

# CENTRAL KAROO DISTRICT MUNICIPALITY



## ANNUAL REPORT 2023/24



“Working together in development and growth”

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# CHAPTER 1: Mayor's Foreword and Executive Summary

## COMPONENT A: MAYOR'S FOREWORD

As the Executive Mayor of the Central Karoo District Municipality (CKDM), it is my honour and privilege to present this Annual Report for 2023/24 financial year, to the people of our District and Region, the Stakeholders, partners and the country as a whole. The Report gives an account of the performance of the Municipality for the mentioned period, inclusive of the use of the finances that were allocated for different projects and programs. We have and continue to execute our mandate and responsibilities guided by a variety and suite of legislation applicable to local government, National and Provincial policy framework and guidelines, but most importantly by the Integrated Development Plan (IDP) and other strategic documents that we have developed and approved as the Council of CKDM.

The Annual Report for the 2023/24 financial year further gives a detailed account and progress made by the Municipality against the IDP and Budget as consolidated and expressed in the Service Delivery and Budget Implementation Plan (SDBIP). These are key service delivery commitments and implementation tools that we used for the development of our communities and to change their lives and livelihoods.

With our commitment to strive to do more and better in the coming financial years, it is with pleasure to report that the Municipality has achieved the unqualified audit outcome, retaining the outcomes achieved in the prior year. We can confirm that the building blocks are in place towards achieving a clean audit in the coming financial year and sustaining it moving forward. A lot has been done in the intervening period to rectify the challenges that were experienced in the past. The appropriate structures and systems have been put in place and set in motion. We are now more proactive than reactive in dealing with issues that impact negatively on service delivery, resources allocation and utilisation and finally, accounting for what has been done and how it has been done.

We undertake to work harder to improve further and maintain this positive trajectory and to ensure total eradication of any of the unauthorised, irregular, fruitless and wasteful expenditure in the future. This requires ongoing review and improvements of all our checks and balances, capacity building and strengthening of the governance structures and office bearers, implementing consequence management, working with other key stakeholders including Auditor General (AG), National and Provincial governments, civil society and our communities.

To achieve the above and to maintain it, it also requires that our Councillors and administration in particular plan their roles and safe-guarding and using the allocated and available resources in a responsible, effective and efficient manner. We will also ensure that we attract and retain skilled, principled, professional staff who embrace all tenets ethical, morally upright and professional public service, anchored in the culture of Batho Pele. For this, we must ensure that all forms of corruption and fraud are prevented and should they occur, harsh action would be taken against those involved.

The Municipality has achieved 69.24% on the Service Delivery and Budget Implementation Plan (SDBIP). This is an improvement compared to the 57.15% performance achieved in the previous financial year. We commit once again to work harder for our people and to change their lives for the better.

We can again report that as we previously committed to ensuring that our budget conform to all legal prescribes as well as being responsive to the ever-changing needs and circumstances of the people of the Central Karoo, we are pleased to report that this commitment has been kept as demonstrated fully in this Annual Report and Audit Report of the AG.

In the previous Annual Report for 2022/23, I made certain commitments as part of CKDM future plans, I therefore wish to briefly reflect on them and report and/or indicate progress made under each.



No	Program	Progress/deviation/ comments
1	Implementation of measures to re-obtain a clean audit	Regular sitting of Fraud and Risk Management Committee, Internal Audit Committee and MPAC to process reports on performance and finances
2	Identification and implementation of apparatuses to ensure financial viability	
3	Annual review of strategic plans and policies to align with the vision and mission of the Municipality	This is ongoing and took place again in October 2024
4	Enhancing intergovernmental relations and structures within the Region	CKDM continue to take active role in all IGR structures.
5	Increased focus on skills development to bridge the skills gaps within the Region	
6	Continued Shared Services Agreements with B Municipalities to address the skills gaps/shortages experienced within municipalities	CKDM and partners have retained the existing agreement and intend to expand the program DCOG is central in the program and soon District summit will be held to contribute to the growth of the program
7	The implementing of projects and programmes to promote economic growth and development in order to address the significant levels of unemployment and grant dependency	

Despite the difficult economic conditions that we find ourselves in that are caused by various factors including the global economic down-turn, high unemployment rate in our Region, lack of skills amongst our people, especially the youth, etc. we will continue to work hard with all stakeholders especially the B Municipalities to attract and retain investments and job creation initiatives in the Region.

The key program in achieving most of our plans is to ensure that partnerships are established and retained. As the CKDM, we continue to commit to making our fair share and contributing constructively in all intergovernmental structures and programs at all levels, regionally, provincially and nationally.

In conclusion, we wish to acknowledge everyone who participated and took part, especially Councillors and the administration on the one hand and all other external partners including our key principals, namely, the community of Central Karoo, our counterparts in National and Provincial Governments, SALGA, local labour unions, business sector and community and many others who have contributed in our journey and mission to ensure quality service delivery and upholding of our constitutional mandate. We will continue to ensure that all interventions, such as EPWP, RRAMS, by both Province and National and others are implemented to the benefit of our communities, especially the most vulnerable amongst us.

**EXECUTIVE MAYOR**

**CLLR. JOHANNA BOTHA**



# COMPONENT B: Executive Summary

## 1.1 Municipal Manager's Overview

It is my great pleasure and honour to present the Annual Report of the Central Karoo District Municipality for the 2023/24 financial year. This report is one of the many tools that we use to report and account to the public and stakeholders about the performance of the Municipality. We primarily outline and how the resources that have been allocated during the year under review have been appropriated to different programs and projects and they were utilised in line with the approved budget and the Service Delivery and Budget Implementation Plan (SDBIP). It shows our efforts and actions in carrying out our commitments as contained in the Integrated Development Plan (IDP).

The Annual Report provides an accurate and detailed account of the performance of the different Directorates of the Municipality supported and guided by the Municipal Council as the final decision-making body and governance structure of the Municipality.

We are pleased to announce that through the hard work and dedication of everyone, the Municipality was able to achieve and maintain an unqualified audit outcome. This is a promising and positive development with regard to the management of our finances and books relating to service delivery and accountability. In this regard, we have seen the following improvements, the reduction of irregular expenditure from R20 675 781 in 2022/23 to R7 340 203 in 2023/24. There is further improvement with regard to unauthorised expenditure with reduction from R10 040 667 in 2022/23 to R6 758 719 in 2023/24. In conclusion, we have seen further improvement in the reduction of the fruitless and wasteful expenditure from R13 006 million in 2022/23 to R12 110 million in 2023/24.

Amongst other key intervention was to ensure institutional stability by filling of critical positions, especially at the senior management level. Although, we are facing a challenge of attracting experienced professionals in certain strategic and key positions because we must compete for their services with bigger municipalities and the private sector, where they are receiving better offers compared to us, we continue to upskill our staff and political leadership in ensuring that everyone is up to the task and the responsibilities placed on us.

We are further pleased to report that in terms of service delivery, the Municipality has achieved 69.24% on SDBIP. We have also achieved a 51% on capital expenditure of the budget. These two milestones mark a significant progress in improving service delivery.

During the 2023/24 financial year, despite the difficult, challenging and tough economic conditions in public sector and across all sectors and spectrum of the society, including the private and business sector, the CKDM continued to provide services to communities. We were able to achieve all these despite the fact that as a District Municipality, we have a big challenge of limited revenue sources and streams. It is for this reason that we are very grateful to Provincial and National Treasuries as well as other Departments such as Provincial Roads, that are assisting in funding most of our programs. We can assure them that the investment that they make in CKDM is well spent and highly appreciated. We continue to ensure that every cent is spent for the intended purpose and there is value-for-money at all times.

On good governance, we can report that CKDM has a stable and functional Council and Committees system and sit regularly to receive reports and to make decisions. In addition, the following oversight structures are in place, namely, Fraud and Risk Management Committee (FARMCO), Internal Audit Committee and MPAC. These oversight structures are empowered to perform their duties by amongst others the following policy framework, i.e., Fraud and Risk Management Committee Charter, Fraud and Risk Management Policy, Anti-Corruption and Fraud Prevention Policy and the Audit Committee Terms of Reference. These structures too sit regularly to process reports and provide feedback on detected potential risks and how those must be addressed.

In terms of service delivery and amidst the prevailing many challenges, CKDM has amongst its highlights, recorded, the following achievements, on environmental health = a total of 1 646 inspections as part of



monitoring of formal and informal food preparing and selling establishments, issuing of 96 Certificates of Acceptance (COAs), ongoing sewerage and water sampling for bacteriological analysis, monitoring of milk sheds and milk sampling, air quality monitoring; on disaster management, fire and rescue = ongoing fire awareness and safety training at various institutions including schools, businesses and others; on human resources and staff development = we continue to allocate resources for bursaries and study funding for our employees, employment of youth and unemployed for skills development and economic interventions in EPWP,

On intergovernmental relations and cooperation with other partners, especially the B Municipalities and the Province, CKDM has demonstrated its commitment by continuing to ensure amongst others the functionality of both the District Coordinating Forum (DCF), Technical District Coordinating Forum (DCF Tech), active participation in the PCF, SALGA structures and working groups. On the Shared Services programs, CKDM continues to keep its end on the bargain on the established and agreed upon programs including Labour Relations, Legal Services and TASK. We will soon be engaging other stakeholders to ensure the expansion of the program.

## **MUNICIPAL MANAGER**

**Mnyamezeli Jackson Penxa**



## 1.2 Municipal Overview

This report examines the performance of the Central Karoo District Municipality (CKDM) in the Western Cape, with regard to its core legislative responsibilities. Local government must establish a participatory framework that defines and strengthens the relationship between elected leaders and their communities. This necessitates that the Municipal Council provide regular and predictable reporting on program performance and the overall state of affairs in their locality.

The 2023/24 Annual Report reflects on the performance of the Central Karoo District Municipality for the period from 1 July 2023 to 30 June 2024. The report is prepared in accordance with Section 121(1) of the MFMA, which requires the Municipality to 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 **102 173** according to the South African National Census 2022. The following table shows the overall population and the total number of households within each municipality in the district:

<b>Municipality</b>	<b>Number of households</b>	<b>Total population</b>
Beaufort West	13 868	51 177
Laingsburg	2 440	9 273
Prince Albert	4 760	17 836

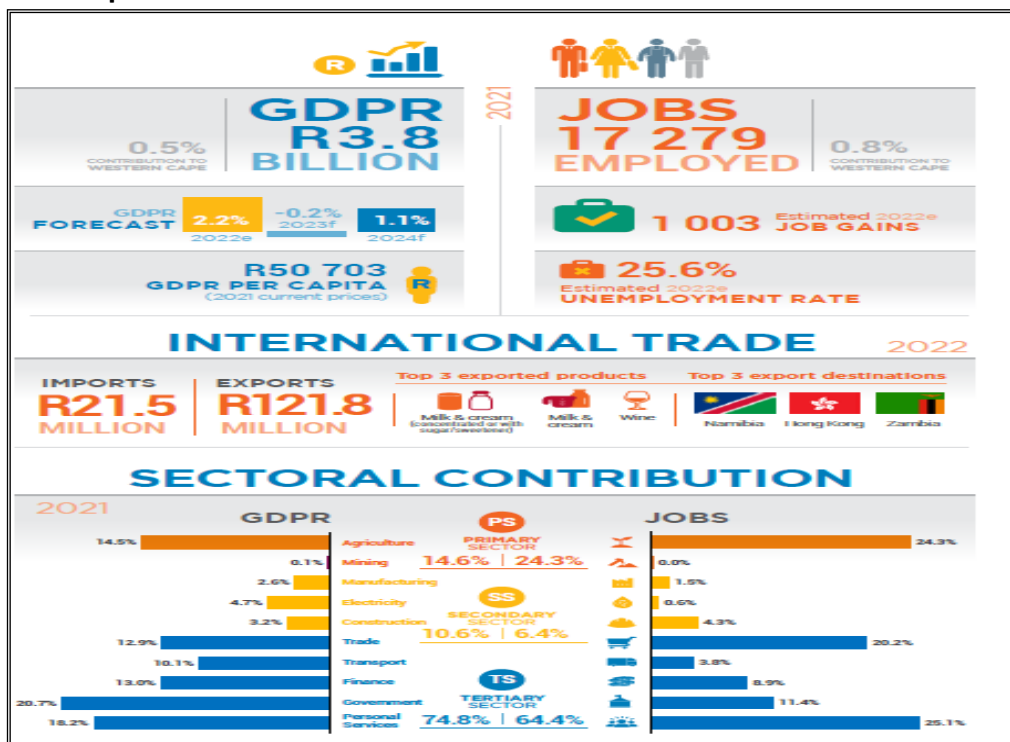
Table 1: Overview of the population in the district



## b) Key economic activities

As per the figure below, the major sectors in Central Karoo are Agriculture and Mining (primary sector), Manufacturing, Electricity and Construction (secondary sector), and trade, transport, finance, and government services as the tertiary sector.

### GDPR performance per sector: Central Karoo District



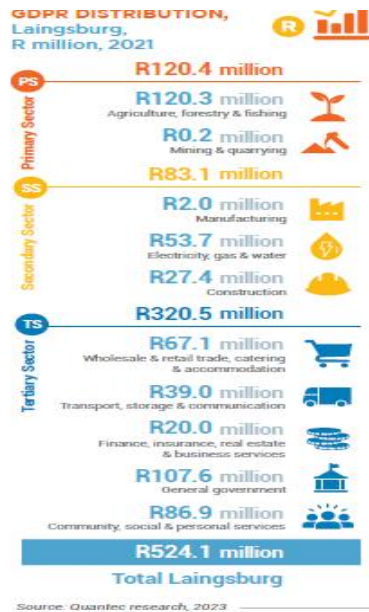
### GDPR performance per municipal area: Central Karoo District



The Beaufort West municipal area had the largest economy in the CKD in 2021 (R2.7 billion). With 11 197 people formally and informally employed in that year, the municipal area had a low labour absorption rate (34.3 per cent). The not economically active population was put at 51.8 per cent. Given that the proportion of the not economically active population in the Province stood at 35.1 per cent in 2021, it is evident that the Beaufort West municipal area needs economic revitalisation. Ideally, this will increase labour force participation and promote job creation.

Skills facilitation is becoming essential in ensuring that local labourers can find employment. Over the past decade, skilled workers were more likely to be employed in the CKD than semi-skilled or low-skilled workers. The informal sector is an essential source of jobs, accounting for 17.8 per cent of employment in 2021. As formal employment faltered in 2022, the informal sector recorded a surge in jobs, mainly in trade.





The Laingsburg municipal area had a GDPR of R524.1 million in 2021 and contributed 13.7 per cent of regional GDPR, making it the smallest economy in the CKD. Agricultural activities, including sheep and ostrich farming, form the basis of the economy. Thanks to the supply of water from Floriskraal Dam, the area also supports the production of lucerne, wine grapes, olives, stone fruit, pecan nuts and vegetables. In 2021, the agriculture sector contributed 22.9 per cent of municipal GDPR. The strong dependence on this sector results in the economy of the area being more vulnerable to external shocks such as drought, which can threaten local livelihoods.



The small economy of the Prince Albert municipal area (with a GDPR of R630.6 million in 2021) was buoyed by the strong performance of the agriculture sector in 2020 and 2021. Even so, large-scale job losses were recorded over the same period. While formal workers in the municipal area are mainly low-skilled (36.1 per cent), employment increases have mainly benefited people who are semi-skilled. The informal sector, especially in agriculture and trade, is a valuable source of jobs (18.7 per cent).



