1: Materiality	<p><b><u>Presentation of Financial statements: Materiality</u></b></p> <p>The objective of this Standard is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.</p> <p>The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality.</p> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2023
GRAP 1: Going concern	<p><b><u>Presentation of Financial statements: Going concern</u></b></p> <p>The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial</p>	Unknown



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REFERENCE	TOPIC	EFFECTIVE DATE
	<p>statements of previous periods and with the financial statements of other entities.</p> <p>The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	
iGRAP 7	<p><b><u>The limit on a defined benefit asset, minimum funding requirement and their interaction</u></b></p> <p>This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. No significant impact is expected as the Municipality does not hold any plan assets.</p>	1 April 2023
iGRAP 21	<p><b><u>The Effect of Past Decisions on Materiality</u></b></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>No significant impact expected as the Municipality's current treatment is already in line with the Interpretation.</p>	1 April 2023

## 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.

### 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



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

#### **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.

Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation.

Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

This liability always must 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.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

#### **1.12 Unpaid conditional government grants and receipts**

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

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

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

#### **1.13 Unspent public contributions**

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

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

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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.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder, it is recorded as part of the creditor. If it is the municipality's interest, it is recognised as interest earned 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.

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

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

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

#### **1.15 Employee benefits**

##### **Pension and Retirement Fund Obligations**

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

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

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

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligations to pay further



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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**

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

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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.



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Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

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

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

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

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.

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The annual depreciation rates are based on the following estimated useful lives:

<b>Classification</b>	<b>Years</b>
<b><u>Land and Buildings</u></b>	
Land	Indefinite
Buildings (Civic and Other)	100
<b><u>Other Assets</u></b>	
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
<b><u>Leased Assets</u></b>	
Furniture and office equipment	3 - 5

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 estimate 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. The Other Asset the depreciation cost method was used to establish the deemed cost as at 1 July 2007.



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## 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
- 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 annual amortisation rates are based on the following estimated useful lives:

Classification	Years
<b>Intangible Assets</b>	
Computer Software	1 - 5

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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 estimate 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:

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;



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- 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.

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

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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.

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



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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, 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.

##### **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

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as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost. 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 at 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.



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**Non-Current Investments**

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

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

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

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

**De-recognition**

**Financial Assets**

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

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

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

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

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

**Financial Liabilities**

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

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 and Measurement**

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

The Municipality initially measures statutory receivables at their transaction amount.

#### **Subsequent Measurement**

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement is adjusted with:

- 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



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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.

**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.

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

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

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

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

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

#### **Revenue from Exchange Transactions**

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

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

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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.



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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:

- 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:



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

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

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

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

- a) all members of the governing body of the Municipality;
- b) 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;
- c) 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
- d) 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

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government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

**1.24 Unauthorised Expenditure**

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

**1.25 Irregular expenditure**

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

**1.26 Fruitless and wasteful expenditure**

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

**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 preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily



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apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements.

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.

**Property, Plant and Equipment**

The useful lives of property, plant and equipment are based on management's estimation.

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:

- 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.

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**Intangible Assets**

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other Municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

**Provisions and Contingent Liabilities**

Management's judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

**Provision for Staff Leave**

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

This provision will be realised as employees take leave or when employment is terminated.

**Provision for Performance bonuses**

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

**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.



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**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.

**1.33 Consumer Deposits**

Consumer deposits are disclosed as a current liability. Consumer deposits are applicable to rental contracts. When the rental contract is terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.



2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2023

	Cost						Accumulated Depreciation and Impairment Losses				Carrying Value			
	Opening Balance	Correction of Error	Opening Residual Value	Disposals Residual Value	Closing Residual Value	Additions	WIP Additions	Disposals	Closing Balance	Opening Balance		Correction of Error	Depreciation	Disposals
Other Assets														
Land	1 207 650			-	-	-	-	-	1 207 650	-	-	-	-	-
Buildings	5 940 333			-	-	-	-	-	5 940 333	-	-	54 061	-	2 498 959
Machinery and Equipment	735 810			-	-	-	-	-	670 570	-	-	98 994	(65 834)	518 641
Furniture and Office Equipment	2 486 061			-	-	201 927	-	-	2 219 657	1 518 428	-	169 871	(455 526)	1 232 772
Transport Assets	4 846 610		240 000	(110 000)	130 000	-	-	-	2 873 654	1 957 466	-	374 867	(300 213)	2 032 120
Computer Equipment	1 385 892		-	-	-	768 722	-	-	1 732 439	843 305	-	133 369	(411 608)	565 066
	16 602 355	-	240 000	(110 000)	130 000	970 650	-	(3 058 701)	14 844 303	7 249 578	-	831 162	(1 233 181)	6 847 558
Leases														
Furniture and Office Equipment	413 988	-	-	-	-	-	-	-	413 988	266 242	-	88 470	-	354 712
	413 988	-	-	-	-	-	-	-	413 988	266 242	-	88 470	-	354 712
Total	17 016 342	-	240 000	(110 000)	130 000	970 650	-	(3 058 701)	15 058 291	7 515 820	-	919 632	(1 233 181)	7 202 271

2.2 30 JUNE 2022

	Cost						Accumulated Depreciation and Impairment Losses				Carrying Value			
	Opening Balance	Correction of Error (OE)	Opening Residual Value	Additions Residual Value	Closing Residual Value	Additions	WIP Additions	Disposals	Closing Balance	Opening Balance		Correction of Error (CY)	Depreciation	Disposals
Other Assets														
Land	1 207 650	-	-	-	-	-	-	-	-	1 207 650	-	-	-	-
Buildings	5 940 333	-	-	-	-	-	-	-	-	5 940 333	-	-	-	-
Machinery and Equipment	714 338	21 472	-	-	-	-	-	-	-	735 810	364 680	4 772	116 030	485 481
Furniture and Office Equipment	2 408 600	35 056	-	-	-	16 983	25 421	-	-	2 486 061	1 322 857	5 221	190 349	957 633
Transport Assets	2 848 831	-	239 900	100	240 000	-	1 997 879	-	-	5 086 610	1 667 658	289 807	107 451	3 129 144
Computer Equipment	1 267 811	9 694	-	-	-	108 387	-	-	-	1 385 892	734 469	1 385	107 451	542 587
	14 387 563	66 222	239 900	100	240 000	125 370	2 023 300	-	-	16 842 355	6 480 501	11 378	757 699	7 249 578
Leases														
Furniture and Office Equipment	413 988	-	-	-	-	-	-	-	-	413 988	45 727	-	220 515	266 242
	413 988	-	-	-	-	-	-	-	-	413 988	45 727	-	220 515	147 746
Total	14 801 551	66 222	239 900	100	240 000	125 370	2 023 300	-	-	17 256 342	6 526 228	11 378	978 214	7 515 820

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**2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	2023 R	2022 R
<b>2.3 Property, Plant and Equipment which is in the process of being constructed or developed:</b>		
Other Assets		
Transport assets	-	1 997 880
Office equipment	25 421	25 421
<b>Total Property, Plant and Equipment under construction</b>	<b>25 421</b>	<b>2 023 301</b>
	<b>2023 R</b>	<b>2022 R</b>

The movements for the year can be reconciled as follows:

Balance at beginning of year	2 023 301	-
Expenditure during the year	-	2 023 301
Assets unbundled during the year	(1 997 880)	-
Impairment recognised during the year	-	-
<b>Balance at end of year</b>	<b>25 421</b>	<b>2 023 301</b>

**2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:**

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

**2.5 Property, Plant and Equipment where construction or development has been halted:**

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

	2023 R	2022 R
<b>2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Inventory Consumed	707	-
Contracted Services	102 575	210 619
Operational Costs	15 769	11 157
<b>Total Repairs and Maintenance</b>	<b>119 052</b>	<b>221 776</b>
	<b>2023 R</b>	<b>2022 R</b>

**2.7 Assets pledged as security:**

Leased Property, Plant and Equipment of R 240 644 is secured for leases as set out in Note 8.

**2.8 Effect of changes in accounting estimates**

The useful lives of certain plant and equipment were estimated in 2022/2023 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:

	2023 R	2024 R	2025 R
Effect on Property, plant and equipment			
Computer Equipment	(2 652)	(1 615)	(696)
Furniture and office equipment	(6 077)	(3 718)	(2 363)
Machinery and Equipment	(525)	(437)	(350)
	<b>(9 254)</b>	<b>(5 771)</b>	<b>(3 409)</b>

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**2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	2023 R	2022 R
<b>2.9 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	633 579	-
Transport Assets	633 579	-
<b>Total</b>	633 579	-
	2023 R	2022 R
This expenditure will be financed from:		
Government Grants	633 579	-
<b>Total</b>	633 579	-

**2.10 General**

There are no contractual commitments for the acquisition of property.  
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.

	2023 R	2022 R
<b>3. INTANGIBLE ASSETS</b>	47 259	79 967
<b>3.1 Net Carrying amount at 1 July</b>		
Cost	138 395	134 612
Accumulated Amortisation	(91 136)	(54 645)
	34 125	3 783
Additions	(19 166)	(36 491)
Amortisation	-	-
Disposals	-	-
Amortisation written back on disposal	-	-
Impairment Loss/ Reversal of Impairment Loss	-	-
<b>Net Carrying amount at 30 June</b>	62 218	47 259
Cost	172 520	138 395
Accumulated Amortisation	(110 302)	(91 136)
<b>3.2 Intangible Assets which is in the process of being constructed or developed:</b>		
There are no Intangible assets in the process of being constructed or developed.		
<b>3.3 Intangible Assets that is taking a significantly longer period of time to complete than expected:</b>		
There are no Intangible assets taking a significantly longer period of time to complete.		
<b>3.4 Intangible Assets where construction or development has been halted:</b>		
There are no Intangible assets where construction or development has been halted.		
	2023 R	2022 R
<b>3.5 Material Intangible Assets included in the carrying value:</b>		
<u>Description</u>		
Microsoft software and other software	62 218	47 259

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**3. INTANGIBLE ASSETS (CONTINUED)**

**3.6 Effect of changes in accounting estimates**

The useful lives of certain Intangible assets were estimated in 2022/2023 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 amortisation charges for the current and future periods to be affected as follows:

	2023 R	2024 R	2025 R
Computer Software and applications	(14 567)	(8 598)	(2 882)

**3.7 General**

No intangible asset were assed having an indefinite useful life.  
There are no internally generated intangible assets at reporting date.  
There are no intangible assets pledged as security for liabilities.  
There are no intangible assets whose title is 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.

**4. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

	2023 R	2022 R
Employee Benefits - At amortised cost		
Department of Transport: Roads - Post Employment Health Care Benefits	5 296 000	6 283 000
Department of Transport: Roads - Long Service Awards	1 779 000	1 590 000
Department of Transport: Roads - Ex Gratia Pension Benefits	-	-
	<u>7 075 000</u>	<u>7 873 000</u>
<b>Less:</b> Current portion transferred to the Current Portion of Non-Current Receivables	<u>(531 100)</u>	<u>(500 510)</u>
Department of Transport: Roads - Post Employment Health Care Benefits	(366 100)	(423 378)
Department of Transport: Roads - Long Service Awards	(165 000)	(77 132)
Department of Transport: Roads - Ex Gratia Pension Benefits	-	-
	<u>6 543 900</u>	<u>7 372 490</u>
<b>Total Non-Current Receivables from Non-Exchange Transactions</b>	<u><u>6 543 900</u></u>	<u><u>7 372 490</u></u>
	<b>2023 R</b>	<b>2022 R</b>

**5. INVENTORY**

Maintenance Materials - At cost	1 556 651	1 348 910
<b>Total Inventory</b>	<u><u>1 556 651</u></u>	<u><u>1 348 910</u></u>
Balance previously reported		1 279 290
Correction of error - note 30		69 620
		<u><u>1 348 910</u></u>
	<b>2023 R</b>	<b>2022 R</b>

**5.1 Inventories recognise as an expense during the year:**

Maintenance Materials - At cost	12 599 317	11 251 702
<b>Total</b>	<u><u>12 599 317</u></u>	<u><u>11 251 702</u></u>
	<b>2023 R</b>	<b>2022 R</b>

**5.2 Inventories write-down to Net Replacement Value (NRV):**

Maintenance Materials - At cost	5 538	98 192
<b>Total</b>	<u><u>5 538</u></u>	<u><u>98 192</u></u>
	<b>2023 R</b>	<b>2022 R</b>

No inventories were pledged as security for liabilities.



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	2023 R	2022 R
<b>6. RECEIVABLES</b>		
<b>6.1 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Department of transport and public works	4 301 432	8 909 586
Rental Debtors	3 543	25 169
	<u>4 304 975</u>	<u>8 934 755</u>
<u>Less:</u> Provision for Debt Impairment	-	-
<b>Total Receivables from exchange transactions</b>	<u><b>4 304 975</b></u>	<u><b>8 934 755</b></u>
Balance previously reported		-
Correction of error - note 30		<u>8 934 755</u>
	<b>2023 R</b>	<b>2022 R</b>
<u><b>Ageing of amounts past due but not impaired:</b></u>		
Current (0 - 30 days)	4 304 975	8 934 755
1 month past due	-	-
2+ months past due	-	-
	<u><b>4 304 975</b></u>	<u><b>8 934 755</b></u>
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 fair value of receivables from exchange transactions approximate their carrying value.		
	<b>2023 R</b>	<b>2022 R</b>
<b>6.2 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Other Receivables	1 138 375	815 313
	<u>1 138 375</u>	<u>815 313</u>
<u>Less:</u> Provision for Debt Impairment	-	-
<b>Total Receivables from non-exchange transactions</b>	<u><b>1 138 375</b></u>	<u><b>815 313</b></u>
Balance previously reported		9 584 978
Correction of error - note 30		<u>(8 769 666)</u>
		<u><b>815 313</b></u>
	<b>2023 R</b>	<b>2022 R</b>
<u><b>Reconciliation of Provision for Debt Impairment</b></u>		
Balance at beginning of year	-	82 255
Reversal of provision	-	<u>(82 255)</u>
Balance at end of year	<u>-</u>	<u>-</u>
	<b>2023 R</b>	<b>2022 R</b>
<u><b>Ageing of amounts past due but not impaired:</b></u>		
Current (0 - 30 days)	527 304	-
1 month past due	1 063	18 138
2+ months past due	610 008	797 174
	<u><b>1 138 375</b></u>	<u><b>815 313</b></u>
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 fair value of other receivables approximate their carrying value.		