Table 2: Key economic activities





### 1.3.2 Demographic information

#### a) Municipal geographical information

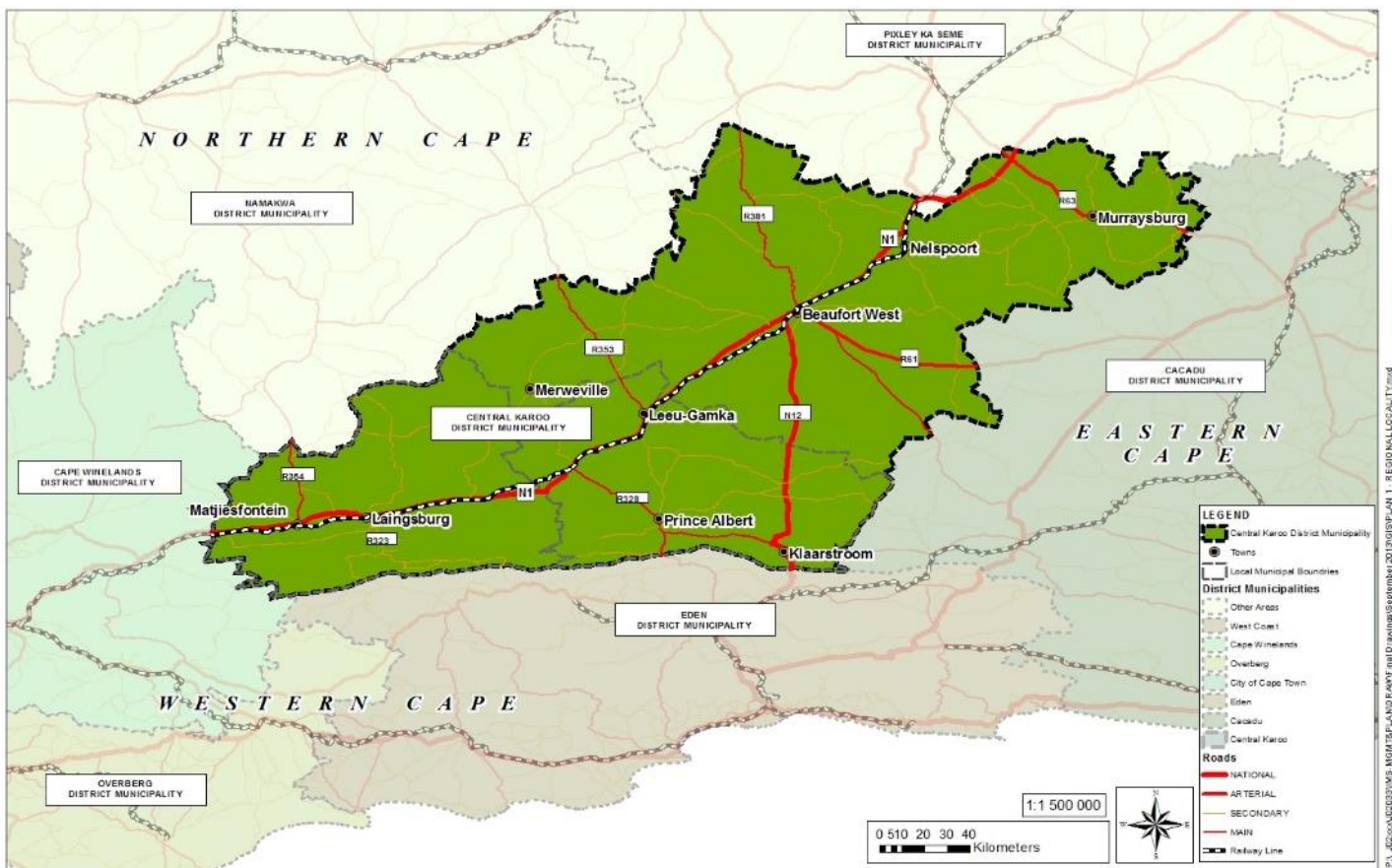
The Central Karoo District Municipality (CKDM) is one of the five Category C District municipalities in the Western Cape Province. The N1 (National Road) runs through the District Municipal area, connecting the area to Cape Town (south west) and Johannesburg towards the north east.

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 Nieuveld Mountains (Beaufort West).

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



CENTRAL KAROO DISTRICT MUNICIPALITY: REGIONAL LOCALITY

Source: Demarcation B. ENPAT

PLAN 1  
OCTOBER 2013

Location of CKDM

The district houses the following local municipalities:

Local	Description
Beaufort West Municipality	Includes the towns of Beaufort West, Merweville, Nelspoort and Murraysburg. The largest town in the District, Beaufort West, serves as the administrative centre of the district. The municipal area has a total population of approximately 49 586 residents, most of whom are urbanised. Beaufort West is strategically situated approximately 415 km northwest from Cape Town along the N1 route, which connects Cape Town with cities like Bloemfontein and Johannesburg. It has all the characteristics of a modern town, including a magistrate's court, internet cafés, hotels, bed and breakfasts, medical facilities, restaurants and all the other amenities and services found in larger towns.
Laingsburg Municipality	Includes the historic settlement of Matjiesfontein. It is the smallest municipality (in terms of population) in the district and indeed in the whole of South Africa. The municipal area has a total population of approximately 8 289 residents. Laingsburg is situated halfway between Cape Town and Beaufort West on the N1 national road. Passing transport is one of the most important markets for Laingsburg. Laingsburg is characterized by rural agriculture, consisting mainly of sheep farming and the production of soft fruits, especially in the southern part of the municipal area. The potential for the latter is adversely affected by poor roads and long distances to major centres.
Prince Albert Municipality	Prince Albert is situated 400 km north of Cape Town and 170 km South West of Beaufort West. The municipality has a total population of approximately 13 136 residents and borders Beaufort West Municipality, Laingsburg and the Eden District. Prince Albert Municipal area covers a total of 8 800 km <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	2022/23	2023/24
Cost coverage (Available cash+ investments): Monthly fixed operating expenditure	1 months	1 month

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	2022/23	2023/24
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)	46%	29%

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	2022/23	Original budget	Adjustment budget	Actual
	2023/24			
	R'000			
<b>Income</b>				
Grants	42 994	44 398	50 832	45 586
Taxes, levies and tariffs	0	0	0	0
Other	70 229	70 483		
<b>Sub-total</b>	<b>113 223</b>	<b>114 881</b>	<b>120 479</b>	<b>121 434</b>
Less expenditure	(117 529)	(114 451)	(118 965)	(123 184)
<b>Net surplus/(deficit)</b>	<b>(4 306)</b>	<b>4</b>	<b>1 514</b>	<b>(1 750)</b>

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)	25-40	55	20
Repairs and maintenance	12	0	12
Finance charges and depreciation	18	1.58	16.42

Note: Repairs and maintenance on basic services are not applicable to the Municipality from the 2023/24 financial year

Table 7: Operating ratios

### 1.4.5 Total capital expenditure

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

Detail	2022/23	2023/24
	R'000	
Original budget	2 715	3 905
Adjustment budget	2 715	2 179
Actual	1 038	2 040

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
Employee Wellness	<ul style="list-style-type: none"> <li>Approved Employee Assistance Policy.</li> <li>29 September 2023 - Better Together Games</li> <li>8 December 2023 – Employee Wellness Day.</li> <li>26 January 2024 – Employee Wellness Day.</li> <li>Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	<b>Filled 13 vacancies</b> compared to 21 vacancies in 2022/2023, 9 - 2021/22, 10 - 2020/21, 10 - 2019/20.
Provincial Disaster Management Support Grant	2 x Disaster Management Interns was appointed in 2023/2024. The appointments 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>Four (4) student</b> bursaries were approved for 2022/23.
National Treasury Grant	The DM takes full advantage of the grant. Currently <b>4 Interns</b> are appointed.
In-service training	<b>6 Students</b> were assisted with in-service training during the 2023/24 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>Dress Code</li> <li>Individual Performance Management</li> <li>Professional Bodies</li> </ul>
CKDM Skills Development	<p><b>18.1 (Employed) Training CKDM</b></p> <ul style="list-style-type: none"> <li>HEAVY PLANT OPERATORS:</li> <li>262747 (Operate a front-end loader) – 17 Delegates</li> <li>262735 (Operate a grader) – 19 Delegates</li> <li>262734 (Operate a tip truck) – 23 Delegates</li> <li>257028 (Operate Tractor Loader Backhoe) – 9 Delegates</li> <li>Dangerous Goods – Refresher: 14 Delegates - 2023</li> <li>First Aid Training: 13 Delegates</li> <li>119567: Perform basic life support and first aid procedures</li> <li>120496: Provide risk-based primary emergency care/first aid in the workplace</li> <li>Mentorship Training – 32 Delegates (From Central Karoo District)</li> <li>MMC – Multiyear intervention: 15 Delegates in Progress</li> <li>SCM Training: SAQA US:116353/337061: 3 Delegates</li> <li>Short Course - Sampling Training: 4 Delegates</li> <li>Short Course - Radiation Training: 1 Delegate</li> <li>Short Course Excell for Beginners: 16 Delegates</li> <li>Bursaries 18.1 – Employed 2022 – 2024</li> <li>Diploma in Public Accountability (LSETA Funding): 7 Delegates Completed 2023</li> <li>BCom Supply Chain Management NQF 7: 1 Delegate (Completed 2024)</li> <li>Diploma Project Management NQF 5: 1 Delegates (Completed 2023)</li> <li>BCom Financial Management NQF 6: 1 Delegate (3rd Year – 2024)</li> <li>BCom Public Administration NQF 7: 1 Delegate 2nd year 2024</li> <li>BCom Public Administration NQF 7: 1 Delegate 3rd year 2024</li> <li>BCom Public Administration NQF 7: 1 Delegate 3rd year 2024</li> </ul> <p><b>18.2 (Unemployed) – CKDM</b></p> <ul style="list-style-type: none"> <li>DG – Funding Chieta Chemical Operations Learnership – 12-month programme:</li> <li>Level 3 Chemical Operations: Learnership: 14 Learners – Beaufort West</li> <li>Level 4 Chemical Operations: Learnership: 8 Learners – Beaufort West</li> </ul>



Highlights	Description
Regional Skills Development	<ul style="list-style-type: none"> <li>Central Karoo District: (Delegates from Prince Albert, Laingsburg, Beaufort West Local &amp; CKDM</li> <li>Programme (Unit Standard Based: SAQA116353/337061)-National Certificate Supply Chain Management – 25 Delegates</li> <li>Programme (Unit Standard Based:262747/262804/257028/262735/262734)-National Certificate Construction Planning – 29 Delegates</li> <li>Programme (Unit Standard Based: 119557/119555/119558)-National Certificate Environmental Practice – 29 Delegates</li> <li>Programme (Unit Standard Based), Mentorship Training – 32 Delegates</li> <li>Full Bursaries, Diploma in Public Accountability NQF 6 – 13 Delegates</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 Clerk
Tools of Trade are 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

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
13	Female	None	R 272 532.73	42	Female	None	R 949 512.32	0	Female	None	R0.00
19	Male	None	R 272453 .49	123	Male	None	R 1 449 796.07	0	Male	None	R0.00

### 1.6.3 Enterprise and Supplier Development Element

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

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



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



Name of Supplier	Total procurement spend/budget for supplier	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
JUVINON SYSTEMS	23 370,00	-	Yes	-	0%	0%
KAROO RADIO AND SATELITE	2 478,00	Yes	-	-	0%	0%
Kempston Motor Group Trust	5 859,16	-	Yes	-	0%	0%
KGATELOPELE CAPITAL GROUP	65 600,00	Yes	-	-	100%	0%
KHARAFI HOSPITALITY	3 900,00	-	Yes	-	0%	0%
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	6 353,84	-	Yes	-		
KLEIN KAROO AGRI	203 018,45	-	Yes	-	0%	0%
KOHLER SIGNS	52 467,60	Yes	-	-	100%	10%
KOMATSU SOUTH AFRICA	105 604,13	-	-	Yes	25%	10%
KP UBUMNANDI GROUP	12 360,59	-	Yes	-	55%	0%
LAST SAMURAI PROPERTY HOLDINGS 2	367 737,65	-	Yes	-	100%	0%
LEXISNEXIS	11 382,00	-	Yes	-	19%	7%
LUMBER AND LAWN	4 287,98	-	Yes	-	51%	39%
M EN M EIENDOMME	198 890,00	-	Yes	-	0%	0%
MADAMS TRINITY SERVICES	2 450,53	Yes	-	-	100%	100%
Magrietha Heibreght Jacobs	830,00	Yes	-	-	0%	0%
Malowitz Group of Companies	31 095,12	-	Yes	-	100%	67%
Manewes Projects	20 039,50	Yes	-	-	100%	50%
MARAIS MOTORS (BEAUFORT WES)	23 362,43	Yes	-	-	0%	0%
MARKET DEMAND TRADING 306 T/A Ellefsen Golf Suites	3 113,04	-	Yes	-	0%	0%
MARKET DEMAND TRADING 319	1 652,17	Yes	-	-	0%	0%
MCWILLIAMS AND ELLIOTT	96 067,52	-	Yes	-	70%	0%
MEDIA 24	30 985,20	-	Yes	-	42,31%	22,63%
MONTDOR PRINCE ALBERT	15 136,40	Yes	-	-	0%	0%
MOORE Stephens	93 608,48	-	Yes	-	55%	55%
MOORE STEPHENS (DIRECT)	1 182 434,37	-	Yes	-	55%	55%
MUBESKO AFRICA	1 142 800,01	-	Yes	-	0%	0%
NICO SWART CONSULTANCY	86 410,40	Yes	-	-	0%	0%
Nietvoorby Boerdery	14 784,00	Yes	-	-	0%	0%
NORCAZ PROMOTIONS	7 500,00	Yes	-	-	0%	0%
O P J BRAKE AND CLUTCH	5 980,00	-	Yes	-	0%	0%
OHS CARE	70 185,20	-	Yes	-	51%	51%
OHSCARE	19 609,40	-	Yes	-	51%	51%
Orik (Pty) Ltd	2 085,35	-	Yes	-	100%	34%
PENNYWORTH TRADING	93 950,39	-	Yes	-	51%	51%
PEX HYDRAULICS CAPE TOWN	16 145,57	Yes	-	-	0%	0%
PFP VAN EEDEN ELEKTRIES	2 398,90	Yes	-	-	0%	0%
PHIREWORX	24 990,00	Yes	-	-	100%	60%
PIENAAR BROTHERS	39 542,39	-	-	Yes	25,10%	25,10%
PRINT AT GROUP	49 330,47	Yes	-	-	0%	0%
PROUDLY KAROO	36 491,00	Yes	-	-	0%	0%
Q BOLT	4 794,60	Yes	-	-	0%	0%
QUIDITY	50 774,40	Yes	-	-	0%	0%
RALPH ALXANDER KOSTER T/A MATOPPO INN	7 159,13	Yes	-	-	0%	0%
RBI Asset Management	22 770,00	-	Yes	-	100%	100%
REEBOKSFONTEIN BELEGGINGS	4 869,57	Yes	-	-	0%	0%
Renu-Karoo Veld Restoration	20 815,00	Yes	-	-	0%	0%
RESHUB T/A Southern Sun The Cullinan	8 400,00	-	-	Yes	52,13%	28,34%
RUSLAMERE GUESTHOUSE	8 713,04	-	-	-	0%	0%
RWICILA CONSTRUCTION	37 600,00	Yes	-	-	100%	0%
SHORT'S NISSAN	50 513,95	-	yes	-	51%	26%





Name of Supplier	Total procurement spend/budget for supplier	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Large Enterprise	Level of Black Ownership	Level of Black Women Ownership
Silver Lake Trading 305 (Pty) Ltd	347 272,49	-	Yes	-	100%	100%
SMEC	31 534,00	-	-	Yes	94,29%	36,60%
SOUTH CAPE GALVANISING	5 153,50	-	Yes	-	0%	0%
SOUTH CAPE TRAVEL	39 362,35	-	Yes	-	0%	0%
SOUTHCAPE PETROLEUM	2 451 981,80	-	Yes	-	0%	0%
SPOT-ON DEALS FORTY THREE	34 110,92	-	-	Yes	0%	0%
Stanmar Motors	41 847,70	-	-	-	25,17%	0%
Startune Pty Ltd	264 118,89	-	Yes	-	0%	0%
STEEL PIPES FOR AFRICA (GEORGE)	14 395,75	-	Yes	-	0%	0%
SUMMAT TRAINING INSTITUTE	39 000,00	Yes	-	-	100%	75%
TG ELEKTRIES	44 266,17	Yes	-	-	0%	0%
THE ASSESSMENT TOOLBOX CC	33 747,07	Yes	-	-	0%	0%
THE PENNYPINCHERS BEAUFORT WEST TRUST	460,00	-	Yes	-	0%	0%
TICIVA TWENTY	338 454,33	-	Yes	-	0%	0%
Timbercity Beaufort Wes	170 601,47	-	Yes	-	0	0
TJEKA TRAINING MATTERS(PTY) LTD	32 619,75	-	Yes	-	58,52%	5,92%
TNA GENERAL SERVICES PTY LTD	4 255,00	Yes	-	-	100%	0%
TRADEPOST 163	239,20	Yes	-	-	0%	0%
TRAVELGROUND	70 230,37	-	Yes	-	0%	0%
TRENTYRE	403 877,84	-	-	-		
Truck City (pty)Ltd	5 744,39	-	Yes	-	0%	0%
TSOGO SUN CALEDON	2 359,13	-	Yes	-	62,43%	34,25%
TTM TRADING AND PROJECTS (PTY) LTD	4 170 614,38	-	Yes	-	100%	0%
TYRES AND TREADS	9 310,00	-	Yes	-	51,21%	51,21%
UBER TECHNOLOGIES	387 637,74	Yes	-	-	0%	0%
VALMAC OFFICE NATIONAL	38 561,40	-	Yes	-	100%	0%
VDW GROUP	22 917,47	Yes	-	-	0%	0%
VEXOSCORE FIRE	1 298 622,00	Yes	-	-	100%	50%
WAGON WHEEL	8 330,44	Yes	-	-	0%	0%
Werner Van Meersbergen	48 708,00	Yes	-	-	0%	0%
Willem Gabriel J Matthee	81 752,00	Yes	-	-	0%	0%
WURTH SOUTH AFRICA CO	4 526,40	-	Yes	-	0%	0%
ZITANDA SHOPS	43 569,68	-	Yes	-	0%	0%

Name of Supplier	Total procurement spend/budget for supplier	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Large Enterprise	Level of Black Ownership	2023/24
Value of the 2% of Net Profit After Tax (NPAT) or 0.2% of allocated budget for supplier development						-

Indicators	2023/24
1% NPAT or 0.1% of allocated budget for enterprise development	-

Number of all black owned or black women owned EMEs or QSEs the sphere of government, organ of state or public entity supported under enterprise and supplier development and value thereof against each



entity. The information must further be broken down in terms of geographical location, sector, and level of black ownership.

Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
A AND J PARTS	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	398 833,43
A G OFFICE FURN	George	Manufacture of furniture (for manufacture of furniture of ceramics, concrete and stone)	-	Yes	0%	4 850,00
ADMIROR TRADING	Beaufort West	Retail trade, except of motor vehicles and motorcycles	-	Yes	0%	43 988,63
AFRICAN ONLINE SCIENTIFIC INFORMATION SYSTEMS	Cape Town	Publishing activities	-	Yes	0%	5 584,33
AFRICAN OXYGEN	Germiston	Professional, scientific and technical activities	-	-	65%	41 207,44
AGNES STOFFELS	Beaufort West	Cleaning Services, Cleaning Suppliers, Events	-	Yes	100%	9 073,91
AGRICO	Bellville	Other personal service activities	-	-	0%	273 906,85
ALFREDO ELRICO HERMANUS	Grahamstown	Retail trade, except of motor vehicles and motorcycles	Yes	-	100%	54 396,76
ALLES VARS GROENTE MARK	Beaufort West	Food and beverage service activities	Yes	-	0%	347,74
ALTANTIC PLANT AND TRANSPORT (PTY) LTD	Athlone	Civil engineering	Yes	-	100%	2 049 422,58
ANNA STOFFELS	Beaufort West	Food and beverage service activities	Yes	-	100%	2 550,00
ARCTIPOINT	Steenberg	Information service activities	-	Yes	52%	47 796,30
ATKV SAKE (RF)	Rawsonville	Accommodation	Yes	-	20%	2 837,40
AVRIL WILMA JOHNSON	New Town	Food and beverage service activities	Yes	-	100%	3 325,00
AYANDA MBANGA COMMUNICATIONS	Cape Town	Advertising and market research	-	Yes	100%	58 905,60
BAB DEVELOPERS	Epping	Other personal service activities	Yes	-	100%	599 478,26
BARLOWORLD SOUTH AFRICA	Bellville	Building and Constructing Machinery and Accessories	-	-	65%	143 857,89
BARRYS HANDEL	Worcester	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	3 493,44
Bayteck Fire	Midrand	Specialised construction activities	Yes	-	0%	18 176,90
BEAUFORT ALARMS	Beaufort West	Security and investigation activities	Yes	-	0%	29 851,80
BEAUFORT WES TYRES AND TREADS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	51%	206 995,73
BEAUFORT WEST LUXURY COACHES	Beaufort West	Land transport and transport via pipelines	Yes	-	100%	8 990,00



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
BEAUFORT-WES LUGREELING EN VERKOELING	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	18 756,25
BEAUFORT-WES PRESISIE MOTOR INGENIEURSWERKE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	75 744,18
BEAUWES PARTS CENTRE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	114 816,89
BELL EQUIPMENT SALES SOUTH AFRICA	Boksburg	Retail trade, except of motor vehicles and motorcycles	Yes	-	55%	473 120,39
BELLAWIZ	Beaufort West	Food and beverage service activities	Yes	-	100%	21 748,60
BIDVEST OFFICE	George	Retail trade, except of motor vehicles and motorcycles	-	Yes	68%	168 067,39
BIDVEST SERVICES	George	Activities of membership organizations	-	Yes	0%	73 594,79
BIDVEST STEINER	George	Activities of membership organizations	-	Yes	30%	5 126,46
BONKERN PROJECTS	Beaufort West	Food and beverage service activities	-	Yes	100%	10 750,00
BRENT ON FIRE	George	Accommodation and food service activities	Yes	-	0%	5 695,00
BUFFELSDRIFT CLAY MINE	Oudtshoorn	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see divisions 16 and 25)	Yes	-	0%	116 512,00
BWEST INVESTMENT GROUP	Beaufort West	Accommodation	Yes	-	0%	3 913,04
CAPE TOWN LODGE	Cape Town	Accommodation	-	Yes	51%	2 947,82
CASEWARE	Midrand	Financial Services	-	Yes	0%	93 204,05
CATERING IN THE KAROO	Beaufort West	Food and beverage service activities	Yes	-	100%	700,00
COCRE8 IT SERVICES	Midrand	Information service activities	Yes	-	85%	41 324,00
COMPACTION AND INDUSTRIAL EQUIPMENT SALES AND SERVICE	Cape Town	Retail trade, except of motor vehicles and motorcycles	-	Yes	0%	29 913,80
COUNTERPOINT TRADING	George	Other manufacturing	Yes	-	0%	21 909,60
COURIER PRINTING (BEAUFORT WEST)	Beaufort West	Printing and reproduction of recorded media	Yes	-	0%	44 822,29
CZ ELEKTRIES	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	8 243,08
DAC WOOD	Beaufort West	Other manufacturing	Yes	-	0%	18 669,28
DAWID DANIEL VAN WYK	Newlands	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	11 793,20
DE JAGERS LOODGIETER KONTRAKTEURS	Beaufort West	Specialised construction activities	-	Yes	51%	8 776,02
DE ZALZE LODGE	Stellenbosch	Accommodation	-	Yes	0%	2 608,70



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
DIT RUK SOUND AND PROJECTS	Beaufort West	Motion picture, video and television program production, sound recording and music publishing activities	Yes	-	100%	11 500,00
DOCUMENT WAREHOUSE COASTAL	Eppingdust	Warehousing and support activities for transportation	-	Yes	0%	5 903,50
DRIZIT ENVIRONMENTAL	Umbilo	Consulting Services	-	Yes	0%	7 225,68
EDRICK LODEWIKUS BRUWER	George	Other personal service activities	Yes	-	0%	17 789,51
ELB EQUIPMENT HOLDINGS	Anderbolt	Specialised construction activities	-	Yes	26%	122 369,38
ELCONA 166	Beaufort West	Hotel and Lodging	-	Yes	0%	3 478,25
ELOHIM ENTERPRISES	Beacon Bay	Construction	Yes	-	100%	11 367,00
ESRI SOUTH AFRICA	Midrand	Agriculture, forestry and fishing	-	Yes	26%	128 400,00
ETL CONSULTING	Bryanston	Architectural and engineering activities; technical testing and analysis	-	Yes	100%	77 500,00
EVELYN DE VILLIERS	Beaufort West	Accommodation	Yes	-	0%	32 400,00
FAIMEL AUTO ELECTRICAL AND SPARES	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	100%	46 517,02
FIBERTEX SOUTH AFRICA	Hammarsdale	Manufacturing of textiles	-	Yes	0%	2 870,40
FRANZ JACOBUS ESTERHUYSE	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	14 508,50
GAP Management (PTY) LTD	Port Elizabeth	Consulting Services	-	Yes	100%	68 885,70
GEORGE HENRY SCHROEDER	Beaufort West	Food and beverage service activities	-	Yes	100%	26 992,90
GOB SECURITY SERVICES	Beaufort West	Security and investigation activities	-	-	0%	893 518,85
HAMILTON STOFFEEDERS	Newlands	Repair and installation of machinery and equipment	Yes	-	100%	12 945,00
HIGH POWER EQUIPMENT AFRICA	Boksburg	Specialised construction activities	-	Yes	28%	238 533,55
HIGHLINE SOLUTIONS	Benoni	Retail trade, except of motor vehicles and motorcycles	Yes	-	100%	18 627,00
HUDACO TRADING	Germiston	Specialised construction activities	-	Yes	37%	5 994,95
IGNITE ADVISORY SERVICES	Durban	Activities of head offices; management consultancy activities	Yes	-	42%	339 979,14
ILANJA SWEISINGENIEURSWERKE	Beaufort West	Other personal service activities	Yes	-	0%	80 213,88
Inyameko trading 445 CC	Oudtshoorn	Food and beverage service activities	Yes	-	100%	18 550,00
INZALO ENTERPRISE MANAGEMENT SYSTEMS	Centurion	Computer programming, consultancy and related activities	-	Yes	60%	1 657 290,34



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
IT BRILLIANCE	Oudtshoorn	Computer programming, consultancy and related activities	Yes	-	0%	20 085,22
J P C BESTER EN SEUNS MOTORHAWA	Victoria West	Accommodation	Yes	-	0%	37 226,21
JOBOJALI	Beaufort West	Food and beverage service activities	Yes	-	0%	2 405,00
JOHANN PIENAAR MOTORS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	Yes	-	0%	38 831,88
JUVINON SYSTEMS	George	Information service activities	-	Yes	0%	23 370,00
KAROO RADIO AND SATELITE	Beaufort West	Undifferentiated goods- and services producing activities of private households for own use	Yes	-	0%	2 478,00
Kempston Motor Group Trust	East London	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	5 859,16
KGATELOPELE CAPITAL GROUP	Midrand	Food and beverage service activities	Yes	-	100%	65 600,00
KHARAFI HOSPITALITY	George	Accommodation	-	Yes	0%	3 900,00
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	George	Accommodation	-	Yes	0%	6 353,84
KLEIN KAROO AGRI	Oudtshoorn	Crop and animal production, hunting and related service activities	-	Yes	0%	203 018,45
KOHLER SIGNS	Cape Town	Manufacture of fabricated metal products, except machinery and equipment	Yes	-	100%	52 467,60
KOMATSU SOUTH AFRICA	Isando	engineered mining, construction, earthmoving and utility equipment	-	-	25%	105 604,13
KP UBUMNANDI GROUP	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	55%	12 360,59
LAST SAMURAI PROPERTY HOLDINGS 2	Bellville	Civil engineering	-	Yes	100%	367 737,65
LEXISNEXIS	Woodmead	Legal and accounting activities	-	Yes	19%	11 382,00
LUMBER AND LAWN	Paarl	Retail trade, except of motor vehicles and motorcycles	-	Yes	51%	4 287,98
M EN M EIENDOMME	Beaufort West	Undifferentiated goods- and services producing activities of private households for own use	-	Yes	0%	198 890,00
MADAMS TRINITY SERVICES	Beaufort West	Activities of households as employers of domestic personnel	Yes	-	100%	2 450,53



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
Magrietha Heibreght Jacobs	Beaufort West	Civil engineering	Yes	-	0%	830,00
Malowitz Group of Companies	Beaufort West	Construction and Maintenance	-	Yes	100%	31 095,12
Manewes Projects	Beaufort West	Transportation and storage	Yes	-	100%	20 039,50
MARAIS MOTORS (BEAUFORT WES)	Beaufort West	Wholesale and retail trade, repair of motor vehicles and motorcycle	Yes	-	0%	23 362,43
MARKET DEMAND TRADING 306 T/A Ellefsen Golf Suites	Laingsburg	Hotel and Lodging	-	Yes	0%	3 113,04
MARKET DEMAND TRADING 319	Laingsburg	Accommodation and food service activities	Yes	-	0%	1 652,17
MCWILLIAMS AND ELLIOTT	Port Elizabeth	Professional, scientific and technical activities	-	Yes	70%	96 067,52
MEDIA 24	Cape Town	Media	-	Yes	42,31%	30 985,20
MONTDOR PRINCE ALBERT	Prince Albert	Accommodation and food service activities	Yes	-	0%	15 136,40
MOORE Stephens	George	Consulting Services	-	Yes	55%	93 608,48
MOORE STEPHENS (DIRECT)	George	Consulting Services	-	Yes	55%	1 182 434,37
MUBESKO AFRICA	Oudtshoorn	Financial and insurance activities	-	Yes	0%	1 142 800,01
NICO SWART CONSULTANCY	Somerset West	Financial and insurance activities	Yes	-	0%	86 410,40
Nietvoorby Boerdery	Laingsburg	Water supply, sewerage, waste management and remediation activities	Yes	-	0%	14 784,00
NORCAZ PROMOTIONS	Alberton	Education	Yes	-	0%	7 500,00
O P J BRAKE AND CLUTCH	George	Manufacturing	-	Yes	0%	5 980,00
OHS CARE	Kempton Park	Human health and social work activities	-	Yes	51%	70 185,20
OHSCARE	Kempton Park	Human health and social work activities	-	Yes	51%	19 609,40
Orik (Pty) Ltd	Milnerton	Fuel and Lubricants	-	Yes	100%	2 085,35
PENNYWORTH TRADING	George	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	Yes	51%	93 950,39
PEX HYDRAULICS CAPE TOWN	Milnerton	Manufacturing	Yes	-	0%	16 145,57
PFP VAN EEDEN ELEKTRIES	Laingsburg	Electricity, gas, steam and air conditioning supply	Yes	-	0%	2 398,90
PHIREWORX	Cape Town	Manufacturing and Construction	Yes	-	100%	24 990,00
PIENAAR BROTHERS	Cape Town	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	-	25,10%	39 542,39
PRINT AT GROUP	Beaufort West	Manufacturing	Yes	-	0%	49 330,47
PROUDLY KAROO	Beaufort West	Manufacturing and Accommodation and food service activities	Yes	-	0%	36 491,00
Q BOLT	Oudtshoorn	Manufacturing and Wholesale and retail trade, repair of motor vehicles and motorcycles	Yes	-	0%	4 794,60