AUDITOR-GENERAL  
SOUTH AFRICA

5 December 2023



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	2023 R	2022 R
<b>7. CASH AND CASH EQUIVALENTS</b>		
<b>7.1 <u>Cash and Cash Equivalents</u></b>		
Current Accounts	1 807 530	5 214 715
Call Deposits and Investments	9 500 263	7 689 957
Cash On-hand	1 293	1 294
<b>Total Cash and Cash Equivalents - Assets</b>	<b>11 309 086</b>	<b>12 905 965</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

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.

	2023 R	2022 R
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
ABSA Bank Account Number 1540000014 (Cheque account):	1 447 183	285 262
First National Bank Account number 62062151429 (Cheque account):	197 655	127 563
Nedbank Account number 1178835510 (Cheque account):	162 692	4 801 891
	<b>1 807 530</b>	<b>5 214 716</b>

	2023 R	2022 R
<b><u>Call Deposits and Investments</u></b>		
Nedbank 03/7881114568	43 605	2 391 517
Nedbank 03/7881125551	2 437 785	2 277 945
Nedbank 03/7881121858	917 726	861 187
Nedbank 03/7881150777	1 661 864	1 559 481
Nedbank 03/7881151625	4 407 130	569 726
First Rand Bank Limited 62 835 272 361	32 153	30 101
	<b>9 500 263</b>	<b>7 689 957</b>

**Details of current accounts are as follow:**

	2023 R	2022 R
<b><u>ABSA Bank Account Number 1540000014 (Cheque account):</u></b>		
Cash book balance at beginning of year	285 262	952 948
Cash book balance at end of year	1 447 183	285 262
Bank statement balance at beginning of year	285 262	952 948
Bank statement balance at end of year	1 447 183	285 262

	2023 R	2022 R
<b><u>First National Bank Account number 62062151429 (Cheque account):</u></b>		
Cash book balance at beginning of year	127 563	342 936
Cash book balance at end of year	197 655	127 563
Bank statement balance at beginning of year	127 563	342 936
Bank statement balance at end of year	197 655	127 563

	2023 R	2022 R
<b><u>Nedbank Account number 1178835510 (Cheque account):</u></b>		
Cash book balance at beginning of year	4 801 891	9 339 284
Cash book balance at end of year	162 692	4 801 891
Bank statement balance at beginning of year	4 798 475	9 335 868
Bank statement balance at end of year	159 276	4 798 475

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	2023 R	2022 R
<b>8. LONG-TERM BORROWINGS</b>		
Capitalised Lease Liability - At amortised cost	99 629	240 644
	<u>99 629</u>	<u>240 644</u>
<b>Less:</b> Current Portion transferred to Current Liabilities	(99 629)	(141 015)
Capitalised Lease Liability - At amortised cost	<u>(99 629)</u>	<u>(141 015)</u>
	-	99 629
<b>Total Long-term Borrowings</b>	<u>-</u>	<u>99 629</u>

	2023 R	2022 R
<b>8.1</b>		
The obligations under finance leases are scheduled below:		Minimum payments
Amounts payable under finance leases:		
Payable within one year	102 262	153 393
Payable within two to five years	-	102 262
	<u>102 262</u>	<u>255 655</u>
<b>Less:</b> Future finance obligations	(2 633)	(15 011)
<b>Present value of finance lease obligations</b>	<u>99 629</u>	<u>240 644</u>

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Ricoh	Ricoh IMC3500 Colour Copier	7%	0%	3 Years	28/02/2024
Ricoh	Ricoh IMC3500 Colour Copier	7%	0%	3 Years	28/02/2024
Ricoh	Ricoh IMC3500 Colour Copier	7%	0%	3 Years	28/02/2024
Ricoh	Ricoh MP6503SP Copier	7%	0%	3 Years	28/02/2024

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Leases are secured by property, plant and equipment - Note 2

	2023 R	2022 R
<b>9 NON-CURRENT EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Health Care Benefits	10 894 000	12 470 000
Provision for Ex-Gratia Pension Benefits	-	-
Provision for Long Service Awards	2 279 000	2 236 000
<b>Total Non-current Employee Benefits</b>	<u>13 173 001</u>	<u>14 706 000</u>
	<u>2023 R</u>	<u>2022 R</u>
<b><u>Post Retirement Health Care Benefits</u></b>		
Balance 1 July	13 371 000	13 020 000
Contribution for the year	308 000	281 000
Interest cost	1 403 000	1 217 000
Expenditure (Benefits paid) for the year	(859 032)	(837 141)
Actuarial Loss/(Gain)	(2 519 968)	(309 859)
<b>Total provision 30 June</b>	<u>11 703 000</u>	<u>13 371 000</u>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 11	(809 000)	(901 000)
<b>Balance 30 June</b>	<u>10 894 000</u>	<u>12 470 000</u>
	<u>2023 R</u>	<u>2022 R</u>
<b><u>Ex-Gratia Pensions</u></b>		
Balance 1 July	-	169 387
Interest cost	-	7 960
Expenditure (Benefits paid) for the year	-	(180 768)
Actuarial Loss/(Gain)	-	3 421
<b>Total provision 30 June</b>	-	-
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 11	-	-
<b>Balance 30 June</b>	-	-

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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

	2023 R	2022 R
<b><u>Long Service Awards</u></b>		
Balance 1 July	2 350 000	2 556 000
Contribution for the year	239 000	231 000
Interest cost	240 000	212 000
Expenditure (Benefits paid) for the year	(129 738)	(417 742)
Actuarial Loss/(Gain)	(44 262)	(231 258)
<b>Total provision 30 June</b>	<b>2 655 000</b>	<b>2 350 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 11	<b>(376 000)</b>	<b>(114 000)</b>
<b>Balance 30 June</b>	<b>2 279 000</b>	<b>2 236 000</b>
	2023 R	2022 R

**9.1 Provision for Post Retirement Health Care Benefits**

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	34	35
In-service (employee) non-members	111	102
Continuation (retiree and widow) members	19	23
<b>Total Members</b>	<b>164</b>	<b>160</b>

	2023 R	2022 R
--	-----------	-----------

The unfunded liability in respect of past service has been estimated to be as follows:

In-service (employee) members	2 728 000	2 788 000
In-service (employee) non-members	972 000	1 059 000
Continuation (retiree and widow) members	8 003 000	9 524 000
<b>Total Liability</b>	<b>11 703 000</b>	<b>13 371 000</b>

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

	2021 R	2020 R	2019 R
<b>Total Liability</b>	<b>13 020 000</b>	<b>12 772 000</b>	<b>13 921 000</b>

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

Bonitas  
LA Health  
SAMWU Medical Aid

	2023 %	2022 %
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**Key actuarial assumptions used:**

**i) Rate of interest**

Discount rate	11.98%	10.85%
Health Care Cost Inflation Rate	7.74%	7.77%
Net-of-health-care-cost-inflation-Discount-Rate	3.94%	2.86%

Grap 25 defines the determination of the Discount rate assumption to be used as follow:

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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

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 11.98% per annum has been used. The corresponding index-linked yield at this term is 4.94%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 13 June 2023.

**ii) Mortality rates**

Mortality before retirement has been based on the SA 85-90 mortality tables, adjusted for female lives.

**iii) Normal 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.

**iv) 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.

**v) 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 dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

**vi) Covid 19**

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.

	2023 R	2022 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	13 371 000	13 020 000
Total expenses	851 968	658 000
Current service cost	308 000	281 000
Interest Cost	1 403 000	1 217 000
Benefits Paid	(859 032)	(840 000)
Actuarial (gains)/losses	(2 519 968)	(307 000)
Present value of fund obligation at the end of the year	<u>11 703 000</u>	<u>13 371 000</u>
Transfer to current portion - Note 11	(809 000)	(901 000)
Total Non-current portion of fund obligation	<u>10 894 000</u>	<u>12 470 000</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2023**

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
<b>Assumption</b>			
Central Assumptions	3.700	8.003	11.703



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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
<b>Assumption</b>					
Health care inflation rate	+1%	4.091	8.444	12.535	7.00%
Health care inflation rate	-1%	3.251	7.518	10.769	-8.00%
Post-employment mortality	+1 year	3.619	7.751	11.370	-3.00%
Post-employment mortality	-1 year	3.781	8.255	12.036	3.00%
Average retirement age	-1 year	4.077	8.003	12.080	3.00%
Membership continuation	-10%	3.231	8.003	11.234	-4.00%

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024**

	Current Service Cost (R)	Interest Cost (R)	Total (R)
<b>Assumption</b>			
Central Assumptions	271 000	1 355 000	1 626 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
<b>Assumption</b>					
Health care inflation rate	+1%	302 000	1 454 000	1 756 000	8.00%
Health care inflation rate	-1%	234 000	1 243 000	1 477 000	-9.00%
Post-employment mortality	+1 year	265 000	1 315 000	1 580 000	-3.00%
Post-employment mortality	-1 year	277 000	1 395 000	1 672 000	3.00%
Average retirement age	-1 year	288 000	1 400 000	1 688 000	4.00%
Membership continuation	-10%	237 000	1 299 000	1 536 000	-6.00%

Experience adjustments were calculated as follows:

	2023 Rm	2022 Rm
Liabilities: (Gain) / loss	(1.882)	(0.270)
Assets: Gain / (loss)	—	—
	2023 R	2022 R

**9.2 Provision for Long Service Bonuses**

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	107	99
Other	38	38
	145	137

The unfunded liability in respect of past service has been estimated as follows:

Present value of fund obligations	2 655 000	2 350 000
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The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2021 R	2020 R	2019 R
<b>Total Liability</b>	2 556 000	2 653 000	2 208 000



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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

**Key actuarial assumptions used:**

**i) Rate of interest**

Discount rate  
General earnings Inflation rate (long-term)  
Net Effective Discount Rate

**2023**  
%

**2022**  
%

11.49%	10.46%
6.80%	6.92%
4.39%	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 11.49% 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 4.90%. 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 13 June 2023. The duration of the total liability was estimated to be 8.75 years.

**ii) 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.

**iii) Withdrawal from Service**

If an employee leaves, the employer's liability in respect of that employee ceases.

**iv) Mortality Rates**

Mortality before retirement has been based on the SA 85-90 ultimate table, adjusted for female lives. These are the most commonly used tables in the industry.

**v) Covid 19**

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.

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year  
Total expenses  
Current service cost  
Interest Cost  
Benefits Paid  
Actuarial (gains)/losses  
Present value of fund obligation at the end of the year  
Transfer to current portion - Note 11  
Total Non-current portion of fund obligation

**2023**  
R

**2022**  
R

2 350 000	2 556 000
349 262	25 258
239 000	231 000
240 000	212 000
(129 738)	(417 742)
(44 262)	(231 258)
<b>2 655 000</b>	<b>2 350 000</b>
(376 000)	(114 000)
<b>2 279 000</b>	<b>2 236 000</b>

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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

**Sensitivity Analysis on the Accrued Liability on 30 June 2023**

		<b>Total liability (Rm)</b>	
<b>Assumption</b>			
Central Assumptions		2.655	
	<b>Change</b>	<b>Liability (Rm)</b>	<b>% change</b>
<b>Assumption</b>			
General salary inflation	+1%	2.800	5.00%
General salary inflation	-1%	2.523	-5.00%
Average retirement age	+2 yrs	3.009	13.00%
Average retirement age	-2 yrs	2.395	-10.00%
Withdrawal rates	x2	2.214	-17.00%
Withdrawal rates	x0.5	2.956	11.00%

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024**

	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
<b>Assumption</b>			
Central Assumptions	247 000	284 000	531 000

The effect of movements in the assumptions are as follows:

	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
<b>Assumption</b>					
General earnings inflation rate	+1%	266 000	301 000	567 000	7.00%
General earnings inflation rate	-1%	230 000	269 000	499 000	-6.00%
Discount rate	+1%	232 000	292 000	524 000	-1.00%
Discount rate	-1%	264 000	275 000	539 000	2.00%
Average retirement age	+2 years	272 000	325 000	597 000	12.00%
Average retirement age	-2 years	228 000	254 000	482 000	-9.00%
Withdrawal Rates	x2	182 000	233 000	415 000	-22.00%
Withdrawal Rates	x0.5	295 000	319 000	614 000	16.00%
				<b>2023 R</b>	<b>2022 R</b>

**9.3 Retirement funds**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be 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.

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	2023 R	2022 R
<b>10. CONSUMER DEPOSITS</b>		
Rental Properties	1 500	4 500
<b>Total Consumer Deposits</b>	<b>1 500</b>	<b>4 500</b>
Balance previously reported		-
Correction of error - Note 30		4 500

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	2023 R	2022 R
<b>11. CURRENT EMPLOYEE BENEFITS</b>		
Performance Bonuses	321 467	473 108
Staff Bonuses	1 371 759	1 267 138
Staff Leave	2 351 365	2 300 361
Current Portion of Non-Current Provisions	1 185 000	1 015 000
Current Portion of Post Retirement Benefits - Note 9	809 000	901 000
Current Portion of Long-Service Provisions - Note 9	376 000	114 000
<b>Total Provisions</b>	<b>5 229 592</b>	<b>5 055 606</b>

The movement in current provisions are reconciled as follows:

	2023 R	2022 R
<b>11.1 <u>Performance Bonuses</u></b>		
Balance at beginning of year	473 108	623 364
Contribution to current portion	160 041	161 426
Expenditure incurred	(311 682)	(311 682)
Balance at end of year	<b>321 467</b>	<b>473 108</b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	2023 R	2022 R
<b>11.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	1 267 138	1 189 474
Contribution to current portion	2 894 051	2 592 469
Expenditure incurred	(2 789 429)	(2 514 805)
Balance at end of year	<b>1 371 760</b>	<b>1 267 138</b>

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.