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
QUIDITY	Wellington	Information and communication	Yes	-	0%	50 774,40
RALPH ALXANDER KOSTER T/A MATOPPO INN	Beaufort West	Accommodation and food service activities	Yes	-	0%	7 159,13
RBI Asset Management	Boksburg	Professional, scientific and technical activities	-	Yes	100%	22 770,00
REEBOKSFONTEIN BELEGGINGS	Beaufort West	Accommodation and food service activities	Yes	-	0%	4 869,57
Renu-Karoo Veld Restoration	Prince Albert	Agriculture, forestry and fishing and Professional, scientific and technical activities	Yes	-	0%	20 815,00
RESHUB T/A Southern Sun The Cullinan	Waterfront	Accommodation and food service activities	-	-	52,13%	8 400,00
RUSLAMERE GUESTHOUSE	Cape Town	Chartered accountancy	-	-	0%	8 713,04
RWICILA CONSTRUCTION	Beaufort West	Construction	Yes	-	100%	37 600,00
SHORT'S NISSAN	George	Wholesale and retail trade, repair of motor vehicles and motorcycles	-	yes	51%	50 513,95
Silver Lake Trading 305 (Pty) Ltd	Bloemfontein	Financial and insurance activities	-	Yes	100%	347 272,49
SMEC	George	Construction	-	-	94,29%	31 534,00
SOUTH CAPE GALVANISING	George	Manufacturing of Machinery and Equipment	-	Yes	0%	5 153,50
SOUTH CAPE TRAVEL	George	Travel Agency	-	Yes	0%	39 362,35
SOUTHCAPE PETROLEUM	Mossel Bay	Fuel and Lubricants	-	Yes	0%	2 451 981,80
SPOT-ON DEALS FORTY THREE	Beaufort West	Retail trade, except of motor vehicles and motorcycles	-	-	0%	34 110,92
Stanmar Motors	George	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	25,17%	41 847,70
Startune Pty Ltd	Johannesburg	Construction of buildings (for erection of complete prefabricated constructions from self-manufactured parts not of concrete, see divisions 16 and 25)	-	Yes	0%	264 118,89
STEEL PIPES FOR AFRICA (GEORGE)	George	Agriculture, forestry and fishing	-	Yes	0%	14 395,75
SUMMAT TRAINING INSTITUTE	Germiston	Professional, scientific and technical activities	Yes	-	100%	39 000,00
TG ELEKTRIES	Beaufort West	Electricity, gas, steam and air conditioning supply	Yes	-	0%	44 266,17
THE ASSESSMENT TOOLBOX CC	Bellville	Other personal service activities	Yes	-	0%	33 747,07



Name of Supplier	Geographical Location	Sector	Exempted Micro-Enterprise (EME)	Qualifying Small Enterprise (QSE)	Level of Black Ownership	Value
THE PENNYPINCHERS BEAUFORT WEST TRUST	Beaufort West	Specialised construction activities	-	Yes	0%	460,00
TICIVA TWENTY	Beaufort West	Other personal service activities	-	Yes	0%	338 454,33
Timbercity Beaufort Wes	Beaufort West	Specialised construction activities	-	Yes	0	170 601,47
TJEKA TRAINING MATTERS(PTY) LTD	Krugersdorp	Education	-	Yes	58,52%	32 619,75
TNA GENERAL SERVICES PTY LTD	Beaufort West	Other personal service activities	Yes	-	100%	4 255,00
TRADEPOST 163	George	Agriculture, forestry and fishing	Yes	-	0%	239,20
TRAVELGROUND	Cape Town	Accommodation	-	Yes	0%	70 230,37
TRENTYRE	Steelpoort	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	-	0%	403 877,84
Truck City (pty)Ltd	Cape Town	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	5 744,39
TSOGO SUN CALEDON	Caledon	Accommodation	-	Yes	62,43%	2 359,13
TTM TRADING AND PROJECTS (PTY) LTD	Pretoria	Electricity, gas, steam and air conditioning supply	-	Yes	100%	4 170 614,38
TYRES AND TREADS	Beaufort West	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	51,21%	9 310,00
UBER TECHNOLOGIES	Bloemfontein	Computer programming, consultancy and related activities	Yes	-	0%	387 637,74
VALMAC OFFICE NATIONAL	Port Elizabeth	Other personal service activities	-	Yes	100%	38 561,40
VDW GROUP	Oudtshoorn	Retail trade, except of motor vehicles and motorcycles	Yes	-	0%	22 917,47
VEXOSCORE FIRE	Roodeport	Computer programming, consultancy and related activities	Yes	-	100%	1 298 622,00
WAGON WHEEL	Beaufort West	Accommodation	Yes	-	0%	8 330,44
Werner Van Meersbergen	Laingsburg	Crop and animal production, hunting and related service activities	Yes	-	0%	48 708,00
Willem Gabriel J Mathee	Rietbron	Water collection, treatment and supply	Yes	-	0%	81 752,00
WURTH SOUTH AFRICA CO	Edenvale	Wholesale and retail trade and repair of motor vehicles and motorcycles	-	Yes	0%	4 526,40
ZITANDA SHOPS	Bellville	Postal and courier activities	-	Yes	0%	43 569,68

#### 1.6.4 Socio Economic Development Element

Indicators	2023/24
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	2023/24
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	-

## 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	2019/20	2020/21	2021/22	2022/23	2023/24
Status	Clean audit	Clean audit	Unqualified	Unqualified	Unqualified

Table 11: Audit outcomes



# CHAPTER 2: GOOD GOVERNANCE

## Component A: Political and administrative governance

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

### 2.1 Governance Structure

#### 2.1.1 Political governance structure

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

##### a) Council

The Council consists of 15 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 2023/24 financial year:

Council members	Capacity	Political Party	Representation or proportional	Council meetings attendance	Council meetings non-attendance
				Number	Number
Cllr Johanna Botha	Executive Mayor	ANC	Proportional	22	-
1) Cllr Gideon Pietersen till 08.02.2024	Executive Deputy Mayor	PA	Proportional	11	1
2) Cllr Thershia C J Prince		PA		19	-
Cllr. Lizel Pause	Speaker/Full Time Councillor	ANC	Proportional	22	-
Cllr. E. Botha – resigned 4.09.2023	Full Time Councillor	PA	Ward Councillor	2	1
Cllr. Isak Alexander Jacobs	Full-Time Councillor	KDF	Proportional	21	1
Cllr. Lesley Boyce Jason Mdudumani	Full-Time Councillor	ANC	Ward Councillor	20	2
Cllr. N. Constable – resigned 7.06.2024	Part-Time councillor	KDF	Proportional	20	-
Cllr Samuel Jooste	Part-Time Councillor	KDF	Proportional	-	-
Cllr N Abrahams	Part-time Councillor	PA	Proportional	4	-
Alderman Jacob J. van der Linde	Part-Time Councillor	DA	Proportional	19	3



Council members	Capacity	Political Party	Representation or proportional	Council meetings attendance	Council meetings non-attendance
				Number	Number
Cllr Josias de Kock Reynolds	Part-Time Councillor	DA	Ward Councillor	12	10
Cllr. Abraham P. Swanepoel	Part Time Councillor	DA	Proportional	21	1
Cllr Sidney D. Koonthea	Part-Time Councillor	DA	Ward Councillor	17	5
Cllr Arnold J. MacKay	Part-Time Councillor	PA	Ward Councillor	20	2
Cllr Lulama V Piti	Part-Time Councillor	ANC	Proportional	17	5
Cllr Denvor W Sampie	Part-Tme Councillor	Good	Proportional	22	-
Cllr Donovan U Snyders	Part-Time Councillor	DA	Proportional	21	1

Table 12: Councillors

Below is a table which indicates the Council meeting attendance for the 2023/24 financial year:

Meeting dates	Council meeting attendance	Apologies for non-attendance
17 July 2023	12	2 – with leave 1 – without an apology
31 July 2023	14	1 – with leave
30 August 2023	14	1 – with leave
29 September 2023	14	1 – with leave
26 October 2023	14	1 – with leave
29 November 2023	14	1 – with leave
14 December 2023	15	-
22 December 2023	14	1 – with leave
10 January 2024	12	3 – with leave
16 January 2024	15	-
26 January 2024	14	1 – with leave
08 February 2024	12	3 – with leave
22 February 2024	14	1 – with leave
28 February 2024	13	2 – with leave
01 March 2024	14	1 – without apology
06 March 2024	14	1 - without apology
15 March 2024	13	1 – with leave 1 – without apology
28 March 2024	14	1 – with leave
30 April 2024	14	-
03 May 2024	12	2 – without apology
24 May 2024	10	4 – with apology



Meeting dates	Council meeting attendance	Apologies for non-attendance
28 June 2024	13	-

Table 13: Council meeting attendance

## b) Executive Mayoral Committee

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

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2023 to 30 June 2024:

Name of member	Portfolio committee
Johanna Botha [Chairperson]	Finance Committee
G Pietersen/ T Prince	Corp & HR Dev Committee until 8.02.2024
Lesley Boyce Jason Mdudumani	Socio Economic Committee
Isak Alexander Jacobs	Municipal Services & Infrastructure Committee
Denver W Sampie	Corp & HR Dev Committee from 28.03.2024

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 2023/24 mayoral term and their chairpersons are as follow:

### i) Financial Committee

Name of member	Meeting dates
Cllr. J Botha [Chairperson]	11 April 2024
Cllr T. Prince	
Cllr. N. Constable – resigned 07.06.2024	
Alderman J. van der Linde [29.05.2023]	
Cllr D. Sampie [29.05.2022]	

Table 15: Financial Services Portfolio Committee

### ii) Municipal Services and Infrastructure Portfolio Committee

Name of member	Meeting dates
Cllr. I.A. Jacobs [Chairperson]	20 July 2023 10 October 2023 08 April 2024
Cllr. L. Mdudumani	
Cllr. A. MacKay	
Cllr. J. Reynolds	



Name of member	Meeting dates
Cllr. D. Sampie	

Table 16: Municipal Services and Infrastructure Portfolio Committee

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

Name of member	Meeting dates
Cllr. T. Prince [ <b>Chairperson</b> ] until 08.02.2024	20 July 2023 16 November 2023 09 April 2024
Cllr. L V Piti	
Cllr. D U Snyder	
Cllr. N. Constable – resigned 07.06.2024	
Cllr. D W Sampie [Chairperson] from 28.03.2024	

Table 17: Human Resource Development Portfolio Committee

### iv) Socio Economic Development Portfolio Committee

Name of member	Meeting dates
Cllr. L B J Mdudumani [ <b>Chairperson</b> ]	21 July 2023 16 April 2024
Cllr. G. Pietersen – resigned 08.02.2024	
Cllr. I.A. Jacobs	
Cllr. A. Swanepoel	
Cllr. D. Sampie	

Table 18: Socio Economic Development Portfolio Committee

#### 2.1.2 Administrative governance structure

The administrative structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		(Yes/No)
Mr. M G. Nkungwana	Municipal Manager	Yes
Adv. TB Mea	Acting Director: Corporate Services	Not applicable
Mr. R Butler	Acting Director: Financial Services	Not applicable
Mrs. B Koopman	Acting Director: Socio Economic Services	Not applicable

Table 19: 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 20: 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 2023/24 financial year:

#### 2.3.1 Labour Forum

Name of representative	Capacity	Meeting dates
Cllr. I.A. Jacobs	Chairperson [rotate basis]	16 November 2023 23 April 2023
Cllr. J. Mdudumani		
Cllr. S. Koonthea		
Cllr. D. Sampie		
G Simpson	SAMWU representative	
L. Crafford	IMATU representative	
Mrs H. Jacobs	Head: Legal Services	

Table 21: Labour Forum



### 2.3.2 District Coordinating Forum

Name of representative/organisation presenting	Capacity	Meeting dates
Cllr. J Botha	Executive Mayor: CKDM	20 June 2023 3 November 2023
Cllr. A Kleinbooi	Executive Mayor: Laingsburg Municipality	
Cllr. G Pietersen	Executive Mayor: Beaufort West Municipality	
Cllr. L Jaquet	Executive Mayor: Prince Albert Municipality	
Mr. M. Nkungwana	Municipal Manager: CKDM	2 May 2023 30 October 2023 12 March 2024 16 May 2024
Mr. D. Welgemoed	Municipal Manager: Beaufort West Municipality	
Mr. J. Booysen	Municipal Manager: Laingsburg Municipality	
Mr. A. Hendrickse	Municipal Manager: Prince Albert Municipality	

Table 22: District Coordinating Forum

## Component D: Governance

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

## 2.4 Risk Management

The Municipality has a Risk Management Policy as approved by Council on 25 November 2022. 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



Likelihood		
Score	Grading	Description
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 23: Risk likelihood

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

Table 24: Risk impact

## 2.4.2 Top strategic risks of the Municipality

As part of the risk assessment, management identified current controls which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk. After the residual risks have been determined it will be categorized again according to high, medium and low risks. Management determines which of the residual risk require further actions to mitigate the risks identified.

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

	Risk	Section	Directorate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
1	The potential loss of income with the	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.80	80.00	Municipal Manager





	Risk	Section	Directorate	Impact	Likelihood	Inherent risk rating	Level of Control	Control Effectiveness (for risks within Municipality's control)	Residual Risk	Responsible Person
	transfer / loss of the Roads function									
2	Negative impact of the continued drought in the Region	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.80	80.00	Municipal Manager
3	Failure to prevent damages to vehicles of Department of Transport (Yellow fleet)	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Senior Manager: Roads Infrastructure Services
4	Continued financial sustainability	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
5	Ineffective functioning of Council	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Director: Corporate and Strategic Support Services
6	Lack of budget to fulfil Constitutional mandate in relation to LED and Tourism	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Municipal Manager
7	Failure to fully implement the MSCOA Regulations	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Director: Financial Services
8	Lack of consequence Management	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Manager: Strategic Support Services
9	Lack of OHS compliance	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
10	High wage bill in relation to Municipal budget	All Sections	All Directorates	10.00	9.00	90.00	Medium	0.60	54.00	All HOD's
11	Failure to attract and retain skilled professionals	All Sections	All Directorates	10.00	9.00	90.00	Low	0.60	54.00	All HOD's

Table 25: Risk register

### 2.4.3 Risk Management Committee

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

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



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

Our Risk Management Committee consists of the following members:

Name of committee member	Capacity	Meeting dates
Mr M Nkungwana	Chairperson	No meetings took place for 2023/2024
Dr R Links	Member	
Mr R Butler / M Nhlengethwa	Member	
Mr W Strong	Member	
Ms B Koopman	Member	
Mr T Mea	Member	
Mr Y Duimpies	Member of AC & External member	

Table 26: 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 27: 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 2023 to 30 June 2024
K Mc Kay	Member	30 July 2023 to June 2024
Y Duimpies	Member	30 July 2023 to 30 June 2024
A Augustyn	Member	30 July 2023 to 30 June 2024

Table 28: 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	80	11 December 2023
PERFORMANCE MANAGEMENT QUARTER 2	Strategic	80	26 March 2024
PERFORMANCE MANAGEMENT QUARTER 3	Strategic	80	Completed with Quarter 4
PERFORMANCE MANAGEMENT QUARTER 4	Strategic	80	August 2024
ENTERPRISE RISK MANAGEMENT	Strategic	80	15 November 2023
OCCUPATIONAL HEALTH AND SAFETY	All departments	80	12 December 2023
ICT REVIEW: ACCESS CONTROLS	Corporate & Strategic	80	15 November 2023
GRANTS	Finance	160	08 December 2023
INVENTORY MANAGEMENT	Finance	160	15 August 2023
STAFFING REGULATIONS	Corporate	400	31 May 2024
<b>Total hours</b>		<b>1280</b>	

Table 29: 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
CREDIT CONTROL AND DEBT COLLECTION POLICY	24 May 2024	N/A
SUPPLY CHAIN MANAGEMENT POLICY	24 May 2024	N/A
VIREMENT POLICY	24 May 2024	N/A



<b>Policies developed/revised</b>	<b>Date adopted</b>	<b>Public participation conducted prior to</b>
<b>CASH MANAGEMENT AND INVESTMENT POLICY</b>	24 May 2024	N/A
<b>BORROWING POLICY</b>	24 May 2024	N/A
<b>FUNDING AND RESERVE POLICY</b>	24 May 2024	N/A
<b>ASSET MANAGEMENT POLICY</b>	24 May 2024	N/A
<b>RISK MANAGEMENT POLICY</b>	24 May 2024	N/A
<b>ANTI-CORRUPTION AND FRAUD PREVENTION POLICY</b>	24 May 2024	N/A
<b>BUDGET POLICY</b>	24 May 2024	N/A
<b>UNFORESEEN AND UNAVOIDABLE EXPENDITURE POLICY</b>	24 May 2024	N/A
<b>TARIFF POLICY</b>	24 May 2024	N/A
<b>WHISTLE BLOWING POLICY</b>	24 May 2024	N/A
<b>THE RELIEF FUND POLICY</b>	24 May 2024	N/A
<b>INFRASTRUCTURE PROCUREMENT POLICY</b>	24 May 2024	N/A
<b>MUNICIPAL ENTITIES POLICY</b>	24 May 2024	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>	24 May 2024	N/A
<b>TOOLS OF TRADE POLICY</b>	24 May 2024	N/A
<b>OVERTIME POLICY</b>	24 May 2024	N/A
<b>RECRUITMENT AND SELECTION POLICY</b>	24 May 2024	N/A
<b>ANNUAL LEAVE</b>	24 May 2024	N/A
<b>ACTING POLICY</b>	24 May 2024	N/A
<b>GRANTS IN AID POLICY</b>	24 May 2024	N/A

Table 30: 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:

<b>Communication activities</b>	<b>Yes/No</b>	<b>Date approved/completed</b>
Communication Policy	Yes	26 May 2022
Functional complaint management systems	Yes	n/a
Customer satisfaction surveys		

Table 31: Communication activities

**Communication Unit:**

<b>Communication Unit</b>	<b>Yes/No</b>	<b>Number of people in the unit</b>	<b>Job titles</b>
	Yes	1	Communications Officer

Table 32: Communication unit



Additional communication channels utilised:

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

Table 33: 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
<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 34: Website checklist



### 3.1 SERVICE DELIVERY PERFORMANCE OVERVIEW WITHIN THE ORGANISATION

Performance Management is a process that measures the implementation of the organization's strategy. It is also a management tool used to plan, monitor, measure, and review performance indicators. The goal is to ensure the efficiency, effectiveness, and 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 Integrated Development Plan (IDP). It helps gauge the progress made in achieving the objectives set out in the IDP. Additionally, a Municipality's PMS must facilitate increased accountability, learning, improvement, provide early warning signals, and support decision-making.