	2023 R	2022 R
<b>11.3 <u>Staff Leave</u></b>		
Balance at beginning of year	2 300 361	2 129 676
Contribution to current portion	458 552	577 040
Expenditure incurred	(407 548)	(406 355)
Balance at end of year	<b>2 351 365</b>	<b>2 300 361</b>

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

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	2023 R	2022 R
<b>12. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	1 122 787	1 880 877
Debtors with credit balances	2 152	5 538
Sundry Creditors	469 932	278 558
<b>Total Trade Payables</b>	<b>1 594 871</b>	<b>2 164 973</b>
Balance previously reported		1 785 106
Correction of error - note 30		379 866
		<b>2 164 973</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA where possible. 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.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

	2023 R	2022 R
<b>13. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	3 504 832	5 585 013
National Government Grants	1 031 049	1 272 221
Provincial Government Grants	1 970 975	4 111 008
District Municipality	-	-
Other Sources	502 808	201 784
<b>Less: Unpaid Transfers and Subsidies</b>	-	(209 968)
Other Sources	-	(209 968)
<b>Total Unspent Transfers and Subsidies</b>	<b>3 504 832</b>	<b>5 375 045</b>

See appendix "B" for reconciliation of grants from other spheres of government.

All the unspent conditional grants are cash backed.  
The Municipality is currently busy with the Roll-over application process.

	2023 R	2022 R
<b>14. VAT RECEIVABLE</b>		
VAT Receivable	1 419 368	1 244 665
<b>Net VAT (Payable)/Receivable</b>	<b>1 419 368</b>	<b>1 244 665</b>
Balance previously reported		1 200 038
Correction of error - note 30		44 626
		<b>1 244 665</b>

**15. SHORT-TERM BORROWINGS**

The Municipality has no short term borrowings.



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	2023 R	2022 R
<b>16. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Government Grants and Subsidies - Operating</b>	<b>42 993 976</b>	<b>40 508 168</b>
Equitable Share	36 456 000	33 268 000
Expanded Public Works Programme Integrated Grant	1 321 000	1 269 000
Local Government Financial Management Grant	999 954	858 763
Western Cape Financial Management Capacity Building Grant	106 766	154 285
Rural Asset Management Grant (RAMS)	1 023 998	832 209
The Chemical industries Education and Training Authority	888 628	1 701 579
Local Government Sector and Training Authority	-	-
Safety initiative implementation - Whole of Society Approach (WOSA)	-	696 410
Municipal Drought Relief Grant	960 269	1 579 079
Western Cape Financial Management Support Grant	-	90 515
Local Government Internship Grant	24 990	58 328
Joint District and Metro Approach Grant	6 753	-
Local Government Sector and Training Authority (LGLDP - 20216264)	1 205 617	-
<b>Government Grants and Subsidies - Capital</b>	<b>-</b>	<b>1 925 000</b>
Fire Service Capacity Building Grant	-	1 925 000
<b>Total Government Grants and Subsidies</b>	<b>42 993 976</b>	<b>42 433 168</b>
	<b>2023 R</b>	<b>2022 R</b>
Included in above are the following grants and subsidies received:		
<b>Unconditional</b>	<b>36 456 000</b>	<b>33 268 000</b>
Unconditional grants	36 456 000	33 268 000
<b>Conditional</b>	<b>6 537 976</b>	<b>9 165 168</b>
Conditional grants	6 537 976	9 165 168
<b>Total Government Grants and Subsidies</b>	<b>42 993 976</b>	<b>42 433 168</b>
	<b>2023 R</b>	<b>2022 R</b>
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	36 456 000	33 268 000
Executive and Council	2 344 998	1 579 079
Corporate services	2 119 236	1 701 579
Finance	2 073 743	858 763
Municipal Manager	-	244 800
Public Safety	-	1 983 328
Planning and Development	-	2 797 619
<b>Total Government Grants and Subsidies</b>	<b>42 993 976</b>	<b>42 433 168</b>

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

Please see individualised details of each of the Municipality's grants for the year:

	2023 R	2022 R
<b>16.1 Equitable Share</b>		
Opening balance	-	-
Grants received	36 456 000	33 268 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(36 456 000)	(33 268 000)
Conditions met - Own revenue	-	-
Conditions still to be met	-	-

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.



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**16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2023 R	2022 R
<b>16.2 Local Government Financial Management Grant (FMG)</b>		
Opening balance	141 237	-
Grants received	1 000 000	1 000 000
Repaid to National Revenue Fund	(141 237)	
Conditions met - Operating	(939 092)	(802 498)
Conditions met - Own revenue	(60 862)	(56 265)
Conditions still to be met	<u>46</u>	<u>141 237</u>

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 (e.g. salary costs of the Financial Management Interns).

	2023 R	2022 R
<b>16.3 Expanded public works programme integrated grant for municipalities (EPWP)</b>		
Opening balance	-	-
Grants received	1 321 000	1 269 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 321 000)	(1 269 000)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

	2023 R	2022 R
<b>16.4 Rural Asset Management Grant (RAMS)</b>		
Opening balance	1 130 984	1 967 193
Grants received	2 055 000	1 963 000
Repaid to National Revenue Fund	(1 130 984)	(1 967 000)
Conditions met - Operating	(933 438)	(806 287)
Conditions met - Own revenue	(90 559)	(25 922)
Conditions still to be met	<u>1 031 002</u>	<u>1 130 984</u>

To assist district municipalities to set up rural RAMS, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.

	2023 R	2022 R
<b>16.5 Western Cape Financial Management Capacity Building Grant</b>		
Opening balance	395 715	583 375
Grants received	-	250 000
Repaid to National Revenue Fund	(145 715)	(283 375)
Conditions met - Operating	(106 766)	(154 285)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>143 234</u>	<u>395 715</u>

To develop financial human capacity within the municipal area to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2023 R	2022 R
<b>16.6 <u>Safety initiative implementation - Whole of Society Approach (WOSA)</u></b>		
Opening balance	344 136	1 040 546
Grants received	-	-
Repaid to National Revenue Fund	(344 136)	-
Conditions met - Operating	-	(696 410)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>-</u>	<u>344 136</u>

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

	2023 R	2022 R
<b>16.7 <u>Municipal Drought Relief Grant</u></b>		
Opening balance	1 350 000	-
Grants received	-	2 929 079
Repaid to National Revenue Fund	(389 731)	-
Conditions met - Operating	(960 269)	(1 579 079)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>-</u>	<u>1 350 000</u>

To provide financial assistance to municipalities to augment water supply, bulk infrastructure capacity and demand reduction across the Province.

	2023 R	2022 R
<b>16.8 <u>Western Cape Financial Management Support Grant</u></b>		
Opening balance	9 485	-
Grants received	-	100 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(80 450)
Conditions met - Own revenue	-	(10 065)
Conditions still to be met	<u>9 485</u>	<u>9 485</u>

To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimisation and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

	2023 R	2022 R
<b>16.9 <u>Western Cape Financial Management Capability Building Grant</u></b>		
Opening balance	-	-
Grants received	200 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>200 000</u>	<u>-</u>

The grant is a merger of the Western Cape Financial Management Support Grant and the Western Cape Financial Management Capacity Building grant. The purpose of the grant is to support municipalities to improve their financial management capabilities.

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**16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2023 R	2022 R
<b>16.10 <u>Local Government Public Employment Support Grant</u></b>		
Opening balance	200 000	-
Grants received	-	200 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>200 000</u>	<u>200 000</u>

To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress, through conditional transfers to local and district municipalities and the Metro in the Western Cape.

	2023 R	2022 R
<b>16.11 <u>Joint District and Metro Approach Grant</u></b>		
Opening balance	1 800 000	-
Grants received	1 000 000	1 800 000
Repaid to National Revenue Fund	(1 800 000)	-
Conditions met - Operating	(5 873)	-
Conditions met - Own revenue	(881)	-
Conditions still to be met	<u>993 247</u>	<u>1 800 000</u>

To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

	2023 R	2022 R
<b>16.12 <u>Local Government Emergency Load-shedding Relief Grant</u></b>		
Opening balance	-	-
Grants received	350 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>350 000</u>	<u>-</u>

The purpose of this grant is to provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply as an immediate response to the prolonged load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.

	2023 R	2022 R
<b>16.13 <u>Fire Service Capacity Building Grant</u></b>		
Opening balance	-	-
Grants received	-	1 925 000
Repaid to National Revenue Fund	-	-
Conditions met - Capital	-	(1 925 000)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

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**16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2023 R	2022 R
<b>16.14 <u>Local Government Internship Grant</u></b>		
Opening balance	11 673	9 448
Grants received	100 000	70 000
Repaid to National Revenue Fund	(11 673)	(9 448)
Conditions met - Operating	(24 990)	(58 328)
Conditions met - Own revenue	-	-
Conditions still to be met	<u>75 010</u>	<u>11 673</u>

To provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.

	2023 R	2022 R
<b>16.15 <u>The Chemical Industries Education and Training Authority</u></b>		
Opening balance	(209 968)	71 411
Grants received	1 314 900	1 420 200
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(846 461)	(1 610 633)
Conditions met - Own revenue	(42 167)	(90 946)
Conditions still to be met	<u>216 304</u>	<u>(209 968)</u>

The Primary Objectives of the project shall be the collaboration between the LGSETA and the recipient in the implementation of the NSDS III by improving the effectiveness and efficiency and the skills development through provision of bursaries.

	2023 R	2022 R
<b>16.16 <u>Local Government Sector and Training Authority</u></b>		
Opening balance	201 784	201 784
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>201 784</u>	<u>201 784</u>

The objective of the project is to identify and train candidates to obtain Chemical Operations skills (Chemical Operations Level 2 and 3 Learner-ships) to meet the requirements initiatives.

	2023 R	2022 R
<b>16.17 <u>Local Government Sector and Training Authority (LGLDP - 20216264)</u></b>		
Opening balance	-	-
Grants received	1 205 617	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 205 617)	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

The purpose of this grant is to provide bursaries to employed learners for Diploma in Public Accountability for possible registration, tuition, books, residence/accommodation and general administration fees.

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**16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2023 R	2022 R
<b>16.18 Local Government Sector and Training Authority (LGLDP - 202331655 &amp; 20233368)</b>		
Opening balance	-	-
Grants received	38 160	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>38 160</u>	<u>-</u>

The purpose of this grant is to provide bursaries to employed learners for training in Construction Plant Operations.

	2023 R	2022 R
<b>16.19 Local Government Sector and Training Authority (LGLDP - 20239677)</b>		
Opening balance	-	-
Grants received	16 560	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>16 560</u>	<u>-</u>

The purpose of this grant is to provide bursaries to employed learners for training in Supply Chain Management.

	2023 R	2022 R
<b>16.20 Nedbank Winter Outreach Programme</b>		
Opening balance	-	-
Grants received	30 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<u>30 000</u>	<u>-</u>

These funds are to be used for providing uniforms to school children within the district.

	2023 R	2022 R
<b>16.21 Total Grants</b>		
Opening balance	5 375 045	3 873 756
Grants received	45 087 237	46 194 279
Repaid to National Revenue Fund	(3 963 475)	(2 259 822)
Conditions met - Operating	(42 799 507)	(40 324 968)
Conditions met - Capital	-	(1 925 000)
Conditions met - Own revenue	(194 469)	(183 199)
Conditions still to be met/(Grant expenditure to be recovered)	<u>3 504 832</u>	<u>5 375 045</u>

	2023 R	2022 R
<b>Disclosed as follows:</b>		
Unspent Conditional Government Grants and Receipts	3 504 832	5 585 013
Unpaid Conditional Government Grants and Receipts	-	(209 968)
<b>Total</b>	<u>3 504 832</u>	<u>5 375 045</u>

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



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>17. LICENCES AND PERMITS</b>		
Health Certificates	47 241	33 818
<b>Total Licences and Permits</b>	<b>47 241</b>	<b>33 818</b>
Balance previously reported		33 538
Correction of error - note 30		280
		<b>33 818</b>
	2023 R	2022 R
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	47 241	33 818
<b>Total Licences and Permits</b>	<b>47 241</b>	<b>33 818</b>
	2023 R	2022 R
<b>18. RENTAL FROM FIXED ASSETS</b>		
Property, Plant and Equipment	96 190	77 179
<b>Total Rental from Fixed Assets</b>	<b>96 190</b>	<b>77 179</b>
	2023 R	2022 R
<b>19. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	754 692	359 521
Call investment deposits	543 555	445 023
<b>Total Interest Earned - External Investments</b>	<b>1 298 247</b>	<b>804 544</b>
	2023 R	2022 R
<b>20. OPERATIONAL REVENUE</b>		
Commission	44 866	44 451
LGSETA Admin Fee	102 675	82 890
Photocopies, telephone, sale of tenders and other	46 032	40 016
Bad debts recovered	3 000	-
<b>Total Operational Revenue</b>	<b>196 573</b>	<b>167 357</b>
Balance previously reported		130 284
Correction of error - note 30		37 073
		<b>167 357</b>
	2023 R	2022 R
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	196 573	167 357
<b>Total Operational Revenue</b>	<b>196 573</b>	<b>167 357</b>

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	2023 R	2022 R
<b>21. STRAIGHT SERVICE CHARGE</b>		
Department of Transport and Public Works: Straight Service Charge	5 492 609	5 106 478
<b>Total Straight Service Charges</b>	<b>5 492 609</b>	<b>5 106 478</b>

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 and Public Works. The amount received for the current financial year amounted to:

Department of Transport - Roads Service Charges	60 528 654	55 881 387
<b>Total Department of Transport and Public works for the year</b>	<b>60 528 654</b>	<b>55 881 387</b>

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 of this funding.