The performance management system monitors actual performance against set targets and contractual obligations. Effective service delivery relies on the close integration of the IDP, efficient utilization of all resources, and the performance management system across all functions at the organizational and individual levels.

#### 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 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 2023/24**

The municipality continues to implement performance in terms of the performance management policy that was approved by Council in 2023.

#### **a) The IDP and the Budget**

The IDP and the main budget for 2023/24 was approved by Council on 29 May 2023. 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 12 June 2023. 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 and mid-year.

#### **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; and
- 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 Executive 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 (CKDM) that was reached during 2023/24 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 2023/24 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 35: 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:

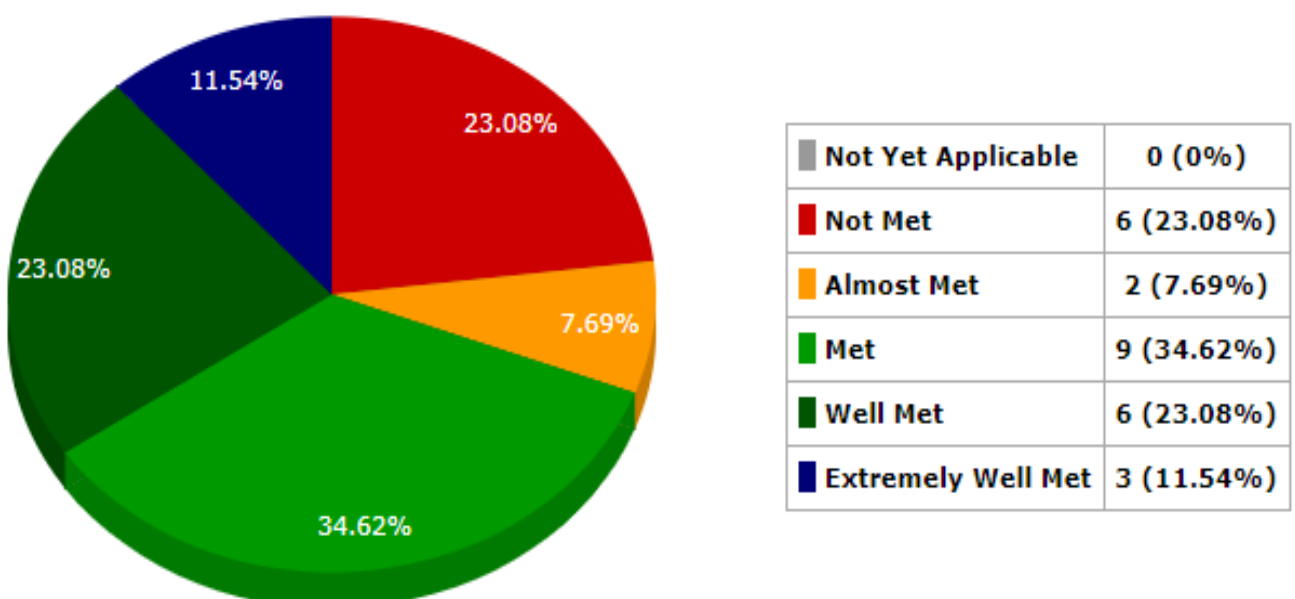


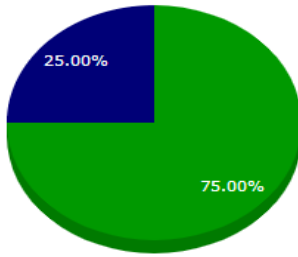
Figure 1: Overall Performance - CKDM





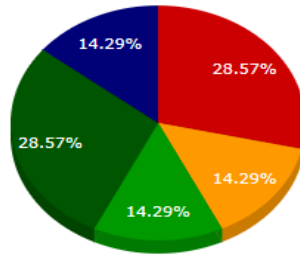
**Strategic Objective**

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



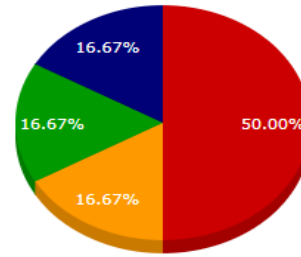
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	3 (75%)
Well Met	0 (0%)
Extremely Well Met	1 (25%)

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



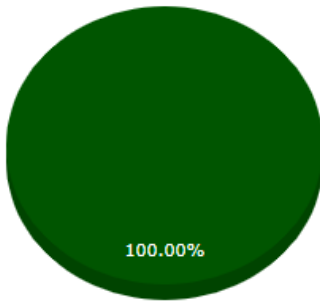
Not Yet Applicable	0 (0%)
Not Met	2 (28.57%)
Almost Met	1 (14.29%)
Met	1 (14.29%)
Well Met	2 (28.57%)
Extremely Well Met	1 (14.29%)

*Facilitate good governance principles and effective stakeholder participation*



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

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



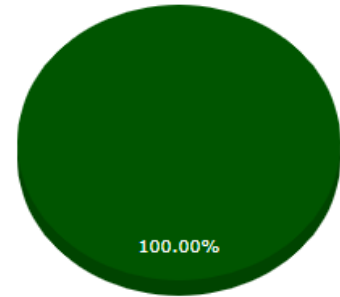
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	3 (100%)
Extremely Well Met	0 (0%)

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



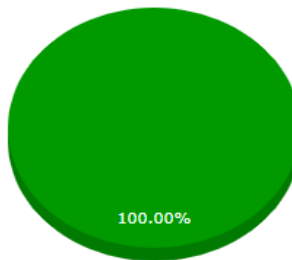
Not Yet Applicable	0 (0%)
Not Met	1 (100%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)

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



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	1 (100%)
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	0 (0%)
Almost Met	0 (0%)
Met	4 (100%)
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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				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	0	0	0		0	0		0	0		1	0		1	1
TL12	Spend 0.5% of the municipality's personnel budget on training by 30 June 2023 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	Report generated from the financial system	0.83%	0%	0%		0%	0%		0%	0%		0.50%	0.83%		0.50%	2.75%
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	8	0	0		0	0		0	0		1	8		1	1

Table 36: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL29	Spend 90% of the municipal capital budget by 30 June 2024 {(Actual amount spent /Total amount budgeted) X100}	Capital expense report generated from the financial system	1%	10%	0%		45%	0%		65%	55%	[D14] Municipal Manager: Ensure that HODs spend on planned capital items within timeframes. (March 2024)	90%	51%	[D14] Municipal Manager: To ensure that all procurement are completed within the financial year. (April 2024) [D14] Municipal Manager: To ensure that capital procurement are done within the applicable financial year. (June 2024)	90%	51%
TL49	Review 19 budget related policies and submit to Council for approval by 31 May 2024	Proof of submission to Senior Clerk: Committee Services	15	0	0		0	0		0	0		19	17	All budget related policies will be reviewed in the new financial year, even if no amendments were made to ensure that the target is met.	19	17
TL50	Review and submit the MFMA delegation register to Council for approval by 31 May 2024	Proof of submission to Senior Clerk: Committee Services	0	0	0		0	0		0	0		1	1		1	1
TL51	Compile and submit the financial statements to the Auditor-General by 31 August 2023	Proof of submission to the Auditor-General	1	1	0		0	0		0	0		0	0	HOD's will monitor update of KPI's on a monthly basis. Target was met, however not updated.	1	0

Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter ending September 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
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]	Annual Financial Statements and calculation sheet	0%	0%	0%		0%	0%		0%	0%		5%	0.29%	[D160] Director: Finance (CFO): The municipality have the ability to cover its liabilities. (June 2024)	5%	0.29%
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)]	Annual Financial Statements and calculation sheet	0%	0	0		0	0		0	0		1.50	1.28	[D161] Director: Finance (CFO): The municipality is able to meet its monthly obligations, however it is still below the norm. The amount of unspent grants should decrease by end of the financial year, thus increasing this ratio. (Calculation based on interim AFS) (June 2024)	1.50	1.28
TL54	Achieve a current ratio of 1:1 by 30 June 2024 (Current assets : Current liabilities)	Annual Financial Statements and calculation sheet	NEW KPI	0	0		0	0		0	0		1	1.09		1	1.09

Table 37: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL30	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2024	Proof of submission	1	0	0		0	0		0	0		1	1	[D15] Municipal Manager: Not applicable (June 2024)	1	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]	RBAP, Quarterly progress reports and minutes of the Audit Committee	35%	0%	0%		0%	0%		0%	0%		80%	67%	[D16] Municipal Manager: Ensure that all audits as per the audit plan are completed within the financial year. (June 2024)	80%	67%
TL34	Submit the draft Annual Report in Council by 31 January 2024	Proof of submission	1	0	0		0	0		1	1		0	0		1	1
TL35	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2023	Proof of submission	1	1	1		0	0		0	0		0	0		1	1
TL36	Submit the final IDP to Council by 31 May 2024 for approval	Proof of submission	1	0	0		0	0		0	0		1	1		1	1
TL37	Review Corporate and HR policies and submit to Council for approval by 30 June 2024	Proof of submission	17	0	1		0	0		0	0		2	2		2	3

Table 38: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL46	Create job opportunities in terms of skills and labour needs within identified road projects by June 2024	Statistics submitted and temporary worker employment contracts	NEW KPI	0	10		10	14		20	38		40	51		40	51
TL47	Spend 95% of the total approved Roads budget by 30 June 2024 [(Actual expenditure divided by approved allocation received) x100]	Summary of Road Capital Expenses from Financial System (Claimed)	103.15%	10%	23.43%		40%	48.68%		65%	74.97%		95%	101.36%		95%	101.36
TL48	Regravel 40 kilometres of road by 30 June 2024	Signed off project file	31.95	10	10.57		20	26.10		30	30.38		40	22.19	In order to ensure that we receive the required output on each project, we are currently in discussion with farmers, to supply water for regravel projects. This will remove the need to drive long distances to obtain water. Additionally, talks to find more borrow pits, with the appropriate grade material for regravel projects, are underway with the Department of Infrastructure. This will guarantee that long-distance travel is minimized, which prevents the team from hitting the goal for a given month or quarter.	40	22.19

Table 39: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL45	Review the Disaster Management Plan and submit to Council by 31 May 2024	Proof of submission	0	0	0		0	0		0	0		1	0	The post has been vacant for two (2) years. Plan currently in process and will be reviewed by June 2025.	1	0

Table 40: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				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	41	0	0		0	0		0	0		25	52		40	52

Table 41: 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 2023			Quarter ending December 2023			Quarter ending March 2024			Quarter ending June 2024			Overall Performance 2023/24	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL41	Compile and submit bi-annual Water Quality Evaluation Reports to the Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2024	Reports & proof of dispatch via email to Water Service Authorities (WSA's	6	0	0		3	3		0	0		3	3		6	6
TL42	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2024	Reports & proof of dispatch via email to Local Authorities	3	0	0		0	0		0	0		3	3		3	3
TL43	Compile and distribute a Municipal Health Information Document to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2024	Information Document & proof of dispatch via email to local municipalities	1	0	1		0	0		0	0		1	0		1	1
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	Reports & proof of dispatch via email to Local Authorities	10	0	0		5	5		0	0		5	5		10	10

Table 42: 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)
<b>Constitution Schedule 4, Part B functions:</b>	
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
<b>Constitution Schedule 5, Part B functions:</b>	
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 43: 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.



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 2023/24:

Roads	Maintained 2022/23	Maintained 2023/24
	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 44: Provincial roads allocated for maintenance

Roads	Bladed 2022/23	Bladed 2023/24
	Km's	
Trunk road	215.34	116.35
Main road	1766.5	1531.95
Divisional road	3628.76	3205.18
Minor road	833.69	669.38
<b>Total</b>	<b>6444.29</b>	<b>5522.86</b>

Table 45: Provincial roads allocated for construction

Roads	Regravelled 2022/23	Regravelled 2023/24
	Km's	
Trunk road	8.8	8.92
Main road	23.15	0.00
Divisional road	0.00	13.27
Minor road	0.00	0.00
<b>Total</b>	<b>31.95</b>	<b>22.19</b>

Table 46: Provincial roads allocated for regravell

### 3.5.3 Employees: Road infrastructure services

The table below indicates the number of employees in the Road infrastructure services for the 2023/24 financial year:

Job level	2022/23	2023/24			
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Temporary	38	24	24		



Job level	2022/23		2023/24		
	Employees	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	52	53	46	7	13%
4 – 6	8	29	26	3	10%
7 – 9	32	48	43	4	8%
10 – 12	10	29	24	5	17%
13 – 18	7	20	15	5	25%
Sect. 57	0	4	1	3	75%
<b>Total (Permanent)</b>	<b>100</b>	<b>121</b>	<b>179</b>	<b>20</b>	<b>25% average</b>

**\*Temporary employees are not included in the budgeted posts of the municipality**

**End 2020- 5% vacancy rate**  
**End 2021 – 16% vacancy rate**  
**End 2022 – 4,7% vacancy rate**  
**End 2023 – 11,5% vacancy rate**  
**End 2024 – 25% vacancy rate average**

Table 47: 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)	2023/24			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
	<b>(R)</b>			
Total Expenditure	48 962 650	46 602 684	51 148 422	4 545 738
<b>Total</b>				

Table 48: Total expenditure 2023/24: 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
Development of an Investment Profile for CKDM and local municipalities	WESGRO assisted the CDKM with the development of an investment profile to attract investment to the region.
Central Karoo Small Town Regeneration Summit	An integrated summit that looks at initiatives to address local economic development challenges in the Central Karoo municipalities
SMME Workshops for upcoming and existing business.	To empower emerging and existing entrepreneurs with the necessary skills and knowledge to start or grow their businesses.
Establishment of a regional Economic Development Forum	The CKDM established an Economic and Tourism Working Group, where issues on LED and Tourism are discussed



Highlights	Description
Assistance with registration for SMMEs	Assists SMMEs with registration on the CSD.
Workshop with informal traders with SEDDA.	To assist informal traders with access to funding opportunities through SEDDA.

Table 49: 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 50: 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 Strategy will be reviewed in the new financial year. This is to allow time to first develop the LED strategies for local municipalities, and incorporate their strategies into the district strategy.

### 3.6.1.4 Employees: Local Economic Development

The table below indicates the number of employees in the LED Unit for the 2023/24 financial year:

Job level	2022/23		2023/24		
	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 51: 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
Tourism Festival (Volletjies)	This event was introduced this year and has the aim of attracting tourists to the region by showcasing all the Karoo has to offer.
WESGRO Film and Location Engagements	To introduce the film and locations industry to the Central Karoo.