	2023 R	2022 R
<b>22. EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	42 961 220	37 916 765
Pension, UIF and Medical Aid contributions	10 446 257	8 766 564
Overtime	1 970 777	1 115 075
Bonuses	3 054 092	2 373 651
Housing Allowances	317 183	280 401
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	2 983 338	1 778 632
Long service awards	83 000	209 000
Leave provision	458 552	766 483
Current service cost	126 000	228 000
<b>Total Employee Related Costs</b>	<b>62 400 419</b>	<b>53 434 571</b>

**KEY MANAGEMENT PERSONNEL**

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2023 R	2022 R
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i>Remuneration of the Municipal Manager (Acting External) - Mr M Nhlengethwa</i>		
Basic Salary	236 380	-
Contributions to UIF, Medical and Pension Funds	531	-
Performance Bonus	-	-
Motor Vehicle Allowance	20 576	-
Cell Phone Allowance	8 856	-
Housing Allowances	-	-
Other benefits and allowances	18 012	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>284 356</b>	<b>-</b>

Mr Nhlengethwa commenced with his duties on 4 April 2023 and terminated them on 30 June 2023.

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22. EMPLOYEE RELATED COSTS (CONTINUED)

**Remuneration of the Municipal Manager (Acting External) - Mr HT Prince**

	2023 R	2022 R
Basic Salary	174 370	-
Contributions to UIF, Medical and Pension Funds	388	-
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	6 000	-
Housing Allowances	-	-
Other benefits and allowances	12 206	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>192 964</b>	<b>-</b>

Mr Prince commenced with his duties on 2 February 2023 and terminated them on 31 March 2023.

**Remuneration of the Municipal Manager (Acting External) - Mr Nyati**

	2023 R	2022 R
Basic Salary	55 614	-
Contributions to UIF, Medical and Pension Funds	177	-
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	1 728	-
Housing Allowances	-	-
Other benefits and allowances	3 893	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>61 412</b>	<b>-</b>

Mr Nyati commenced with his duties on 16 January 2023 and terminated them on 31 January 2023

**Remuneration of the Municipal Manager - Mr SW Vatala**

	2023 R	2022 R
Basic Salary	386 118	900 179
Contributions to UIF, Medical and Pension Funds	11 992	40 710
Performance Bonus	-	-
Motor Vehicle Allowance	28 000	70 000
Cell Phone Allowance	12 000	30 000
Housing Allowances	18 000	-
Other benefits and allowances	31 117	118 913
Payments in lieu of leave	107 550	-
<b>Total</b>	<b>594 777</b>	<b>1 159 802</b>

Dr SW Vatala commenced with his appointment on 1 September 2021, and ceased with said appointment on 31 October 2022.

**Remuneration of the Chief Financial Officer (Acting External) - Mr R Butler**

	2023 R	2022 R
Basic Salary	211 769	-
Contributions to UIF, Medical and Pension Funds	13 729	-
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	6 560	-
Other benefits and allowances	18 369	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>250 427</b>	<b>-</b>

Mr R Butler commenced with his appointment on 15 August 2022, and ceased with said appointment on 27 October 2022.

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22. EMPLOYEE RELATED COSTS (CONTINUED)

**Remuneration of the Chief Financial Officer (Acting) - Mr M Nhlengethwa**

	2023 R	2022 R
Basic Salary	337 209	-
Contributions to UIF, Medical and Pension Funds	886	-
Performance Bonus	-	-
Motor Vehicle Allowance	20 000	-
Cell Phone Allowance	12 500	-
Other benefits and allowances	25 054	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>395 649</b>	<b>-</b>

Mr Nhlengethwa commenced with his duties on 1 November 2022 and terminated on 3 April 2023.

**Remuneration of the Chief Financial Officer (Acting) - Mr NP Mabhena**

	2023 R	2022 R
Basic Salary	185 917	-
Contributions to UIF, Medical and Pension Funds	531	-
Performance Bonus	-	-
Motor Vehicle Allowance	5 000	-
Cell Phone Allowance	6 680	-
Other benefits and allowances	13 389	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>211 517</b>	<b>-</b>

Mr Mabhena commenced with his duties on 11 April 2023 and terminated them on 30 June 2023.

**Remuneration of the Chief Financial Officer - Ms U Baartman**

	2023 R	2022 R
Basic Salary	2 601	115 794
Contributions to UIF, Medical and Pension Funds	-	31 148
Performance Bonus	155 841	155 841
Motor Vehicle Allowance	-	26 503
Cell Phone Allowance	-	5 000
Other benefits and allowances	182	58 889
Payments in lieu of leave	-	-
<b>Total</b>	<b>158 624</b>	<b>393 175</b>

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

**Remuneration of the Chief Financial Officer - Mr MR Abdullah**

	2023 R	2022 R
Basic Salary	601 188	413 789
Contributions to UIF, Medical and Pension Funds	31 922	19 684
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	17 980	12 500
Other benefits and allowances	44 300	30 343
Payments in lieu of leave	85 699	-
<b>Total</b>	<b>781 090</b>	<b>476 316</b>

Mr MR Abdullah commenced with his appointment on 1 February 2022 and ceased with this appointment on 6 February 2023.

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**22. EMPLOYEE RELATED COSTS (CONTINUED)**

**Remuneration of Director : Corporate Services - Mr JJ Jonkers**

	2023 R	2022 R
Basic Salary	8 427	442 995
Contributions to UIF, Medical and Pension Funds	-	67 131
Performance Bonus	155 841	155 841
Motor Vehicle Allowance	-	78 312
Cell Phone Allowance	-	16 315
Other benefits and allowances	590	37 757
Acting Allowance - Municipal Manager	-	73 077
Payments in lieu of leave	-	-
<b>Total</b>	<b>164 858</b>	<b>871 428</b>

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

**Remuneration of Director : Corporate Services - Dr RR Links**

	2023 R	2022 R
Basic Salary	813 806	66 517
Contributions to UIF, Medical and Pension Funds	1 948	177
Performance Bonus	-	-
Motor Vehicle Allowance	240 000	20 000
Cell Phone Allowance	30 000	2 500
Other benefits and allowances	73 915	6 069
Acting Allowance - Municipal Manager	55 241	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>1 214 910</b>	<b>95 263</b>

Dr RR Links commenced with his duties on 1 June 2022. He was also the Acting Municipal Manager from 4 August 2022 until 31 December 2022.

**SUMMARY OF KEY MANAGEMENT PERSONNEL REMUNERATION**

	2023 R	2022 R
Basic Salary	3 013 399	1 939 274
Contributions to UIF, Medical and Pension Funds	62 105	158 850
Performance Bonus	311 682	311 682
Motor Vehicle Allowance	313 576	194 815
Cell Phone Allowance	102 304	66 315
Housing Allowances	18 000	-
Other benefits and allowances	241 027	251 971
Acting Allowance	55 241	73 077
Payments in lieu of leave	193 249	-
<b>Total Key Management Remuneration</b>	<b>4 310 582</b>	<b>2 995 984</b>

**23. REMUNERATION OF COUNCILLORS**

	2023 R	2022 R
Executive Mayor	587 331	638 407
Executive Committee Members	1 527 813	1 381 552
Councillors	2 714 232	1 885 214
<b>Total Councillors' Remuneration</b>	<b>4 829 376</b>	<b>3 905 174</b>
Balance previously reported		3 879 174
Correction of error - note 30		26 000
		<b>3 905 174</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**23. REMUNERATION OF COUNCILLORS (CONTINUED)**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	587 331	-	-	-	587 331
Executive Deputy-Mayor	709 349	-	48 100	-	757 449
Speaker	660 580	-	44 400	48 769	753 749
Executive Committee Members	1 479 713	-	48 100	-	1 527 813
Section 79 Committee Chairperson	131 670	-	-	-	131 670
Councillors	823 698	51 591	128 304	67 772	1 071 364
<b>Total Councillors' Remuneration</b>	<b>4 392 340</b>	<b>51 591</b>	<b>268 904</b>	<b>116 540</b>	<b>4 829 376</b>

***In-kind Benefits***

The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

	2023 R	2022 R
<b>24. CONTRACTED SERVICES</b>		
Contracted services	9 491 206	5 585 130
<b>Total Contracted Services</b>	<b>9 491 206</b>	<b>5 585 130</b>
Balance previously reported		5 219 853
Correction of error - note 30		365 277
		<b>5 585 130</b>
	2023 R	2022 R
<b>25. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	919 632	989 592
Intangible Assets	19 166	36 491
<b>Total Depreciation and Amortisation</b>	<b>938 798</b>	<b>1 026 083</b>
Balance previously reported		1 014 705
Correction of error - note 30		11 378
		<b>1 026 083</b>
	2023 R	2022 R
<b>26. FINANCE COSTS</b>		
Employee benefits	1 643 000	1 436 880
Less: Employee benefits transferred to Roads	(823 000)	(719 960)
Finance leases	12 378	21 885
Overdue Accounts	1 787.60	2 320
<b>Total Finance Costs</b>	<b>834 165</b>	<b>741 125</b>
	2023 R	2022 R
<b>27. TRANSFERS AND SUBSIDIES</b>		
Bursaries and study assistance provided	372 415	1 354 286
Money allocations to B Municipalities	1 160 269	1 579 079
<b>Total Transfers and Subsidies</b>	<b>1 532 684</b>	<b>2 933 365</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>28. OPERATIONAL COSTS</b>		
Advertising, Publicity and Marketing	147 196	145 689
Administration costs - Roads	6 316 500	5 869 000
Audit Fees	3 370 691	3 222 289
Bank Charges, Facility and Card Fees	28 864	30 426
Bursaries (Employees)	1 375 297	155 848
Courier and Delivery Services	44 191	48 458
Communication	611 756	698 176
Entertainment	2 374	355
External Computer Service	3 435 458	2 509 850
Fines and Penalties	3 300	-
Insurance Underwriting	568 406	347 272
Municipal Services	889 393	864 413
Printing, Publications and Books	122 496	159 032
Professional Bodies, Membership and Subscription	682 454	595 075
Registration Fees	5 500	147 390
Resettlement Cost	5 625	3 776
Samples and Specimens	-	32
Signage	-	44 303
Sundry Projects	829 883	3 148 798
Training	514 132	401 524
Travel and Subsistence	3 166 971	2 144 345
Uniform and Protective Clothing	370 887	276 964
Vehicle licences	24 941	23 556
Workmen's Compensation Contributions	300 981	262 830
<b>Total Operational Costs</b>	<b>22 817 296</b>	<b>21 099 402</b>
Balance previously reported		21 087 332
Correction of error - note 30		12 070
		<b>21 099 402</b>
	2023 R	2022 R
<b>29. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Non-exchange Revenue - Note 6	-	82 255
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b>-</b>	<b>82 255</b>
		2022 R
<b>30. CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
		2022 R
<b>30.1 Property, Plant and Equipment</b>		
Balance previously reported		9 685 680
Cost		66 222
First time recognitions noted during the annual asset verification have been recognised in the Fixed asset register		66 222
Accumulated Depreciation		(11 378)
First time recognitions noted during the annual asset verification have been recognised in the Fixed asset register		(11 378)
<b>Restated Balance</b>		<b>9 740 524</b>
		2022 R
<b>30.2 Inventory</b>		
Balance previously reported		1 279 290
The inventory module writes to the General ledger based on the GRN amount, which resulted in the stock value on the inventory report being greater than the amount in the general ledger. A close out was performed to correctly align the two balances.		69 620
<b>Restated Balance</b>		<b>1 348 910</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**30. CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**

	2022 R
<b>30.3 Receivables from Non-Exchange Transactions</b>	
Balance previously reported	9 584 978
Accounting for receivables relating to the Roads debtor as a Receivable from exchange transaction.	(8 909 586)
Accounting for receivables relating to the Property rental debtors as a Receivable from exchange transaction.	(25 169)
Salary clearing control accounts incorrectly mapped to trade payables instead of trade receivables for the 2021/2022 financial year.	580 973
An invoice was incorrectly closed out against the salary clearing control account. It should have been contracted services.	(331 317)
Account should have been mapped to debtors in the financial statements	(37 225)
Items mapped to debtors in the previous year that should have been accounted for Income statement amounts.	12 435
Laboratory health tests incorrectly expensed to the Salary Clearing control account	(5 544)
A study bursary relating to an employee incorrectly expensed to the Salary Clearing control account.	(3 560)
Rates expenditure incorrectly expensed against the Salary Clearing Control account.	(213)
Expenditures relating to the salary of the previous Mayor that were incorrect expensed to the Salary Clearing Control account.	(26 000)
Machine rental and printing incorrectly expensed to salary clearing control account.	(5 273)
Telephone account incorrectly expensed to salary clearing control account.	(749)
One of LGSETA's Mandatory grant amounts was not identified at year end as income, and was left under unallocated expenses.	24 918
CKDM's portion of internal audit shared services was not cleared from Shared services account to the expense.	(72 354)
Reference 118_35 related to the creation of an age analysis amount that was only corrected in 2023/2024. It should thus remain under the creditors number.	29 000
<b>Restated Balance</b>	<b>815 312</b>
	2022 R
<b>30.4 Receivables from exchange transactions</b>	
Balance previously reported	-
Accounting for receivables relating to the Roads debtor as a Receivable from exchange transaction	8 909 586
Accounting for receivables relating to the Property rental debtors as a Receivable from exchange transaction	25 169
<b>Restated Balance</b>	<b>8 934 755</b>
	2022 R
<b>30.5 Consumer Deposits</b>	
Balance previously reported	-
Rental debtors deposits moved from Trade payables to Consumer deposits to align disclosure in Annual Financial Statements to GRAP and MSCOA.	4 500
<b>Restated Balance</b>	<b>4 500</b>
	2022 R
<b>30.6 Trade and Other Payables from Exchange Transactions</b>	
Balance previously reported	1 785 106
Rental debtors deposits moved from Trade payables to Consumer deposits to align disclosure in Annual Financial Statements to GRAP and MSCOA.	(4 500)
Salary clearing control accounts incorrectly mapped to trade payables instead of trade receivables for the 2021/2022 financial year	580 973
Account should have been mapped to debtors in the financial statements	(37 225)
With the transition from the Old Abacus system to the new Inzalo system there were immaterial amounts present under Sundry creditors that were not resolvable. There has been no movement on these amounts for 2 financial years and as such any corrections would automatically be against Accumulated surplus in any case. Clearing of these amounts is thus now being done.	(191 357)
Reference 118_35 related to the creation of an age analysis amount that was only corrected in 2023/2024. It should thus remain under the creditors number.	29 000
Courier fees present on invoice in new year that was missed	2 976
<b>Restated Balance</b>	<b>2 164 973</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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30. CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

2022  
R

30.7 Vat Receivable

Balance previously reported

1 200 038

An invoice was incorrectly closed out against the salary clearing control account. It should have been contracted services, the VAT was also reversed here incorrectly.