Table 52: 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
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 53: 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 54: Tourism initiatives

### 3.6.2.4 Employees: Tourism

Job level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
Temporary		0	0	0	0
0 – 3		0	0	0	0





Job level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
	No.	No.	No.	No.	%
4 – 6	0	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 55: 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 2023/24 financial year was as follows: -

CATEGORY	TARGETS	ACHIEVEMENT AGAINST TARGETS	PREVIOUS YEAR'S PERFORMANCE
<b>WORK OPPORTUNITIES (WO)</b>	208	225	307
<b>FULL-TIME EQUIVALENTS (FTE'S)</b>	42	52	40

Table 56: EPWP Performance 2023/24



## 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 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) Senior Clerk 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: 2023 - 2028

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
Effectively manage and render an efficient and cost-effective municipal health service in all our communities under challenging conditions.	<p>Frequent and thorough inspections in order to ensure compliance with health regulations.</p> <p>Educate the public about environmental health issues, fostering behaviour change and promoting healthier practices.</p> <p>Use technology and other innovative approaches to address specific environmental health issues.</p> <p>Successfully enforce environmental health regulations and policies, ensuring a safe and healthy environment for all.</p>

Table 57: 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</p>



DESCRIPTION	ACTION TO ADDRESS
	the district as this will allow for 'hotspot' monitoring in identified areas of concern.
<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> <p>The affected municipalities must also make budget provision and / or get some kind of support to investigate</p>



DESCRIPTION	ACTION TO ADDRESS
	<p>waste collection service options, alternative management options for specific conditions etc.</p> <p>Other actions may include updated litter laws, anti-litter campaigns, stop littering signs, putting UP proper litter bins, etc.</p>
<p><b>Recycling facilities / reduce, re-use and recycling activities</b></p>	<p>More appropriate and sustainable approaches to waste needs to be adopted.</p> <p>Municipalities in the Central Karoo also need to identify a set of practical initiatives which can be aligned to the three national themes such as Anti-Litter, Waste Minimization and creating jobs in waste.</p> <p>Funds, where possible, must be utilized for the purchasing of suitable containers for placement at strategic points for the disposal of e-waste, batteries and fluorescent bulbs and the transport thereof to relevant facilities, as well as public awareness campaigns.</p>
<p><b>Sewer blockages</b></p>	<p>It is important that municipalities take the necessary steps in order to ensure that sewerage systems function effectively and ensure that the affected public area(s) are thoroughly cleaned and disinfected to reduce the risk of disease &amp; conditions detrimental to the environment.</p>
<p><b>Informal settlements</b></p>	<p>Broken taps and the distance to taps in use, make it difficult to access water in some cases. This compromise personal hygiene, especially during this Covid pandemic. Some taps do not close properly and some of the pipes are open, vandalized and leaking. Water connections are also made to some structures.</p> <p>Sanitation is a big challenge at some informal settlements. Toilets are non-functional forcing the residents to use the nearby veld. This constitutes a health nuisance and can result in the transmission of diseases like Cholera, diarrhoea, Hepatitis, etc.</p> <p>Dumping of waste on the comanage indicates that refuse removal is not satisfactory.</p> <p>The Constitution, Water Services Act and Municipal Systems Act set out the local government obligations to provide basic municipal services, with a particular focus on the basic needs of the community and the promotion of social and economic development of the community.</p>
<p><b>Uncontrolled keeping of animals</b></p>	<p>Keeping of an inappropriate number of animals, animals being accommodated inappropriately, or where animals are not being cared for properly, result in circumstances that cause nuisance to neighbours; create unclean or unhealthy conditions for people, animals &amp; the environment.</p>



DESCRIPTION	ACTION TO ADDRESS
	<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>

Table 58: Challenges Municipal Health

### 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 is in place, costed and implemented for monitoring of drinking water supplies
- Samples were taken to detect problems - should a sample not comply; the relevant 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.
- **76** water samples for bacteriological analysis were taken during the reporting period.
- **40 (52%)** of the samples taken were compliant 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 2023 and June 2024.
- 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 in accordance with prescribed legislation and permit conditions.
- The monitoring of liquid waste sites was conducted on a monthly basis.
- **52** inspections were conducted at liquid waste sites during the reporting period.

#### **b) Sewerage Sampling**

- Sewerage samples were taken on a quarterly basis.
- A SANAS accredited laboratory was used for the analysis of sewerage samples, in order to ensure credible results.
- **17** samples for bacteriological analysis were taken during the reporting period.
- **11 (65%)** 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.
- 51 inspections were conducted at landfill sites 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 2024**.
- 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.
- There is a total of **976** formal and informal food premises in the Central Karoo District.
- 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, as well as other relevant legislation.
- **1 646** inspections were conducted at food premises during the reporting period.
- **96** Certificates of Acceptability (CoA's) were issued to food premises complying with the Regulations governing the General Hygiene requirements for Food Premises, the Transport of Food and related Matters (R 638 of 2018).

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

- **73** food samples were taken for analysis during the reporting period.





- **49 (67%)** 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**

- **4** inspections were conducted at milking sheds during this reporting period.
- **12** milk samples were taken for bacteriological analysis during the period.
- **3 (25%)** 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 were captured on the Section's database.

**e) Labelling of Foodstuffs**

- Several food products were evaluated in order to monitor compliance with the Labelling Regulations.

**f) Food poisoning**

- No cases of food poisoning were reported or investigated.

**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.
- **406** inspections were conducted at public premises during the reporting period.
- **91** 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.
- 14 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 2023 and June 2024.
- 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.

- 2 Air quality related complaints were 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 & Development Planning.

#### **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**

- 20 notifiable medical conditions were reported during the reporting period.
- All notifications received were 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 or investigated.

### 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:**

- 2 197 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 are monitored in order to ensure that exhumations / re-burials are complying with the relevant hygiene standards.
- No applications for exhumations were received or monitored.

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

- 42 inspections were conducted during the reporting period.
- 5 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:

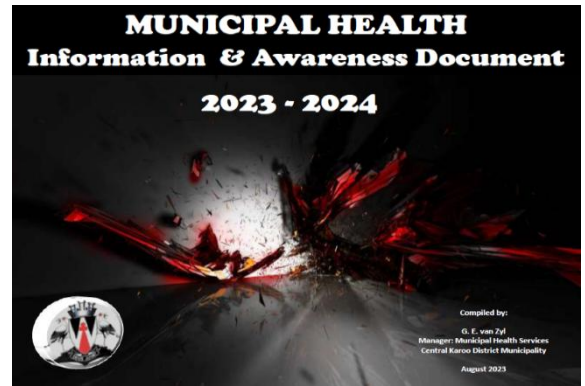
##### a) Health and Hygiene Training and Education

- 17 municipal health related info / messages were posted on The Courier's Facebook Page.
- Several other municipal health related messages were posted on other Facebook pages / WhatsApp Groups in the district.
- 12 health and hygiene training and education activities were also conducted during the reporting period.



### **b) MHS Information Document**

- A Municipal Health Services Information Document was compiled and sent to all the local municipalities in the district.
- The purpose of this Information Document is to:
  - Promote the objectives of the Section in ensuring a safe and healthy environment, 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) Health & Hygiene Training & Education Programme**

The objective of this Programme is to educate and empower people to help them to:

- Address the dignity of communities;
- Improve the health and hygiene conditions and to create a healthy environment;
- Change negative behavioral patterns towards health and the environment;
- Reduce the exposure of residents to diseases; and
- Identify other positive actions.

### **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's Portfolio Committee**

- 4 reports were compiled during the reporting period.

#### **c) Inspection Reports / Notices issued**

- Water Quality Management – 52.
- Waste management – 59.
- Food Control – 1 493.
- Health Surveillance of Premises – 286.
- Environmental Pollution Control – 8.
- Communicable Diseases Control – 17.



- Chemical Safety – 0.
- Vector Control – 0.
- Management of Human Remains – 29.
- Complaints – 63.

### 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	Target	Actual	Comment
1	Compile & submit <b>MHS Annual Report Input</b> to the Manager Strategic Services <b>by 31 August 2023</b>	1	1	<b>Target achieved</b>
2	Compile and distribute a <b>Municipal Health Information Document</b> to Local Authorities <b>by 30 June 2024</b>	1	1	<b>Target achieved</b>
3	Compile & submit a <b>Municipal Health Project Proposal</b> to the relevant Provincial and / or National department <b>by 30 June 2024</b>	1	1	<b>Target achieved</b>
4	<b>Register EHP's for Continuous Professional Development (eCPD) training</b> at an online training institution <b>by 30 November 2023</b>	8	8	<b>Target achieved</b>
5	Compile & publish bi-annual <b>MHS related articles / slogans / images</b> in the local newspaper "The Courier" or Facebook Page of "The Courier" <b>by 30 June 2024</b>	4	17	<b>Target achieved</b>
6	Compile and submit bi-annual <b>Water Quality Evaluation Reports</b> to Water Service Authorities <b>by 30 June 2024</b>	6	6	<b>Target achieved</b>
7	Compile and submit bi-annual <b>Informal Settlement Evaluation Reports</b> to Local Authorities <b>by 30 June 2024</b>	10	10	<b>Target achieved</b>
8	Compile & submit <b>MHS Adjustment Budget Input</b> to CFO <b>by 31 January 2024</b>	1	1	<b>Target achieved</b>
9	Compile & submit <b>MHS IDP Input</b> to IDP Coordinator <b>by 31 January 2024</b>	1	1	<b>Target achieved</b>
10	Submit <b>MHS Budget Input</b> to CFO <b>by 28 February 2024</b>	1	1	<b>Target achieved</b>
11	Review <b>MHS Rates</b> & submit to CFO <b>by 28 February 2024</b>	1	1	<b>Target achieved</b>
12	Compile & submit <b>MHS SDBIP Input</b> to Director Corporate Services <b>by 31 March 2024</b>	1	1	<b>Target achieved</b>



Nr	KPI	Target	Actual	Comment
13	Register all Environmental Health Practitioners at the Health Professional Council (HPCSA) by 31 May 2024	8	8	Target achieved
14	Compile and submit annual Waste Management Evaluation Report to Local Authorities by 30 June 2024	3	3	Target achieved
15	Review MHS Risk Register & provides input to CKDM's Risk Officer by 30 June 2024	1	1	Target achieved

Table 59: SDBIP Performance Municipal Health

### 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	2022/23		2023/24		
	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



Job level	2022/23		2023/24		
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Posts)
				No.	%
7 – 9	0	0	0	0	0
10 – 12	7	6	6	0	0
13 – 16	1	2	2	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0%</b>

Table 60: Employees Municipal Health

## 3.8 Component D: Disaster Management & Fire Services

### 3.8.1 Disaster Management

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

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

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

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

#### 3.8.1.1 Highlights: Disaster Management

Highlights	Description
4 Disaster Management workers	1 Permanent Disaster Management Administrator. 2 Contract workers, Disaster Management Officers 1 Disaster Management Intern
Successful Donations received for the Disaster Management Centre.	The Disaster Management Centre received a donation from PEP Stores Beaufort West for Disaster relief in case of an emergency.
Disaster and Fire Awareness programmes conducted at Local Primary Schools in Beaufort West.	Disaster and Fire Central Karoo Awareness in collaboration with PDMC simulations were conducted at the following schools; John D Crawford Primary School, Niko Brumer Primary School, Beaufort West Primary School and HM Dlikidla Primary school.





Highlights	Description
Successful Donations received for the Disaster Management Centre.	Together with the Mayoral Committee the Disaster Centre received a donation from Ackerman's Beaufort West for Disaster relieve in case of an emergency.
Successful Safety Committee establishment	Established a successful Safety Forum Committee with collaboration with various Safety Forum Stakeholders
successful Stakeholder relationship.	Build successful Stakeholder ships with various stakeholders in the Central Karo Area
UNITI – Training with Disaster and Fire	Disaster (3) Mr. N. Mpame, Ms. A. Mfana and Ms. A. Stemela together with the Fire Department (1) Mr. K. Calvert. attended a successful 5-day training regarding the use of the UNITI system hosted by PDMC. The UNITI system serves as a reporting system for emergency services and Disaster Management.
	In addition to Capacitate the Disaster Centre, Provincial Disaster Management allocated funds through the Integrated Support Plan to appoint Ms. Azole Mfana as a Disaster Management Intern from July 2024 – February 2025.

Table 61: Highlights Disaster Management

### 3.8.1.2 Challenges: Disaster management

Challenges	Action to address
Equipment Factor	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.
Tools of trade/Stationary	Utilising the funding made available from the District Municipality in order to purchase the relevant equipment for the Disaster Centre.
Training	Utilising the funding made available from the District Municipality in order to equip the Disaster Management Team with the necessary Training needed.

Table 62: Challenges Disaster Management

### 3.8.1.3 Activities: Disaster management

Function	Description of activities during 2023/24
Successful Mandela Day Program	- Disaster Management in collaboration with the Office staff had a very successful Mandela Day Program, cleaning the Town and Assisting old age homes.
Successful Road Safety Management Program	- CKDM Disaster and Fire Services Assisted Road Safety Management in promoting awareness to road users.

Table 63: Activities Disaster Management





Successful hand over of Disaster Relief goods from Ackerman's to Central KAROO District Mayoral Committee, Acting Socio – Economic Director and the Central Karoo District Municipality Manager



Successful hand over of Disaster Relief goods from pep Stores Beaufort West to the Disaster Management Officers



Newly Elected Safety Forum Executive with The Laingsburg Mayor; Central Karoo District Mayor and Deputy Mayor Together with The Municipal Manager and Acting Socio-Economic Director



Successful Nelson Mandela Program in collaboration with the Mayoral office and Central Karoo District Staf Members



Assisted Road Safety Management in promoting awareness to road users.





Disaster Management and Fire Awareness in Collaboration with the Provincial Disaster Management Centre



Central Karoo District Disaster Management Team and Fire and Rescue Staff member with staff of the Provincial Disaster Management Centre



## 3.8.2 Fire & Rescue Services

The Central Karoo differs from the rest of the districts in the Western Cape when it comes to fires. Fires are rare to this area in comparison to the rest of the province in the cold weather, however in warm/hot weather, fires can happen in an instant. Fires which is 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  $\pm 700$ km through the district, are part of this area. The transport of hazardous material through the region could lead to the occurrence of fire or HAZMAT-related incidents.

“Fire is a rapid oxidation process of a material in the exothermic chemical reaction of combustion, releasing heat, light and various reaction products. It typically manifests as visible flames and can generate smoke and other emissions depending on the burning material. Fire requires three elements to occur: heat, fuel and an oxidising agent, usually oxygen, often referred to as the ‘fire triangle’ or ‘triangle of combustion’”

With the under-capacitation 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 Central Karoo Disaster Management, Provincial Traffic Department, Emergency Management Services, the SAPS, Government Communication and Information System (GCIS), SANRAL, SANTAM, Transnet and private organisations.

### 3.8.2.1 Highlights: Fire & Rescue Services

Highlights	Description
8x Newly appointed Junior Fire Fighters	- Our eight (8) volunteer firefighters which was on contract-to-contract basis from June 2020, were official appointed at the district municipality on 1 August 2023.
Restructuring of Organogram	- Fire Services, along with Disaster, Health and Strategic Support Services has been placed under a new Directorate: Socio-Economics.
Fire Safety Awareness programmes conducted at businesses in the District.	- Fire Safety Awareness simulations were conducted at businesses in order to practice fire safety and educate the community.
Recipients of Chlorine Sealing Kits	- Chlorine Sealing Kits was donated to our department from Protea Chemicals in order to assist us with chlorine incidents. Training to be provided by Protea Chemicals
UNITI – Training with Disaster and Fire	- Disaster (3) and Fire (1) attended a 5-day training regarding the use of the UNITI system hosted by PDMC. UNITI system serves as a reporting system for emergency services and Disaster Management.
Road Safety Management	- Assisted Road Safety Management in promoting awareness to road users.

Table 64: Challenges Fire and Rescue



Recipients of Chlorine Sealing Kits



Assisted Road Safety Management in promoting awareness to road users.



Fire Safety Awareness programmes conducted at businesses in the District.