43 215

Laboratory health tests incorrectly expensed to the Salary Clearing control account - affecting the VAT on the transaction as well.

723

Machine rental and printing incorrectly expensed to salary clearing control account, this affected VAT

688

Restated Balance

1 244 665

2022  
R

30.8 Accumulated Surplus/(Deficit) - 1 July 2021

9 942 775

Balance previously reported 1 July 2021

Property, plant & equipment:	First time recognitions noted during the annual asset verification have been recognised in the Fixed asset register
Trade and other payables	With the transition from the Old Abacus system to the new Inzalo system there were immaterial amounts present under Sundry creditors that were not resolvable. There has been no movement on these amounts for 2 financial years and as such any corrections would automatically be against Accumulated surplus in any case. Clearing of these amounts is thus now being done.

66 222

191 357

Restated Balance 1 July 2021

10 200 354

Surplus/(Deficit) previously reported 2021/2022

5 471 033

Depreciation:	First time recognitions noted during the annual asset verification have been recognised in the Fixed asset register which resulted in depreciation being understated.
Contracted Services:	An invoice was incorrectly closed out against the salary clearing control account. It should have been contracted services, the VAT was also reversed here incorrectly.
Licences and Permits:	Items mapped to debtors in the previous year that should have been accounted for Income statement amounts
Operational Revenue:	Items mapped to debtors in the previous year that should have been accounted for Income statement amounts
Contracted Services:	Laboratory health tests incorrectly expensed to the Salary Clearing control account
Operational Cost:	A study bursary relating to an employee incorrectly expensed to the Salary Clearing control account.
Operational Cost:	Rates expenditure incorrectly expensed against the Salary Clearing Control account.
Councillor Remuneration	Expenditures relating to the salary of the previous Mayor that were incorreced expensed to the Salary Clearing Control account.
Operational Cost:	Machine rental and printing incorrectly expensed to salary clearing control account.
Operational Cost:	Telephone account incorrectly expensed to salary clearing control account
Operational Revenue:	Administrative Handling Fees was actually LGSETA's Mandatory grant. It was moved to that line item within the income vote.
Operational Revenue:	LGSETA's Mandatory grant amount was incorrectly disclosed under Administrative Handling Fees.
Operational Revenue:	One of LGSETA's Mandatory grant amounts was not identified at year end as income, and was left under unallocated expenses.
Contracted Services:	CKDM's portion of internal audit shared services was not cleared from Shared services account to the expense.
(Write-down)/Reversal of Write-down to Net	The inventory module writes to the General ledger based on the GRN amount, which resulted in the stock value on the inventory report being greater than the amount in the general ledger. A close out was performed to correctly align the two balances.
Finance Costs	Finance charges relating to a prior year invoice picked up during the data exercise of 2022-23
Operational Cost:	Finance charges relating to a prior year invoice picked up during the data exercise of 2022-23
Operational	Courier fees present on invoice in new year that was missed

(11 378)

(288 102)

280

12 155

(4 821)

(3 560)

(213)

(26 000)

(4 585)

(749)

(7 087)

7 087

24 918

(72 354)

69 620

13

(13)

(2 976)

5 163 268

Surplus/(Deficit) restated 2021/2022

15 363 622

Restated Balance at 1 July 2022

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**30. CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**

**2022**  
**R**

**30.9 Changes to Statement of Financial Performance**

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Balance previously reported	Adjustments	Restated Balance
<b>Revenue</b>			
Government Grants and Subsidies	42 433 168	-	42 433 168
Contributed Property, Plant and Equipment	-	-	-
Actuarial Gains	537 696	-	537 696
Reversal of impairment loss	82 255	-	82 255
Fines, Penalties and Forfeits	-	-	-
Interest Earned - Non-exchange Transactions	-	-	-
Licences and Permits from Non-Exchange Transactions	33 538	280	33 818
Service Charges	-	-	-
Sales of Goods and Rendering of Services	-	-	-
Rental from Fixed Assets	77 179	-	77 179
Interest Earned - External Investments	804 544	-	804 544
Interest Earned - Exchange Transactions	-	-	-
Operational Revenue	130 284	37 073	167 357
Department of Transport - Roads Service Charges	55 881 387	-	55 881 387
Straight Service Charge	5 106 478	-	5 106 478
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	28 572	69 620	98 192
<b>Total</b>	<b>105 115 102</b>	<b>106 973</b>	<b>105 222 075</b>
<b>Expenditure</b>			
Employee related costs	(53 434 571)	-	(53 434 571)
Remuneration of Councillors	(3 879 174)	(26 000)	(3 905 174)
Debt impairment	(82 256)	-	(82 256)
Contracted Services	(5 219 853)	(365 277)	(5 585 130)
Depreciation and Amortisation	(1 014 705)	(11 378)	(1 026 083)
Actuarial Losses	-	-	-
Finance Costs	(741 112)	(13)	(741 125)
Bulk Purchases	-	-	-
Inventory Consumed	(11 251 702)	-	(11 251 702)
Loss on disposal of assets and liabilities	-	-	-
Transfers and Subsidies	(2 933 365)	-	(2 933 365)
Operational Costs	(21 087 332)	(12 070)	(21 099 402)
<b>Total</b>	<b>(99 644 069)</b>	<b>(414 738)</b>	<b>(100 058 807)</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>5 471 033</b>	<b>(307 765)</b>	<b>5 163 268</b>

**30.10 General disclosure prior year errors**

**2022**  
**R**

**30.10.1 Irregular expenditure and Contingent assets**

**Balance previously reported**

15 970 500

The details disclosed regarding the forensic investigations into Unauthorised, Fruitless and Wasteful expenditure during the 2020/2021 financial year were misinterpreted from an amounts perspective.

The individuals are not separately liable for the amounts mentioned in the prior year financial statements, but jointly as was noted by the legal department in the current year. The disclosure was amended accordingly.

(10 851 000)

**5 119 500**

**Restated Balance**

**2022**  
**R**

**30.10.2 Unauthorised expenditure**

**Balance previously reported**

12 730 503

There was an additional amount listed as unauthorised during the audit, which was the difference between the invoice amount identified as unauthorised and the amount on the list.

The actual amount paid was less. The R21 850 should thus never have been raised.

(21 850)

**12 708 653**

**Restated Balance**



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**30. CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**

**30.10.3 Interest rate risk**

The calculation for the potential impact on the entity's surplus/deficit for the year due to changes in interest rates was amended to correct the calculation. Also any prior year errors relating to amounts that are affected by this calculation will pull through and have an impact. Please see note 36(c) for further details and amounts.

	2022 R
<b>30.10.4 Irregular Expenditure</b>	
Balance previously reported	37 629 043
I42 GAP Management on the UIFW Register - The Amount deviated on was R39 446.46 whereas the actual amount paid was R36 897.07. Irregular expenditure was thus overstated by R2 549.39.	(2 549)
I43 Engen Truckstop - The Amount deviated on was R144 160 whereas the actual amount paid was R142 358. Irregular expenditure was overstated by R1802.	(1 802)
<b>Restated Balance</b>	<b>37 624 692</b>

**30.10.5 Financial Sustainability**

The cash coverage ratio of the prior year was disclosed as being 2 months, whereas the new recalculation is less than 1 month. Furthermore the Current Ratio (Current assets exceeded Current liabilities) has been amended and updated due to prior year errors on trade and other payables.

**30.10.6 Contingent Liabilities**

An incident that was dealt with in a prior year involving recovering funds for a damaged yellow fleet vehicle from an employee (considered settled), was noted to have involved the incorrect recoverable amount. Further details are present in the contingent liability note - case 577/21 to the amount of R12 637.01.

	2023 R	2022 R
<b>31. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	(4 245 347)	5 163 268
<b>Adjustments for:</b>		
Depreciation and Amortisation	938 798	1 026 083
Government Grants and Subsidies received	45 087 237	46 194 279
Government Grants and Subsidies recognised as revenue	(42 993 976)	(42 433 168)
Government Grants and Subsidies paid back	(3 963 475)	(2 259 822)
Contribution from/to provisions - Non-Current Employee Benefits	1 031 231	993 207
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(2 564 230)	(537 696)
Contribution from/to - Current Employee Benefits	173 985	(381 805)
Non-cash movement in Employee Benefits Receivable	828 590	(293 337)
Reversal of Provision for Bad Debt	-	(82 255)
Bad Debts written off	89 823	82 256
Loss on disposal of assets and liabilities (non-cash)	1 935 520	-
Reversal of Inventory NRV	5 538	98 192
Operating Surplus/(Deficit) before changes in working capital	(3 676 306)	7 569 202
Changes in working capital	3 094 794	(14 975 890)
Increase/(Decrease) in Trade and Other Payables	(700 529)	(5 831 805)
Increase/(Decrease) in Employee Benefits	(30 590)	375 724
(Increase)/Decrease in Taxes	(174 704)	(671 073)
(Increase)/Decrease in Inventory	(213 278)	(78 473)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	4 629 781	(8 934 755)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(412 886)	164 491
Increase/(Decrease) in Consumer deposits	(3 000)	-
<b>Cash generated/(absorbed) by operations</b>	<b>(581 512)</b>	<b>(7 406 688)</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>32. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved and contracted for:	633 579	-
Total commitments consist out of the following:		
The supply of a Double cab bakkie by Williams Hunt	633 579	-
	633 579	-
This expenditure will be financed from:		
Government Grants	633 579	-
	633 579	-
	2023 R	2022 R
<b>33. BUDGET INFORMATION</b>		
The Annual Budget of the Municipality is prepared for a 2022/23 MTREF period and is applicable from 1 July 2022 until 30 June 2023.		
A reconciliation is provided on the face of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial statements.		
<b>33.1 Explanation of variances between approved and final budget amounts</b>		
GRAP 24 specifically requires reasons for the differences between approved budget and final budget amounts.		
<b>Explanation of variances between the final Budget and Actual amounts</b>		
Explanations of variances between the final budget and the actual amounts are provided below. Amounts under R5 000 or a percentage change of less than 10% were seen as immaterial.		
<b>33.2 STATEMENT OF FINANCIAL POSITION</b>		
<b>33.2.1 Current Assets</b>		
<b>33.2.1.1 Cash</b>		
<i>Grants were repaid during the financial year in conjunction with an increase in expenditure year on year resulted in a decline in the bank balance.</i>		
<b>33.2.1.2 Call Investment Deposits</b>		
<i>At the time of the budget approval, it was anticipated that investments will grow as per the trends, though an increase in the cash available to invest resulted in a growth in call investment deposits.</i>		
<b>33.2.1.3 Consumer Debtors</b>		
<i>This was a misalignment within the budgeting process.</i>		
<b>33.2.1.4 Other Debtors</b>		
<i>Roads claims were submitted late in the prior financial year, resulting in payments being received after year end. Vat was also not budgeted for separately.</i>		
<b>33.2.1.5 Current Portion of long-term receivables</b>		
<i>This variance is less than 10% and deemed immaterial.</i>		
<b>33.2.1.6 Inventory</b>		
<i>Budgeted amount was based on trend analysis of inventory consumed in previous financial years, thus resulting in more excess stock at year end than amount budgeted.</i>		

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**33. BUDGET INFORMATION (CONTINUED)**

**33.2.2 Non-Current Assets**

**33.2.2.1 Long-term Receivables**

*Figures for these amounts are obtained from Actuarial Reports provided to Central Karoo District Municipality by Actuaries. It is not possible to accurately determine this amount prior to receiving this report at year end, and as such there will always be variances. These variances are deemed acceptable.*

**33.2.2.2 Property, Plant and Equipment**

*Large disposals on property, plant and equipment occurred that were unplanned. This resulted in a large reduction in the balance of this line item.*

**33.2.2.3 Intangible Assets**

*This variance is less than 10% and deemed immaterial.*

**33.2.3 Current Liabilities**

**33.2.3.1 Borrowing**

*The Finance lease calculation was only performed at year end, and as such the budget would not have accounted for the details in the Amortisation schedules. The finance leases are in their final year of contract.*

**33.2.3.2 Consumer Deposits**

*This variance is less than R5 000 and deemed immaterial.*

**33.2.3.3 Trade and Other Payables**

*Poor performance and implementing of the grants received for the Financial Year 2022-23.*

**33.2.3.4 Provisions**

*This variance is less than 10% and deemed immaterial.*

**33.2.4 Non-Current Liabilities**

**33.2.4.1 Borrowing**

*The Finance lease calculation was only performed at year end, and as such the budget would not have accounted for the details in the Amortisation schedules. The finance leases are in their final year of contract and as such there is no longer a non-current portion of finance lease present.*

**33.2.4.2 Provisions**

*Figures for these amounts are obtained from Actuarial Reports provided to Central Karoo District Municipality by Actuaries. It is not possible to accurately determine this amount prior to receiving this report at year end, and as such there will always be variances. These variances are deemed acceptable.*

**33.2.5 Net Assets**

**33.2.5.1 Accumulated Surplus/(Deficit)**

*The surplus is affected by transactions that take place in preparation of the Annual Financial Statements, it is thus not possible to determine this amount accurately for budgeting purposes.*

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2023

**33. BUDGET INFORMATION (CONTINUED)**

**STATEMENT OF FINANCIAL PERFORMANCE**

**33.2.6 Revenue**

**33.2.6.1 Rental of Facilities and Equipment**

*This variance is less than 10% and deemed immaterial.*

**33.2.6.2 Interest Earned - External Investments**

*This variance is less than 10% and deemed immaterial.*

**33.2.6.3 Licences and Permits**

*Increase in the number of permits and licenses issued due to the increase in businesses operations within the Central Karoo District*

**33.2.6.4 Agency Services**

*From a financial statement perspective the straight service charge is included in Other revenue, whereas from a budgeting perspective it is disclosed under Agency fees. This results in the disconnect on the comparison.*

**33.2.6.5 Transfers and subsidies**

*This variance is less than 10% and deemed immaterial.*

**33.2.6.6 Other Revenue**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.6.7 Gains**

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

**33.2.6.8 Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)**

*A non-responsive tender was involved here and therefore the Municipality could not appoint a Contractor and currently are awaiting roll-over application outcomes from Treasury.*

**33.2.7 Expenditure**

**33.2.7.1 Employee Related Costs**

*Due to differential Financial years between the Central Karoo District and the Western Cape Provincial Department of infrastructure, results in the actual amount expensed being more than the amount budgeted. Upper limit amendments were only gazetted on November 2022. Thus the effect of backpay will only be felt in the following year.*

**33.2.7.2 Remuneration of Councillors**

*This variance is less than 10% and deemed immaterial.*

**33.2.7.3 Debt Impairment**

*Increase in the sundry debtors and failure to collect outstanding monies resulted in impairment being higher than what was originally budgeted for.*

**33.2.7.4 Depreciation and Asset Impairment**

*Budgeted amount was incorrect on the basis of previous performance and change in estimates, new assets were also procured and capitalised in the current financial year.*

**33.2.7.5 Finance Charges**

*Finance leases and other finance charge budget items were omitted during the budget process. First adjustment budget an estimated amount will be budgeted.*

**33.2.7.6 Inventory consumed**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.7.7 Contracted Services**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**33. BUDGET INFORMATION (CONTINUED)**

**33.2.7.8 Transfers and Subsidies**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.7.9 Other Expenditure**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.7.10 Losses**

*A Fire Truck was involved in an accident that resulted in a loss that was not budgeted for.*

**CASH FLOW STATEMENT**

**33.2.8 Net Cash from Operating Activities**

**33.2.8.1 Other Revenue**

*This variance is less than 10% and deemed immaterial.*

**33.2.8.2 Transfers and Subsidies - Operational**

*This variance is less than 10% and deemed immaterial.*

**33.2.8.3 Transfers and Subsidies - Capital**

*A non-responsive tender was involved here and therefore the Municipality could not appoint a Contractor and currently are awaiting roll-over application outcomes from Treasury.*

**33.2.8.4 Interest**

*This variance is less than 10% and deemed immaterial.*

**33.2.8.5 Suppliers and Employees**

*This variance is less than 10% and deemed immaterial.*

**33.2.8.6 Finance charges**

*Finance leases and other finance charge budget items were omitted during the budget process. First adjustment budget an estimated amount will be budgeted.*

**33.2.8.7 Transfers and Grants**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.9 Net Cash from Investing Activities**

**33.2.9.1 Proceeds on disposal of PPE**

*No movement in the current financial year.*

**33.2.9.2 Decrease (increase) in Non-Current Receivables**

*No movement in the current financial year.*

**33.2.9.3 Capital Assets**

*Awaiting the Roll - over application for the procurement of a RRAMS vehicle and a non-responsive tender for the emergency relief grant for procurement of a silent roaming generator.*

**33.2.10 Net Cash from Financing Activities**

**33.2.10.1 Increase (decrease) in consumer deposits**

*This variance was caused by a budgeting malalignment. It does not have an impact on actual results.*

**33.2.10.2 Repayment of Borrowing**

*Finance leases and other finance charge budget items were omitted during the budget process. First adjustment budget an estimated amount will be budgeted.*



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>34. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>34.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure:		
Opening balance	12 708 653	8 865 202
Correction of prior period error - see Note 30		(21 850)
Restated opening balance	12 708 653	8 843 352
Unauthorised expenditure current year - operational	6 113 285	3 865 301
Unauthorised expenditure current year - capital	14 238	
Approved/condoned/authorised by Council	(8 795 509)	-
Current	-	-
Prior Period	(8 795 509)	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	10 040 667	12 708 653

The overspending of the Budget per municipal vote can be summarised as follows:

	2023 Actual R	2023 Final Budget R	2023 Variance R	2023 Unauthorised R
<b>Unauthorised expenditure current year - operating</b>				
Vote 1 - Executive and Council	10 027 986	11 113 129	1 085 143	0
Vote 2 - Municipal Manager	-	-	-	0
Vote 3 - Finance	21 364 791	20 978 035	(386 756)	(386 756)
Vote 4 - Corporate Services	24 734 855	21 607 998	(3 126 857)	(3 126 857)
Vote 5 - Technical Services	61 341 592	58 741 920	(2 599 672)	(2 599 672)
	117 469 224	112 441 082	(5 028 142)	(6 113 285)
	2023 Actual R	2023 Final Budget R	2023 Variance R	2023 Unauthorised R
<b>Unauthorised expenditure current year - capital</b>				
Vote 1 - Executive and Council	130 427	434 847	304 420	0
Vote 2 - Municipal Manager	-	-	-	0
Vote 3 - Finance	115 239	101 001	(14 238)	(14 238)
Vote 4 - Corporate Services	759 109	902 500	143 391	0
Vote 5 - Technical Services	-	741 090	741 090	0
	1 004 775	2 179 438	1 174 663	(14 238)
			2023 R	2022 R

**34.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:		
Opening balance	177 987	165 885
Correction of prior period error	-	-
Restated opening balance	177 987	165 885
Fruitless and wasteful expenditure current year	10 353	12 089
Correction of prior period error - see Note 30		13
Approved/condoned/authorised by Council	(165 885)	-
Current	-	-
Prior Period	(165 885)	-
Transfer to receivables for recovery - not written off	-	-
Current	-	-
Prior Period	-	-
Amounts recovered during year	(9 449)	-
Current	(9 449)	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting further action	13 006	177 987

These amounts are deemed to be condoned for write off as per the council resolution on 30 March 2023.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>34.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	37 624 692	30 959 244
Correction of prior period error - see Note 30	-	-
Restated opening balance	37 624 692	30 959 244
Irregular expenditure current year	17 680 080	6 669 799
Alleged irregular expenditure based on PPR regulations	693 035	-
Correction of prior period error - see Note 30	-	(4 351)
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Written off as supported by council	(30 959 244)	-
Current	-	-
Prior Period	(30 959 244)	-
Transfer to receivables for recovery - not written off	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	<u>25 038 563</u>	<u>37 624 692</u>
Balance previously reported		37 629 043
Correction of error - note 30		(4 351)
		<u>37 624 692</u>

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

Alleged irregular expenditure based on PPR regulations - National Treasury is of the opinion that the municipality is incorrect in applying the Preferential Procurement Regulations, 2022. The Municipality will obtain further legal advice in the 2023/2024 financial year regarding this matter to determine a way forward.

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 jointed responsible for the amounts mentioned below:

	2023 R	2022 R
Mr S Jooste (Previous Municipal Manager) and Africa Creek Investment (Pty) Ltd and/or Mr Jontou Snyman and/or Mrs L Wilson	-	4 507 500
Mr S Jooste (Previous Municipal Manager) and NB Wilson & Associates and Mr Lance Wilson and Mrs Lorraine Wilson	-	612 000
	-	<u>5 119 500</u>
Balance previously reported		15 970 500
Correction of error - note 30		(10 851 000)
		<u>5 119 500</u>

These amounts are deemed to be written off as per the council resolution on 30 March 2023. No further action is to be taken.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>35. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>35.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</b>		
Opening balance	-	-
Council subscriptions	659 416	573 681
Amount paid - current year	(659 416)	(573 681)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2023 R</b>	<b>2022 R</b>
<b>35.2 Audit fees - [MFMA 125 (1)(c)]</b>		
Opening balance	209 251	4 366 427
Correction of prior period error	-	-
Restated opening balance	209 251	4 366 427
Current year audit fee	3 370 691	3 222 290
External Audit - Auditor-General	3 370 691	3 222 290
Amount paid - current year	(3 370 691)	(3 013 039)
Amount paid - previous year	(209 251)	(4 366 427)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>209 251</b>
	<b>2023 R</b>	<b>2022 R</b>
<b>35.3 VAT - [MFMA 125 (1)(c)]</b>		
VAT Receivable	1 419 368	1 200 038
VAT output payables and VAT input receivables are shown in note 14. All VAT returns were submitted by the due date throughout the year.		
	<b>2023 R</b>	<b>2022 R</b>
<b>35.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]</b>		
Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year payroll deductions	9 855 001	8 572 220
Amount paid - current year	(9 855 001)	(8 572 220)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2023 R</b>	<b>2022 R</b>
<b>35.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</b>		
Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year payroll deductions and Council Contributions	12 547 867	12 473 542
Amount paid - current year	(12 547 867)	(12 473 542)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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35. **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

35.6 **Councillor's arrear accounts - [MFMA 124 (1)(b)]**

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

	Outstanding less than 90 days	Outstanding more than 90 days	Total
<i>Councillor J Bostander</i>	-	46 714	46 714
<i>Councillor M Furman</i>	-	22 552	22 552
<i>Councillor EZ Njadu</i>	-	41 192	41 192
<i>Councillor M Daniels</i>	-	737	737
<i>Councillor J Jonas</i>	-	4 515	4 515
<i>Councillor GP Adolph</i>	-	2 511	2 511
<i>Councillor JP de Bruyn</i>	8 332	-	8 332
	<b>8 332</b>	<b>118 221</b>	<b>126 553</b>

The following Councillors had arrear accounts for more than 90 days as at 30 June 2022:

	Outstanding less than 90 days	Outstanding more than 90 days	Total
<i>Councillor J Bostander</i>	-	46 714	46 714
<i>Councillor M Furman</i>	-	22 552	22 552
<i>Councillor EZ Njadu</i>	-	41 841	41 841
<i>Councillor G de Vos</i>	-	1 170	1 170
<i>Councillor M Daniels</i>	-	737	737
<i>Councillor J Jonas</i>	-	4 515	4 515
<i>Councillor T Prince</i>	-	439	439
<i>Councillor GP Adolph</i>	-	2 511	2 511
	-	<b>120 479</b>	<b>120 479</b>

35.7 **Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005**

35.7.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2023

	Type of Deviation		
	Amount	Sole Supplier / Agent	Emergency
July	-	0	0
August	1 949 554	7	0
September	62 578	5	0
October	199 515	2	0
November	1 278 818	3	0
December	573 136	6	0
January	502 029	3	0
February	234 474	6	0
March	167 948	4	0
April	380 106	3	0
May	305 282	12	0
June	2 425 108	45	1
	<b>8 078 548</b>	<b>96</b>	<b>1</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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35. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

Summary of amounts 2023:

	Up to R30 000	Between R30 000 and R200 000	Total
Emergency	17 637	-	17 637
Impractical	186 754	6 727 737	6 914 491
Sole Supplier/Agent	699 002	447 417	1 146 419
	<b>903 394</b>	<b>7 175 155</b>	<b>8 078 548</b>

30 June 2022

<u>30 June 2022</u>	<u>Type of Deviation</u>			
	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

Summary of amounts 2022:

	Up to R30 000	Between R30 000 and R200 000	Total
Emergency	-	47 049	47 049
Impractical	494 679	2 684 923	3 179 602
Sole Supplier/Agent	968 790	309 736	1 278 526
	<b>1 463 469</b>	<b>3 041 708</b>	<b>4 505 177</b>

35.7.2 Regulation 45 - Details of Awards to close family members of persons in the service of the state:

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:

30 June 2023

Company Name	Related Person	Service Capacity	Relationship	State Department	Amount of Award
Beaufort West Luxury Coaches	Mrs B Johnson & Mr W Johnson	Traffic Officer and Mechanic	Daughter in Law and Son	Beaufort West Municipality	6 950.00
Admiror Trading	Mr D Jonker	Occupational Therapist	Spouse	Beaufort West Hospital	635 580.32
Ilanja Sweiswerke t/a B en B Sweiswerke	Mr AC Du Plessis	Teacher	Son	WCED	20 786.70
Magrietha Heilbregt Jacobs	Mr HWD Jacobs, Mrs HL Jacobs, Mr SJ Jacobs, Mr DC Luiters	Correctional Services, Central Karoo District Municipality, SAPS Kimberley & Correctional Services	Son, Daughter in Law, Son & Son in Law	Correctional Services, Central Karoo District Municipality, SAPS Kimberley & Correctional Services	1 247.75
Ann's Deli and Projects	Mr A Stoffels	General Worker	Spouse	WCED	6 500.00
Inzalo Sebata Municipal Solutions	Mrs NT Mazibuko	National Activist	Spouse	Department Arts & Culture	2 928 722.95
Van De Wall Inc	Mrs J M Cronje	SARS Tax Consultant	Spouse	South African Revenue Services	467 648.36
TNA General Services (Pty) Ltd	Mrs MKM Arendse	Nurse	Spouse	Nuvel Park Clinic	19 489.00
Mubeso Africa	Mrs L Saalman	Curriculum Specialist	Spouse	WCED	4 370 546.92
Alfreda Elrico Hermanus	Mr S Fry	Operations Manager	Step Father	EC Health	87 621.99
RDB Building	Mr R Basson	Acting Director Technical Services, Matzikama Municipality	Husband	Matzikama Municipality	196 547.28
					<b>8 741 641</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2023

35. **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)**

**30 June 2022**

Company Name	Related Person	Service Capacity	Relationship	State Department	Amount of Award
Ann's Deli and Projects	Mr A Stoffels	General Worker	Spouse	WCED	2 550.00
Beaufort West Luxury Coaches	Mr W Johnson & Mrs B Johnson	Mechanic and Traffic Officer	Son and Daughter in law	Beaufort West Municipality	8 990.00
Admiror Trading	Mr D Jonker	Occupational Therapist	Spouse	Beaufort West Hospital	43 989.00
Mubeko Africa	Mrs L Saaiman	Curriculum Specialist	Spouse	WCED	1 571 662.00
Illanja Sweiswerke t/a B en B Sweiswerke	Mr AC Du Plessis	Teacher	Son	WCED	80 214.00
Alfreda Elrico Hermanus	Mr S Fry	Operations Manager	Step father	EC Health	54 397.00
Magrietha Heibrecht Jacobs	Mr HWD Jacobs, Mrs HL Jacobs, Mr SJ Jacobs, Mr DC Luiters	Correctional Services, Central Karoo District Municipality, SAPS Kimberley & Correctional Services	Son, Daughter in Law, Son and Son in Law	Correctional Services, Central Karoo District Municipality, SAPS Kimberley & Correctional Services	830.00
TNA General Services (Pty) Ltd	Mrs MKM Arendse	Nurse	Spouse	Nuvel Park Clinic	4 255.00
					<b>1 766 887</b>

2023  
R                      2022  
R

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

**Non-compliance with MFMA Act 56 of 2003 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.

**Non-compliance with MFMA Act 56 of 2003 Section 71**

The monthly in-year report for July 2022 was not timeously submitted to provincial treasury.