8x Newly appointed Junior Fire Fighters



UNITI – Training with Disaster and Fire



### 3.8.2.2 Challenges: Fire & Rescue Service

Challenges	Action to address
1. Capacity Constraints	Utilising the funding that has/will be provided by Provincial Fire & Rescue
2. Office space	In search of possible office space to convert into a fire station
3. Tools of trade/Stationary	Utilising the funding made available from the district municipality in order to purchase the relevant equipment

Table 65: Challenges Fire and Rescue



### 3.8.2.3 Activities: Fire and Rescue

Function	Description of activities during 2023/24
Responding to fire, rescue and HAZMAT incidents	<ul style="list-style-type: none"> <li>Responding to and extinguishing fires to protect lives, property and the environment, including HAZMAT incidents. Assisting neighbouring fire services when the needs arises (Beaufort West Local Fire Services, Laingsburg Fire Services, Prince Albert Fire Services and Transnet Fire)</li> </ul>
Fire Prevention	<ul style="list-style-type: none"> <li>Conducting fire safety inspections in the district (Certificate of Compliance)</li> </ul>
Public Education	<ul style="list-style-type: none"> <li>Conducting fire awareness’s at public institutions and private businesses</li> </ul>
Training	<ul style="list-style-type: none"> <li>Continuously training firefighters to maintain readiness and improve skills</li> </ul>
Disaster Response	<ul style="list-style-type: none"> <li>Assisting Disaster Management in response and recovery efforts during natural or man-made disasters</li> </ul>

Table 66: Activities Fire and Rescue

Structural Fire at Hassan's Tyres



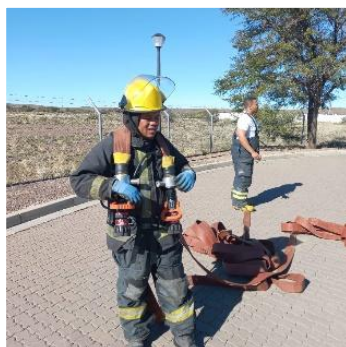
Fire Public Education



Fire Pubic Education



Training



Assisting Prince Albert Fire Services



Veldfire past K9 Unit in Beaufort West



Fire Prevention at Karos Akademie





Central Karoo District Fire and Rescue with Acting Director: Socio-Economics Mrs. Barbara Koopman

### 3.8.2.4 Employees: Disaster management & Fire and Rescue Services

Job level	2022/23		2023/24		
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Total Posts)
				No.	%
Temporary	9	0	3	0	0
0 – 3	0	0	0	0	0
4 – 6	1	9	9	0	0%
7 – 9	0	0	0	0	0
10 – 12	0	1	0	1	100%
13 – 16	1	2	0	2	100%
<b>Total</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>3</b>	<b>67% average</b>

Table 67: 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 2023/24 financial year:

Job level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (as a % of Posts)
	No.	No.	No.	No.	%
Fixed Term - MM	1	1	1	0	0
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>4</b>	<b>0</b>	<b>0%</b>

Table 68: 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	<ul style="list-style-type: none"> <li>• Supervise, co-ordinate and delegate the Reception, General Assistant and cleaning services within Council</li> <li>• Oversee Committee Clerks, in accordance with attendance register for meetings, audio recordings, agenda's with attachments received for scanning &amp; filing</li> </ul>
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 69: 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> <li>Quidity system users inserted and blocked on resignation</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> <li>Oversee Committee Clerk, in accordance with attendance register for meetings, audio recordings, agenda with attachments received for scanning &amp; filing</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>Facilities</b>		<ul style="list-style-type: none"> <li>Inspection / repair of facilities</li> </ul>



Items	Number	Action
Fleet management		<ul style="list-style-type: none"> <li>Check vehicle request forms against logs</li> </ul>
Traffic Fines		<ul style="list-style-type: none"> <li>Manage traffic fines received and transfer to responsible person</li> </ul>

Table 70: Records Management matters addressed

### 3.9.2.3 Employees: Records Management

Job level	2022/23		2023/24		
	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 71: 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
Employee Wellness	<ul style="list-style-type: none"> <li>Approved Employee Assistance Policy.</li> <li>29 September 2023 - Better Together Games</li> <li>8 December 2023 – Employee Wellness Day.</li> <li>26 January 2024 – Employee Wellness Day.</li> <li>Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	<p><b>Filled 13 vacancies</b> compared to 21 vacancies in 2022/2023, 9 - 2021/22, 10 - 2020/21, 10 - 2019/20.</p>
Provincial Disaster Management Support Grant	<p>2 x Disaster Management Interns was appointed in 2023/2024. The appointments is funded and supported by the Provincial Disaster Management Centre.</p>
Financial Management Capacity Building Grant	<p>Provided <b>22 bursaries</b> to full-time students with the grant obtained since 2017. <b>Four (4) student bursaries</b> were approved for 2022/23.</p>
National Treasury Grant	<p>The DM takes full advantage of the grant. Currently <b>4 Interns</b> are appointed.</p>
In-service training	<p><b>6 Students</b> were assisted with in-service training during the 2023/24 financial year in terms of Council's policy.</p>
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>Dress Code</li> <li>Individual Performance Management</li> <li>Professional Bodies</li> </ul>
CKDM Skills Development	<p><b>18.1 (Employed) Training CKDM</b></p> <ul style="list-style-type: none"> <li>HEAVY PLANT OPERATORS: <ul style="list-style-type: none"> <li>262747 (Operate a front-end loader) – 17 Delegates</li> <li>262735 (Operate a grader) – 19 Delegates</li> <li>262734 (Operate a tip truck) – 23 Delegates</li> <li>257028 (Operate Tractor Loader Backhoe) – 9 Delegates</li> </ul> </li> <li>Dangerous Goods – Refresher: 14 Delegates - 2023</li> <li>First Aid Training: 13 Delegates</li> <li>119567: Perform basic life support and first aid procedures</li> <li>120496: Provide risk-based primary emergency care/first aid in the workplace</li> <li>Mentorship Training – 32 Delegates (From Central Karoo District)</li> <li>MMC – Multiyear intervention: 15 Delegates in Progress</li> <li>SCM Training: SAQA US:116353/337061: 3 Delegates</li> <li>Short Course - Sampling Training: 4 Delegates</li> <li>Short Course - Radiation Training: 1 Delegate</li> <li>Short Course Excell for Beginners: 16 Delegates</li> <li>Bursaries 18.1 – Employed 2022 – 2024</li> <li>Diploma in Public Accountability (LSETA Funding): 7 Delegates Completed 2023</li> <li>BCom Supply Chain Management NQF 7: 1 Delegate (Completed 2024)</li> <li>Diploma Project Management NQF 5: 1 Delegates (Completed 2023)</li> <li>BCom Financial Management NQF 6: 1 Delegate (3rd Year – 2024)</li> <li>BCom Public Administration NQF 7: 1 Delegate 2nd year 2024</li> <li>BCom Public Administration NQF 7: 1 Delegate 3rd year 2024</li> <li>BCom Public Administration NQF 7: 1 Delegate 3rd year 2024</li> </ul>
	<p><b>18.2 (Unemployed) – CKDM</b></p> <ul style="list-style-type: none"> <li>DG – Funding Chieta Chemical Operations Learnership – 12-month programme: <ul style="list-style-type: none"> <li>Level 3 Chemical Operations: Learnership: 14 Learners – Beaufort West</li> <li>Level 4 Chemical Operations: Learnership: 8 Learners – Beaufort West</li> </ul> </li> </ul>



Highlights	Description
Regional Skills Development	<ul style="list-style-type: none"> <li>Central Karoo District: (Delegates from Prince Albert, Laingsburg, Beaufort West Local &amp; CKDM</li> <li>Programme (Unit Standard Based: SAQA116353/337061)-National Certificate Supply Chain Management – 25 Delegates</li> <li>Programme (Unit Standard Based:262747/262804/257028/262735/262734)-National Certificate Construction Planning – 29 Delegates</li> <li>Programme (Unit Standard Based: 119557/119555/119558)-National Certificate Environmental Practice – 29 Delegates</li> <li>Programme (Unit Standard Based), Mentorship Training – 32 Delegates</li> <li>Full Bursaries, Diploma in Public Accountability NQF 6 – 13 Delegates</li> </ul>

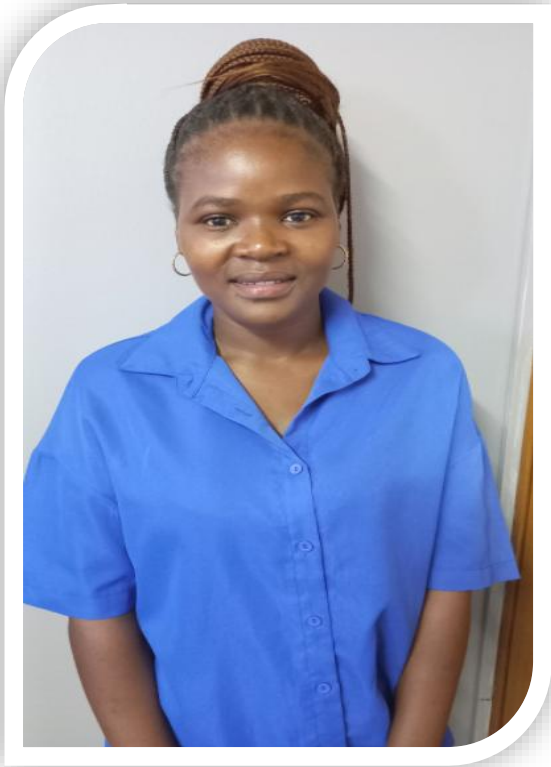
Table 72: Highlights Human Resources

### 3.10.2 Employees: Human Resources

Job level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (Fulltime Equivalent)	Vacancies (as a % of Total Posts)
			No.		
Temporary	1	0	1	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	2	2	0	0
<b>Total</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>

Table 73: Employees Human Resources





Appointment – Disaster management Intern



Donation Badisa



Wellness Day 2023



Retirement – R Oranje



Casual Day 2023



Cancer Awareness



## 3.11 Financial Services

### 3.11.1 Highlights: Financial Services

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

Highlights	Description
Minimum Competency Requirements	All the middle management adhere to the minimum competency requirements.
FMG Internships	4 of the 5 FMG internship positions were filled during the financial year

Table 74: 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 75: Challenges Financial Service

### 3.11.3 Employees: Financial Services

The table below indicates the number of employees in the Finance Unit for the 2023/24 financial year:

Job level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (Fulltime Equivalent)	Vacancies (as a % of Total Posts)
Temporary (Dir & Fin Interns)	4	5	4	1	20%
0 – 3	0	0	0	0	0
4 – 6	1	1	1	0	0
7 – 9	3	5	5	0	0
10 – 12	2	2	2	0	0
13 – 16	3	3	3	0	0
<b>Total</b>	<b>13</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>0</b>

Table 76: Employees Financial Services



## 3.12 Component F: Organisational Performance Scorecard

The main development and service delivery priorities for 2024/25 is the Municipality's Top Layer SDBIP 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
TL58	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2025	Organisational structure reviewed and submitted to Council	1
TL61	Spend 0.5% of the municipality's personnel budget on training by 30 June 2025 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	0.50%
TL62	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2025	Workplace Skills Plan reviewed and submitted	1
TL63	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 2025	Number of people employed	1
TL64	Fill all budgeted vacant posts within 6 months from position becoming vacant in terms of Regulation 890 (MSR)	% of budgeted vacant posts filled within 6 months	100%

Table 77: 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
TL55	Spend 90% of the municipal capital budget by 30 June 2025 {(Actual amount spent /Total amount budgeted) X100}	% of capital budget spent	0,9
TL73	Review 19 budget related policies and submit to Council for approval by 31 May 2025	Number of policies reviewed and submitted to Council for approval	19
TL74	Review and submit the MFMA delegation register to Council for approval by 31 May 2025	MFMA delegation registered reviewed and submitted to Council for approval	1





Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL75	Compile and submit the financial statements to the Auditor-General by 31 August 2024	Financial statements compiled and submitted to the Auditor-General	1
TL76	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 [(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%
TL77	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 2025	1.50
TL78	Achieve a current ratio of 1:1 by 30 June 2025 (Current assets : Current liabilities)	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2025	1

Table 78: 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
TL56	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2025	RBAP revised and submitted to the Audit Committee	1
TL57	Complete 80% of the audits as per the RBAP by 30 June 2025 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	80%
TL59	Submit the draft Annual Report in Council by 31 January 2025	Draft Annual Report submitted in Council	1



Ref	KPI Name	Description of Unit of Measurement	Annual Target
TL60	Review Corporate and HR policies and submit to Council for approval by 30 June 2025	Number of policies reviewed and submitted	2
TL67	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2024	IDP and Budget Process Plan submitted	1
TL68	Submit the final IDP to Council by 31 May 2025 for approval	Final IDP submitted for approval	1

Table 79: 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
TL79	Create job opportunities in terms of skills and labour needs within identified road projects by June 2025	Number of job opportunities created	40
TL80	Spend 95% of the total approved Roads budget by 30 June 2025 [(Actual expenditure divided by approved allocation received) x100]	% of total approved Roads budget spent	95%
TL81	Regravel 40 kilometres of road by 30 June 2025	Number of kilometres regravelled	40

Table 80: 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
TL65	Develop and submit LED Strategy to Council by 31 May	LED Strategy submitted to Council by 31 May	1
TL66	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2025	Number of full time equivalent (FTE's) created	40

Table 81: 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
TL69	Compile and submit bi-annual Water Quality Evaluation Reports to the Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2025	Number of Water Quality Evaluation Reports submitted to Water Service Authorities by 30 June 2025	6
TL70	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2025	Number of Waste Management Evaluation Reports submitted to local municipalities by 30 June 2025	3
TL71	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 2025	Number of Informal Settlement Evaluation Reports submitted to local municipalities by 30 June 2025	10
TL72	Review the Disaster Management Plan and submit to Council by 31 May 2025	Disaster Management Plan reviewed and submitted	1

Table 82: 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	2022/23	2023/24
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	8	9
The percentage of a training expenditure versus personnel expenditure actually spent on implementing its workplace skills plan	0,83%	2,46%

Table 83: 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 2023/2024 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
40	36	90%	105	114	108%	0	0	0%	10	10	100%

Table 84: 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 reach

Table 85: Employment equity targets/actual by gender classification

#### 4.2.1.3 Employment equity targets vs population 2023/24

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 2023/24	36	114	0	10	0	160
% of positions filled 2023/24	22,50	71,25	0	6,25	0	100

Table 86: Employment equity targets vs population 2023/24

#### 4.2.1.4 Occupation levels – Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	1	0	0	0	0	0	0	0	1
Senior management	0	0	0	0	0	0	0	0	0
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	7	14	0	4	5	14	0	1	45
Semi-skilled and discretionary decision making	5	45	0	0	3	5	0	0	58
Unskilled and defined decision making	9	30	0	0	6	3	0	0	48
<b>Total permanent</b>	<b>22</b>	<b>91</b>	<b>0</b>	<b>5</b>	<b>14</b>	<b>23</b>	<b>0</b>	<b>5</b>	<b>160</b>
Non- permanent employees	4	10			7	2			23
<b>Grand Total</b>	<b>26</b>	<b>101</b>	<b>0</b>	<b>5</b>	<b>21</b>	<b>25</b>	<b>0</b>	<b>5</b>	<b>183</b>

Table 87: 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	0	5	0	0	3	5	0	2	15



Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Financial Services	1	1	0	0	1	10	0	2	15
Road Infrastructure Services	16	79	0	1	4	5	0	0	105
Socio Economic Services	4	6	0	4	5	2	0	0	21
<b>Total permanent</b>	<b>22</b>	<b>91</b>	<b>0</b>	<b>5</b>	<b>14</b>	<b>23</b>	<b>0</b>	<b>5</b>	<b>160</b>
Non-permanent	4	10			7	2			23
<b>Grand Total</b>	<b>26</b>	<b>101</b>	<b>0</b>	<b>5</b>	<b>21</b>	<b>25</b>	<b>0</b>	<b>5</b>	<b>183</b>

Table 88: 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	1	3
Middle management	8	1
Admin officers and operators	103	10
General workers	48	8
<b>Total</b>	<b>160</b>	<b>22</b>
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	4	0
Corporate Services	15	1
Financial Services	15	1
Technical Services	105	15
Socio Economic Services	21	5
<b>Total</b>	<b>160</b>	<b>22</b>

Table 89: Vacancy rate per post and functional level

#### 4.2.1.7 Turn-over rate

The turn-over rate shows an increase for 2023/24.