**Non-compliance with MFMA Act 56 of 2003 Section 52**

The quarterly Section 52 report was not submitted timeously for quarter 3 of the 2022/2023 financial year.

**Non-compliance with the MFMA Section 63 (1) (a)**

The Accounting officer of a municipality is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets. This was not complied with in relation to the Fire truck not being included in the insurance policy of the municipality, and then subsequently being written off in an accident.

**Non-compliance with the MFMA Section 24 (1) read with Section 22 (b) (i)**

The adjustment budget dated 25 November 2022 was not submitted to National and Provincial Treasury within 10 working days after being approved by Council.

**Non-compliance with the MFMA Section 72**

The Mid-year report was submitted to Provincial and National Treasury one day late on the 26th of January 2023.

**Non-compliance with the MFMA Section 129 (2)**

The oversight report was not placed on the municipal website within 7 days of adoption thereof.

**Non-compliance with the Municipal Systems Act 32 of 2000 Section 54 (A)**

Mr T Prince was unlawfully appointed as acting Municipal Manager in February 2023. A court order was granted to the MEC in which his appointment was declared null and void in terms of Section 54A(1)(b) of the Municipal Systems Act 32 of 2000.

**Non-compliance with the Municipal Budgeting and Reporting Regulations section 26**

The Adjustment budget was not uploaded onto the municipal website within 10 working days of being approved on 27 February 2023.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2023

**36. FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**(b) Price Risk**

The municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the municipality has no significant interest-bearing liabilities, the entity's income and operating cash flows are substantially independent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. 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 the interest rate risk:

- Cash and Cash Equivalents

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

1.00% (2022: 2.00%) Increase in interest rates  
0.25% (2022: 0.25%) Decrease in interest rates

2023  
R

2022  
R

112 082  
(28 020)

258 093  
(32 262)

**(d) 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 financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

The municipality only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

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.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Unspent government grants have to be cash-backed and as a result R 3 804 832 are pledged as security for financial liabilities

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**36. FINANCIAL RISK MANAGEMENT (CONTINUED)**

Financial assets exposed to credit risk at year end are as follows:

	2023 R	2022 R
Receivables from exchange transactions	4 304 975	8 934 755
Receivables from non-exchange transactions	1 138 375	815 313
Cash and Cash Equivalents	11 307 793	12 904 672
	<u>16 751 143</u>	<u>22 654 739</u>

**(e) Liquidity Risk**

Prudent liquidity risk management includes maintaining sufficient cash and 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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2023</b>				
Trade and Other Payables from Exchange Transactions	1 594 871	-	-	-
Unspent conditional grants and subsidies	3 504 832	-	-	-
Long-term Liabilities	102 262	-	-	-
Finance cost	(2 633)	-	-	-
	<u>5 199 332</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2022</b>				
Trade and Other Payables from Exchange Transactions	2 164 973	-	-	-
Unspent conditional grants and subsidies	5 375 045	-	-	-
Long-term Liabilities	153 393	102 262	-	-
Finance cost	(12 378)	(2 633)	-	-
	<u>7 681 033</u>	<u>99 629</u>	<u>-</u>	<u>-</u>

**37. FINANCIAL INSTRUMENTS**

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

		2023 R	2022 R
<b>37.1 Financial Assets</b>	<b><u>Classification</u></b>		
<b>Receivables from Exchange Transactions</b>			
Department of transport and public works	Financial Instruments at amortised cost	4 301 432	8 909 586
Rental Debtors	Financial Instruments at amortised cost	3 543	25 169
<b>Receivables from Non-Exchange Transactions</b>			
Other Receivables	Financial Instruments at amortised cost	1 138 375	815 313
<b>Cash and Cash Equivalents</b>			
Bank Balances	Financial Instruments at amortised cost	1 807 530	5 214 715
Call Deposits	Financial Instruments at amortised cost	9 500 263	7 689 957
Cash on hand	Financial Instruments at amortised cost	1 293	1 294
<b>Total Financial Assets</b>		<u>16 752 436</u>	<u>22 656 033</u>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**37. FINANCIAL INSTRUMENTS (CONTINUED)**

		2023 R	2022 R
<b>SUMMARY OF FINANCIAL ASSETS</b>			
<b>Financial Instruments at amortised cost:</b>			
Receivables from Exchange Transactions	Department of transport and public works	4 301 432	8 909 586
Receivables from Exchange Transactions	Rental Debtors	3 543	25 169
Receivables from Non-Exchange Transactions	Other Receivables	1 138 375	815 313
Cash and Cash Equivalents	Bank Balances	1 807 530	5 214 715
Cash and Cash Equivalents	Call Deposits	9 500 263	7 689 957
Cash and Cash Equivalents	Cash on hand	1 293	1 294
<b>Total Financial Assets</b>		<b>16 752 436</b>	<b>22 656 033</b>

		2023 R	2022 R
<b>37.2 Financial Liabilities</b>	<b>Classification</b>		
<b>Long-term Liabilities</b>			
Capitalised Lease Liability	Financial Instruments at amortised cost	-	99 629
<b>Trade and Other Payables</b>			
Trade Payables	Financial Instruments at amortised cost	1 122 787	1 880 877
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	-	-
Sundry Creditors	Financial Instruments at amortised cost	469 932	278 558
Debtors with credit balances	Financial Instruments at amortised cost	2 152	5 538
<b>Other liabilities</b>			
Consumer deposits	Financial instruments at amortised cost	1 500	4 500
Capitalised Lease Liability	Financial instruments at amortised cost	99 629	141 015
		<b>1 696 000</b>	<b>2 410 117</b>
		<b>2023 R</b>	<b>2022 R</b>

**SUMMARY OF FINANCIAL LIABILITIES**

<b>Financial instruments at amortised cost:</b>			
Long-term Liabilities	Capitalised Lease Liability	-	99 629
Trade and Other Payables	Trade Payables	1 122 787	1 880 877
Trade and Other Payables	Control, Clearing and Interface Accounts	-	-
Trade and Other Payables	Sundry Creditors	469 932	278 558
Trade and Other Payables	Debtors with credit balances	2 152	5 538
Other liabilities	Consumer deposits	1 500	4 500
Other liabilities	Capitalised Lease Liability	99 629	141 015
		<b>1 696 000</b>	<b>2 410 117</b>
		<b>2023 R</b>	<b>2022 R</b>

**38. STATUTORY RECEIVABLES**

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

<b>Taxes</b>			
VAT Receivable		1 419 368	1 244 665
<b>Total Statutory Receivables (after provision)</b>		<b>1 419 368</b>	<b>1 244 665</b>

Statutory Receivables arises from the following legislation:

Taxes - Value Added Tax Act (No 89 of 1991)

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

**39. IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind donations or assistance during the year under review.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**40. PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

**41. CONTINGENT LIABILITY**

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

**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.

Case no: 222/19  
PA 180 217 & PA 180 220 - 14 April 2016,  
Collision of Swartberg Pass.

Case no: 577/21  
PA 190 368 - 16 August 2018  
Damage to yellow fleet vehicle in year

Balance previously reported  
Correction of error - Note 30

2023 R	2022 R
-	139 026
-	184 904
12 637	12 637
-	-
<u>12 637</u>	<u>336 567</u>
	323 930
	12 637
	<u>336 567</u>

The Municipality has decided to no longer oppose claims 550/19 and 222/19 in order to resolve the matter. A provision has been made for these claims for payment in the new financial year. Claim 577/21 is still in progress.

**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 Plaintiff now wishes to enforce its rights in terms of the Session Agreement for monies which is due to them by Africa Creek.

2023 R	2022 R
2 000 000	2 000 000
1 000 000	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.

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 three 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.



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**41. CONTINGENT LIABILITY (CONTINUED)**

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 three years now.

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

On 12 September 2012 the municipality entered into 16 financial performance guarantees with the Department of Mineral Resources amounting to R1 301 980 relating to the future rehabilitation of burrow pits. No movement on any of the guarantees have taken place since 2012 and there is no expectation that it will be taken up in the foreseeable future.

2023  
R

2022  
R

1 301 980

1 301 980

2023  
R

2022  
R

**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.

2 595 750

2 595 750

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 three years now.

2023  
R

2022  
R

**CASE NO: WPC022306 CLAIMANT - MOEGAMAT RIDWAN ABDULLAH**

Arbitration proceedings based on an alleged unfair labour practice (unfair dismissal) was instituted by the former Chief Financial Officer who was dismissed for misconduct - has commenced against CKDM.

350 000

-

The financial exposure is unknown for the Central Karoo District Municipality, but could amount to R350 000.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>42. CONTINGENT ASSETS</b>		
<b>42.1</b> During the 2020/2021 financial year an investigation into Unauthorised, Irregular, Fruitless and Wasteful expenditure was performed and the Council decided that the following amounts were recoverable from the individuals/party's listed below:		
Mr S Jooste (Previous Municipal Manager) and Africa Creek Investment (Pty) Ltd and/or Mr Jonton Snyman and/or Mrs L Wilson	-	4 507 500
Mr S Jooste (Previous Municipal Manager) and NB Wilson & Associates and Mr Lance Wilson and Mrs Lorraine Wilson	-	612 000
	<u>-</u>	<u>5 119 500</u>
Balance previously reported		15 970 500
Correction of error - Note 30		<u>(10 851 000)</u>
		<u>5 119 500</u>

These amounts are deemed to be written off as per the council resolution on 30 March 2023.  
No further action is to be taken.

- 42.2** During the 2022/2023 financial year the Municipality's Fire engine truck was involved in an accident while out on call on 11 June 2023. Negotiations are ongoing with the insurance company regarding an amount that will be paid out due to the fact that the truck was not separately listed in the insurance policy.

A clause within the insurance contract makes provisions for such omissions, but an outcome is still being awaited. The Insurance company only decided after year end that they were willing to send out an assessor and the Municipality cannot determine what, if any funds they will receive as an insurance claim payment.

**43. RELATED PARTIES**

Related party relationships

Councillors and Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

**43.1 Councillor's arrear accounts - [MFMA 124 (1)(b)]**

The following Councillors had arrear accounts for more than 90 days as at :

	Outstanding less than 90 days	Outstanding more than 90 days	Total
<i>Councillor J Bostander</i>	-	46 714	46 714
<i>Councillor M Furman</i>	-	22 552	22 552
<i>Councillor EZ Njadu</i>	-	41 192	41 192
<i>Councillor M Daniels</i>	-	737	737
<i>Councillor J Jonas</i>	-	4 515	4 515
<i>Councillor GP Adolph</i>	-	2 511	2 511
<i>Councillor JP de Bruyn</i>	8 332	-	8 332
	<u>8 332</u>	<u>118 221</u>	<u>126 553</u>

Amounts included in Receivables from non-exchange transactions consist out of outstanding monies to be recovered from Councillors and previous Mayors due to upper limit changes and travel and lodging claimed, but not spent.

The remuneration of Councillors is set out in note 23 of the Annual Financial Statements.

**43.2 Compensation of key management personnel**

The compensation of key management personnel is set out in note 22 of the Annual Financial Statements.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**43. RELATED PARTIES (CONTINUED)**

**43.3 Current Employee Benefits**

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2023:

Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid	Total
Municipal Manager	122 911	83 506	28 836	235 253
Chief Financial Officer	85 699	155 841	37 364	278 904
Head: Corporate Services	19 531	393 802	68 739	482 073
	<b>228 142</b>	<b>633 149</b>	<b>134 939</b>	<b>996 230</b>

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2022:

Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid	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
	<b>94 940</b>	<b>826 611</b>	<b>81 977</b>	<b>1 003 528</b>

**43.5 Other related party transactions**

There were no purchases made during the year where Councillors or Senior Management had an interest.

**44. FINANCIAL SUSTAINABILITY**

The indicators of conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

<b>Current Ratio (Current assets exceeded Current liabilities)</b>	1.92:1	2.02:1
<b>Cash Cost Coverage Ratio</b>	0.79 Months	0.92 Months
	<b>R</b>	<b>R</b>
<b>Accumulated Surplus</b>	11 118 274	15 363 622

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 have 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.

Management has prepared the Annual Financial Statements on the Going Concern Basis.

**Electricity Crisis in South Africa**

President Cyril Ramaphosa declared a National state of disaster regarding the impact of severe electricity supply constraints as Gazetted 9 February 2023. This was done to respond to the electricity crisis currently present in South Africa.

Loadshedding has an adverse effect on the day to day operations of the municipality and has resulted in additional funds being put aside to purchase various forms of alternate energy to sustain the activities of the municipality. The future financial impact is not quantifiable at current, and will be an ongoing fluid situation.

This crisis is ongoing, even though the national state of disaster was ended on 5 April 2023.

**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2023 R	2022 R
<b>45. (GAIN) / LOSS ON DISPOSAL OF ASSETS AND LIABILITIES</b>		
Property, Plant and Equipment	1 935 520	-
	<u>1 935 520</u>	<u>-</u>

**46. EVENTS AFTER REPORTING PERIOD**

Management did not insure a fire truck that was involved in an accident on 11 June 2023.

This accident resulted in the write off of the vehicle due to the fact that it can no longer perform its function as intended by management as a specialised emergency vehicle. The insurance company only decided after year end that they were willing to send out an assessor to determine what, if any insurance claim they will consider paying out to the Municipality regarding this asset.

No further events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

**47. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT**

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.



48 REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2023

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

**PRIMARY SEGMENTS**

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
<b>Vote 1 - Executive &amp; Council</b>	1.1 - Council General Expenses	Aggregated	Governance and Administration	Supporting service departments
	1.2 - EDA	Aggregated	Governance and Administration	Supporting service departments
<b>Vote 2 - Municipal Manager</b>	2.1 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Internal Audit	Aggregated	Governance and Administration	Supporting service departments
<b>Vote 3 - Financial Services</b>	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
<b>Vote 4 - Corporate Services</b>	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	Inspect landfill sites, 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
	4.8 - IDP	Aggregated	Governance and Administration	Supporting service departments
	4.9 - Human Resources	Aggregated	Governance and Administration	Supporting service departments
<b>Vote 5 - Technical Services</b>	5.1 - Roads	Individually Reported	Roads Function	Administering the roads function on behalf of Province.

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.



CENTRAL KAROO DISTRICT MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Governance and Administration	Environment health	Disaster Management	Roads Function	Non-Reportable	Total
	R	R	R	R	R	R
<b>SEGMENT REVENUE</b>						
External revenue from exchange transactions	7 130 860	-	-	60 528 654	-	67 659 514
Rental of Facilities and Equipment	96 190	-	-	-	-	96 190
Interest Earned - External Investments	1 298 247	-	-	-	-	1 298 247
Interest Earned - Outstanding Debtors	-	-	-	-	-	-
Licences and Permits	47 241	-	-	-	-	47 241
Other Revenue	5 689 182	-	-	60 528 654	-	66 217 836
External revenue from non-exchange transactions	45 538 754	-	24 990	-	-	45 563 744
Transfers Recognised - Operational	42 968 986	-	24 990	-	-	42 993 976
Other Revenue	5 538	-	-	-	-	5 538
Gains	2 564 230	-	-	-	-	2 564 230
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>52 669 614</b>	<b>-</b>	<b>24 990</b>	<b>60 528 654</b>	<b>-</b>	<b>113 223 257</b>
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	22 138 909	4 905 440	1 706 404	33 649 667	-	62 400 419
Remuneration of Councillors	4 829 376	-	-	-	-	4 829 376
Debt Impairment	89 823	-	-	-	-	89 823
Depreciation and Asset Impairment	270 057	18 128	630 789	19 825	-	938 798
Finance Charges	833 145	-	-	1 021	-	834 165
Inventory consumed	266 146	7 351	106 704	12 219 115	-	12 599 317
Contracted Services	6 363 645	85 131	-	3 042 431	-	9 491 206
Transfers and Grants	1 532 684	-	-	-	-	1 532 684
Other Expenditure	9 960 018	327 150	120 594	12 409 533	-	22 817 296
Losses	54 077	79	1 881 364	-	-	1 935 520
Internal charges	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>46 337 879</b>	<b>5 343 279</b>	<b>4 445 855</b>	<b>61 341 592</b>	<b>-</b>	<b>117 468 604</b>
<b>Surplus/(Deficit)</b>	<b>6 331 734</b>	<b>(5 343 279)</b>	<b>(4 420 865)</b>	<b>(812 938)</b>	<b>-</b>	<b>(4 245 347)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>6 331 734</b>	<b>(5 343 279)</b>	<b>(4 420 865)</b>	<b>(812 938)</b>	<b>-</b>	<b>(4 245 347)</b>
Taxation	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	<b>6 331 734</b>	<b>(5 343 279)</b>	<b>(4 420 865)</b>	<b>(812 938)</b>	<b>-</b>	<b>(4 245 347)</b>
Attributable to Minorities	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	<b>6 331 734</b>	<b>(5 343 279)</b>	<b>(4 420 865)</b>	<b>(812 938)</b>	<b>-</b>	<b>(4 245 347)</b>
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>6 331 734</b>	<b>(5 343 279)</b>	<b>(4 420 865)</b>	<b>(812 938)</b>	<b>-</b>	<b>(4 245 347)</b>
* 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.						
<b>Capital Expenditure for the year</b>	<b>982 646.42</b>	<b>22 128.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 004 774.82</b>

CENTRAL KAROO 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			
<b>SEGMENT REVENUE</b>									
External revenue from exchange transactions	6 080 496	33 078	-	55 881 387	-	61 994 962			
Rental of Facilities and Equipment	77 179	-	-	-	-	77 179			
Interest Earned - External Investments	804 544	-	-	-	-	804 544			
Interest Earned - Outstanding Debtors	-	-	-	-	-	-			
Licences and Permits	740	-	-	-	-	740			
Other Revenue	5 198 033	33 078	-	55 881 387	-	61 112 499			
External revenue from non-exchange transactions	41 243 786	-	58 328	-	-	41 302 114			
Transfers Recognised - Operational	40 449 840	-	58 328	-	-	40 508 168			
Other Revenue	793 946	-	-	-	-	793 946			
Gains	-	-	-	-	-	-			
Revenue from transactions with other segments	-	-	-	-	-	-			
Internal Revenue	-	-	-	-	-	-			
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>47 324 282</b>	<b>33 078</b>	<b>58 328</b>	<b>55 881 387</b>	<b>-</b>	<b>103 297 075</b>			
<b>SEGMENT EXPENDITURE</b>									
Employee Related Costs	18 153 365	4 640 621	1 249 252	29 381 332	-	53 434 571			
Remuneration of Councillors	3 905 174	-	-	-	-	3 905 174			
Debt Impairment	82 256	-	-	-	-	82 256			
Depreciation and Asset Impairment	677 339	17 604	331 140	238	-	1 026 083			
Finance Charges	740 886	0	-	-	-	741 125			
Inventory consumed	367 300	8 751	80 207	10 795 444	-	11 251 702			
Contracted Services	3 075 301	58 086	24 532	2 427 212	-	5 585 130			
Transfers and Grants	2 933 365	-	-	-	-	2 933 365			
Other Expenditure	9 291 834	235 905	142 926	11 428 739	-	21 099 404			
Losses	-	-	-	-	-	-			
Internal charges	-	-	-	-	-	-			
<b>Total Segment Expenditure</b>	<b>39 226 819</b>	<b>4 960 967</b>	<b>1 828 056</b>	<b>54 042 966</b>	<b>-</b>	<b>100 058 808</b>			
<b>Surplus/(Deficit)</b>	<b>8 097 463</b>	<b>(4 927 888)</b>	<b>(1 769 729)</b>	<b>1 838 422</b>	<b>-</b>	<b>3 238 267</b>			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	1 925 000	-	-	1 925 000			
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>8 097 463</b>	<b>(4 927 888)</b>	<b>155 271</b>	<b>1 838 422</b>	<b>-</b>	<b>5 163 267</b>			
Taxation	-	-	-	-	-	-			
<b>Surplus/(Deficit) after Taxation</b>	<b>8 097 463</b>	<b>(4 927 888)</b>	<b>155 271</b>	<b>1 838 422</b>	<b>-</b>	<b>5 163 267</b>			
Attributable to Minorities	-	-	-	-	-	-			
<b>Surplus/(Deficit) Attributable to Municipality</b>	<b>8 097 463</b>	<b>(4 927 888)</b>	<b>155 271</b>	<b>1 838 422</b>	<b>-</b>	<b>5 163 267</b>			
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-			
<b>Surplus/(Deficit) for the year</b>	<b>8 097 463</b>	<b>(4 927 888)</b>	<b>155 271</b>	<b>1 838 422</b>	<b>-</b>	<b>5 163 267</b>			
* 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.									
<b>Capital Expenditure for the year</b>	<b>134 973</b>	<b>19 500</b>	<b>1 997 880</b>	<b>-</b>	<b>-</b>	<b>2 152 453</b>			

CENTRAL KAROO DISTRICT MUNICIPALITY  
Audited Annual Financial Statements for the year ended 30 June 2023

**APPENDIX A**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2023**

EXTERNAL LOANS	Rate	Start date	Balance at 30 June 2022	Received during the period	Redeemed written off during the period	Balance at 30 June 2023
<b>LEASE LIABILITY</b>						
Ricoh IMC3500 3110R610607	7.00%	01/03/2021	48 958	-	(28 689)	20 269
Ricoh IMC3500 3110R610518	7.00%	01/03/2021	48 958	-	(28 689)	20 269
Ricoh IMC3500 3110R610806	7.00%	01/03/2021	48 958	-	(28 689)	20 269
Ricoh MP6503SP G659C970117	7.00%	01/03/2021	93 769	-	(54 948)	38 821
<b>Total Lease Liabilities</b>			<b>240 644</b>	<b>-</b>	<b>(141 015)</b>	<b>99 629</b>
<b>TOTAL EXTERNAL LOANS</b>			<b>240 644</b>	<b>-</b>	<b>(141 015)</b>	<b>99 629</b>

APPENDIX B  
CENTRAL KAROO DISTRICT MUNICIPALITY  
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Restated Balance 30 June 2022	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	Balance 30 June 2023	Unspent 30 June 2023 (Creditor)	Unpaid 30 June 2023 (Debtor)
<b>National Government Grants</b>									
Equitable Share	-	36 458 000	-	(36 456 000)	-	-	-	-	-
Local government financial management grant	141 237	1 000 000	(141 237)	(939 092)	-	(60 862)	46	46	-
Expanded public works programme integrated grant for municipalities	-	1 321 000	-	(1 321 000)	-	-	-	-	-
Rural Asset Management Grant (RAMS)	1 130 984	2 055 000	(1 130 984)	(933 438)	-	(90 559)	1 031 002	1 031 002	-
<b>Total National Government Grants</b>	<b>1 272 221</b>	<b>40 832 000</b>	<b>(1 272 221)</b>	<b>(39 649 530)</b>	<b>-</b>	<b>(151 421)</b>	<b>1 031 049</b>	<b>1 031 049</b>	<b>-</b>
<b>Provincial Government Grants</b>									
Western Cape Financial Management Capacity Building Grant	395 715	-	(145 715)	(106 766)	-	-	143 234	143 234	-
Western Cape Financial Management Capacity Building Grant	-	200 000	-	-	-	-	200 000	200 000	-
Safety initiative implementation - Whole of Society Approach (WOSA)	344 136	-	-344 136	-	-	-	-0.00	-	(0)
Municipal Drought Relief Grant	1 350 000	-	(389 731)	(960 269)	-	-	-	-	-
Western Cape Financial Management Support Grant	9 485	-	-	-	-	-	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	1 000 000	(1 800 000)	(5 873)	-	(881)	993 247	993 247	-
Local Government Emergency Load-shedding Relief Grant	-	350 000	-	-	-	-	350 000	350 000	-
Local Government Internship Grant	11 672.50	100 000	(11 673)	(24 990)	-	-	75 010.00	75 010	-
<b>Total Provincial Government Grants</b>	<b>4 111 008</b>	<b>1 650 000</b>	<b>(2 691 254)</b>	<b>(1 097 898)</b>	<b>-</b>	<b>(881)</b>	<b>1 970 975</b>	<b>1 970 975</b>	<b>(0)</b>
<b>Other Grant Providers</b>									
The Chemical Industries Education and Training Authority	(209 968)	1 314 900	-	(846 451)	-	(42 167)	216 304	216 304	-
Local Government Sector and Training Authority (LGLDP - 2021/6264)	201 784	-	-	-	-	-	201 784	201 784	-
Local Government Sector and Training Authority (LGLDP - 2023/1655 & 2023/3368)	-	1 205 617	-	(1 205 617)	-	-	-	-	-
Local Government Sector and Training Authority (LGLDP - 2023/3368)	-	38 160	-	-	-	-	38 160	38 160	-
Local Government Sector and Training Authority (LGLDP - 2023/9677)	-	16 560	-	-	-	-	16 560	16 560	-
Nedbank Winter Outreach Programme	-	30 000	-	-	-	-	30 000	30 000	-
<b>Total Other Grant Providers</b>	<b>(8 184)</b>	<b>2 605 237</b>	<b>-</b>	<b>(2 052 079)</b>	<b>-</b>	<b>(42 167)</b>	<b>502 808</b>	<b>502 808</b>	<b>-</b>
<b>Total Grants</b>	<b>5 375 045</b>	<b>45 087 237</b>	<b>(3 963 475)</b>	<b>(42 799 507)</b>	<b>-</b>	<b>(194 469)</b>	<b>3 504 832</b>	<b>3 504 832</b>	<b>(0)</b>

The Unspent Grants are cash-backed by term deposits.