Financial year	New appointments	No. of terminations during the year	Turn-over rate
2019/20	23	11	6,79%
2020/21	10	10	5,88%
2021/22	13	11	5,92%
2022/23	21	9	5,73%
2023/24	13	13	8,13%

Table 90: 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	2021/22	2022/23	2023/24
Municipal Manager	0	0	0
Corporate Services	0	0	0
Financial Services	0	0	0
Technical Services	6	0	13
<b>Total</b>	<b>6</b>	<b>0</b>	<b>13</b>

Table 91: 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 an increase in sick leave days taken compared to 2022/23.

Department	2022/23		2023/24	
	Total number of days	Average per person	Total number of days	Average per person
Municipal Manager	11	2	27	7
Corporate Services	347	11	98	7
Financial Services	60	4	117	8
Technical Services	809	7	773	7
Socio Economic Services			151	8
<b>Total</b>	<b>1227</b>		<b>1166</b>	

Table 92: 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
Acting	2024.05.24
Career Planning / Succession Planning	2018.08.22
Cell phone Policy	2021.08.27
Communication Policy	2022.05.26
Dress Code	2023.08.30
Education, Training & Development	2023.05.29
Employment Equity	2023.05.29
EE Plan / Regstellende Aksie	2021.08.27 (5 Year Plan)
Employee Assistance Programme/Wellness (EAP)	2018.08.22
Exit Management	2023.05.29
Fleet Management	2020.06.04
Gender Mainstreaming	2022.03.28
Gift Policy (Ontvangs Van Geskenke)	2018.08.22
Human Resources Strategic Development Framework	2020.06.04
Incapacity	2018.08.22
Individual Performance Management	2023.07.31



Approved policies	
Name of policy	Date approved/revised
Induction / Induksie Beleid	2023.05.29
In-Service Training External Students	2021.08.24
Intoxication (Management Of Suspected Intoxication)	2011.05.17
Leave Procedures	2014.06.30
Maternity Leave	2018.08.22
Smoking	2021.07.01
Travel And Subsistence Allowances	2021.06
Whistle Blowing	2019.05.29

Table 93: 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))
<b>Financial officials</b>				
Municipal Manager	1	0	0	0
Chief Financial Officer	1	0	0	0
Director Corp	1	0	1	1
Any other financial officials	8	1	n/a	1
<b>SCM officials</b>				
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 94: 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).

	<b>Total personnel budget</b>	<b>Total allocated</b>	<b>Total spent</b>	
<b>Financial year</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>% spent</b>
<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%
<b>2023/24</b>	83 055	5 289	3 889	74%

Table 95: 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. The ratio of operating expenditure versus salary allowances is at a very high 59.29% as it should be between 25% – 40%:

<b>Financial year</b>	<b>Total expenditure salary and allowances</b>	<b>Total operating expenditure</b>	<b>Percentage (%)</b>
	<b>R'000</b>		
<b>2022/23</b>	62 400	117 468	53%
<b>2023/24</b>	83 055	119 474	70%

Table 96: Personnel expenditure

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

<b>Financial year</b>	<b>2022/23</b>		<b>2023/24</b>	
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted</b>	<b>Actual</b>
<b>Description</b>	<b>R'000</b>			
<b>Councillors (Political Office Bearers plus Other)</b>				
Mayor	587	647	647	648
Executive Committee members	3 171	1 583	1 583	3 273
Councillors	1 071	1 323	1 323	1 054
<b>Sub total</b>	<b>4 829</b>	<b>3 553</b>	<b>3 553u</b>	<b>4 975</b>
<b>Senior Managers</b>				
Annual Remuneration	3 059	3 720	3 320	2 870
Motor Vehicle / Travel allowance	313	-	-	275
Performance Bonus	311	497	188	74
Telephone allowance	102	72	102	88



Financial year	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted	Actual
	R'000			
<b>Councillors (Political Office Bearers plus Other)</b>				
Contributions to UIF, Medical, Pension and Bargaining Council	62	2	2	139
Other benefits and allowances	516	-	300	314
<b>Sub total</b>	<b>4 363</b>	<b>4 291</b>	<b>3 912</b>	<b>3 760</b>
<b>Other Staff</b>				
Basic salaries and wages	42 961	38 593	35 773	47 930
Employee related costs - Contributions for UIF, Pensions and medical Aids	10 446	7 223	7 577	9 709
Overtime	1 970	1 283	1 369	2 839
Travel, Motor vehicle, Accommodation, Subsistence and Other Allowances	2 983	1 693	1 705	2 070
Current service cost	112	-	-	112
Housing allowance	317	379	382	361
13th Cheque	3 076	-	-	3 000
Employee benefits provision	555	361	349	1 805
In-kind benefits	-	339	265	-
<b>Sub Total</b>	<b>62 423</b>	<b>49 871</b>	<b>47 420</b>	<b>67 826</b>
<b>Total Municipality</b>	<b>71 615</b>	<b>54 162</b>	<b>51 332</b>	<b>76 561</b>

Table 97: 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 2023/24 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 2023/24 financial year:

Description	2022/23	2023/24		
	Actual	Original budget	Adjusted Budget	Actual
R'000				
<b>Financial performance</b>				
Property rates	0	0	0	0



Description	2022/23	2023/24		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
Service charges	0	0	0	0
Rental of Facilities and Equipment	96	54	-	65
Investment revenue	1 298	1 147	1 711	1 704
Transfers recognised – operational	41 069	44 398	48 431	44 735
Other own revenue	68 835	69 281	70 337	74 080
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>111 298</b>	<b>114 880</b>	<b>120 479</b>	<b>120 584</b>
Employee related costs	62 423	60 704	61 534	67 828
Remuneration of Councillors	4 829	5 308	5 085	4 974
Contracted services	9 491	6 576	11 159	10 887
Depreciation and amortisation	973	734	827	789
Debt impairment	89	-	-	
Finance charges	834	-	-	842
Impairment loss on Receivables	-	-	-	-
Inventory Consumed	12 599	19 624	16 680	14 105
Loss on disposal of property, plant and equipment (PPE)	1 935	-	0	
Transfers and Subsidies	1 532	231	393	1 199
General expenses	22 820	21 272	23 287	22 555
<b>Total expenditure</b>	<b>117 525</b>	<b>114 451</b>	<b>118 965</b>	<b>123 184</b>
<b>Surplus/(Deficit)</b>	<b>(6 231)</b>	<b>429</b>	<b>1 515</b>	<b>(2 600)</b>
Transfers recognised - capital	1 925	0	2 400	850
Contributions recognised - capital and contributed assets	0	0	0	0
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(11 335)</b>	<b>3 248</b>	<b>112 714</b>	<b>110 652</b>
<b>Capital expenditure</b>				
Transfers recognised - capital	600	600	1 057	
Public contributions and donations	0	0	879	
Borrowing	0	0	0	
Internally generated funds	2 114	305	104	
<b>Total sources of capital funds</b>	<b>194</b>	<b>905</b>	<b>116 183</b>	



Description	2022/23	2023/24		
	Actual	Original budget	Adjusted Budget	Actual
	R'000			
<b>Financial position</b>				
Total current assets	20 231	21 136	20 768	
Total non-current assets	15 149	18 284	16 836	
Total current liabilities	10 311	7 290	14 177	
Total non-current liabilities	13 173	14 920	13 281	
Accumulated Surplus/(Deficit)	11 896	17 209	10 146	
<b>Cash flows</b>				
Net cash from (used) operating	(581)	1 523	2 639	
Net cash from (used) investing	(874)	(400)	(1 161)	
Net cash from (used) financing	(141)	0	(99)	
<b>Cash/cash equivalents at year-end</b>	<b>11 309</b>	<b>9 120</b>	<b>12 686</b>	
<b>Cash backing/surplus reconciliation</b>				
Cash and investments available	11 309	10 948	12 432	
Application of cash and investments		0	1 807	
<b>Balance - surplus (shortfall)</b>	<b>0</b>	<b>1 828</b>	<b>10 625</b>	
<b>Free services</b>				
Cost of free basic services provided	n/a	n/a	n/a	
Revenue cost of free services provided	n/a	n/a	n/a	
<b>Households below minimum service level</b>				
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 98: 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			
<b>2022/2023</b>	112 715	111 298	1 417	1,2%	107 731	117 529	5 027	0,09%

Table 99: Performance against budgets



### 5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2022/23	2023/24		
	Actual	Original budget	Adjusted budget	Actual
	R'000			
Vote 1 - Executive and Council	43 467	49 054	48 917	47 177
Vote 2 - Budget and Treasury Office	1 251	1 053	2 648	2 264
Vote 3 - Corporate Services	3 418	2 394	8 065	3 406
Vote 4 - Technical Services	64 837	62 380	62 220	66 301
<b>Total revenue by vote</b>	<b>112 973</b>	<b>114 881</b>	<b>121 850</b>	<b>119 148</b>

Table 100: Revenue collection by vote

### 5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2023/24 financial year:

Description	2022/23	2023/24		
	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	2 564	0	0	986
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	96	54	54	66
Interest earned - external investments	1 298	1 147	1 712	1 704
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	0	0	0	0
Licences and permits	47	19	49	55
Agency services	0	6 666	6 666	0
Department of Transport - Roads service charges	60 529	0	0	65 782
Government grants and subsidies - operating	41 069	44 398	48 432	44 735
Other income	5 689	62 595	63 567	7 205



Description	2022/23	2023/24		
		Original	Adjusted	
	Actual	budget	budget	Actual
	R'000			
Gains on disposal of property, plant and equipment	5	0	0	50
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>111 297</b>	<b>114 890</b>	<b>120 480</b>	<b>120 583</b>

Table 101: Revenue collection by source

### 5.1.3 Operational services performance -

The table below indicates the operational services performance for the 2023/24 financial year:

Description	2022/23	2023/24		
		Original	Adjusted	Actual
	Actual	Budget	budget	
	R'000			
Roads transport	61 321	62 380	62 254	62 880
<b>Component A: Sub-total</b>	<b>61 321</b>	<b>62 380</b>	<b>62 254</b>	<b>62 880</b>
Planning and development	4 965	6 777	7 401	7 270
<b>Component B: Sub-total</b>	<b>696</b>	<b>2 435</b>	<b>7 401</b>	<b>7 270</b>
Municipal health	5 529	6 278	5 545	5 992
<b>Component C: Sub-total</b>	<b>5 529</b>	<b>6 278</b>	<b>5 545</b>	<b>5 992</b>
Disaster management	0	0	0	0
<b>Component D: Sub-total</b>				
Executive and Council	9 123	11 396	10 075	10 149
Internal Audit	1 083	1 135	1 165	1 215
Finance and Administration	31 022	22 672	30 436	27 294
Other				
<b>Component E: Sub-total</b>	<b>41 228</b>	<b>35 203</b>	<b>41 676</b>	<b>38 658</b>

Table 102: 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	2022/23	2023/24		
	Actual	Original budget	Adjustment budget	Actual
	R'000			
Total operational revenue (excluding tariffs)	60 529	62 380	62 220	66 301
Total operational expenditure	61 321	62 380	62 254	65 880
<b>Net operational (service) expenditure</b>	<b>121 850</b>	<b>124 760</b>	<b>124 474</b>	<b>132 181</b>

Table 103: Financial performance: Roads and storm water

### 5.2.2 Municipal Health

Description	2022/23	2023/24		
	Actual	Original budget	Adjustment budget	Actual
	R'000			
Total operational revenue (excluding tariffs)	-	534	500	-
Total operational expenditure	5 529	6 278	5 545	5 992
<b>Net operational (service) expenditure</b>	<b>5 529</b>	<b>6 812</b>	<b>6 045</b>	<b>5 992</b>

Table 104: Financial performance: Municipal Health

### 5.2.3 Disaster management

Description	2022/23	2023/24		
	Actual	Original budget	Adjustment budget	Actual
	R'000			
Total operational revenue (excluding tariffs)	26	67	2 475	75
Total operational expenditure	4 610	3 737	2 029	1 618
<b>Net operational (service) expenditure</b>	<b>4 636</b>	<b>3 804</b>	<b>4 504</b>	<b>1 693</b>

Table 105: Financial performance: Disaster management

### 5.2.4 Executive and Council

Description	2022/23	2023/24		
	Actual	Original budget	Actual	Original budget
	R'000			
Total operational revenue (excluding tariffs)	44 390	49 054	48 911	47 177
Total operational expenditure	9 123	11 396	10 075	10 149
<b>Net operational (service) expenditure</b>	<b>53 513</b>	<b>60 450</b>	<b>58 986</b>	<b>57 326</b>

Table 106: Financial performance: Executive and Council



### 5.2.5 Internal Audit

Description	2022/23	2023/24		
	Actual	Original budget	Actual	Original budget
	R'00000			
Total operational revenue (excluding tariffs)	-	-	-	-
Total operational expenditure	1 083	1 135	1 165	1 215
<b>Net operational (service) expenditure</b>	<b>1 083</b>	<b>1 135</b>	<b>1 165</b>	<b>1 215</b>

Table 107: Financial Performance: Internal Audit

### 5.2.6 Finance and Administration

Description	2022/23	2023/24		
	Actual	Original budget	Actual	Original budget
	R'000			
Total operational revenue (excluding tariffs)	8 514	2 307	6 467	4 688
Total operational expenditure	31 022	22 672	30 436	27 294
<b>Net operational (service) expenditure</b>	<b>39 536</b>	<b>24 979</b>	<b>36 903</b>	<b>31 982</b>

Table 108: 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 2023/24 financial year. The performance in the spending of these grants is summarised as follows:

CENTRAL KAROO MTREF ALLOCATIONS: 2023/2024								
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	-	37 712	(37 712)	-	-	-	-	-
<b>Infrastructure</b>	1 031	2 063	(1 852)	(182)	(1 031)	28	28	-
Rural roads assets management systems grant	1 031	2 063	(1 852)	(182)	(1 031)	28	28	-
<b>Capacity building and other current transfers</b>	0	3 314	(3 261)	(53)	-	(0)	0	(0)
Local government financial management grant	0	1 000	(949)	(52)	-	(0)	-	(0)
Expanded public works programme integrated grant for municipalities	-	2 314	(2 313)	(1)	-	0	0	-
<b>Sub total direct transfers</b>	1 031	43 089	(42 826)	(235)	(1 031)	28	28	(0)
<b>Total: Transfers from National Treasury</b>	1 031	43 089	(42 826)	(235)	(1 031)	28	28	(0)
<b>Transfers for Provincial Departments</b>								
<b>Municipal Allocations from Provincial Department</b>								
<b>Provincial Treasury</b>	353	-	(258)	-	(66)	29	29	-
Western Cape Financial Management Support Grant	9	-	-	-	(9)	-	-	-
Western Cape Financial Management Capability Building Grant	200	-	(171)	-	-	29	29	-
Western Cape Financial Management Capacity Building Grant	143	-	(87)	-	(56)	-	-	-
<b>Community Safety</b>	-	540	(505)	-	-	35	35	-
Safety initiative implementation - Whole of Society Approach (WOSA)	-	540	(505)	-	-	35	35	-
<b>Local Government</b>	1 618	4 100	(958)	(41)	-	4 719	4 719	-
Local Government Internship Grant	75	-	(75)	-	-	-	-	-
Western Cape Municipal Intervention Grant	-	800	(100)	-	-	700	700	-
Municipal Service Delivers and Capacity Building Grant	-	400	(8)	-	-	392	392	-
Joint District and Metro Approach Grant	993	-	(499)	-	-	494	494	-
Fire Service Capacity Building Grant	-	500	-	-	-	500	500	-
Local Government Public Employment Support Grant	200	-	-	-	-	200	200	-
Local Government Emergency Load-shedding Relief Grant	350	-	(276)	(41)	-	33	33	-
Municipal Water Resilience Grant	-	2 400	-	-	-	2 400	2 400	-
Municipal Drought Relief Grant	-	-	-	-	-	-	-	-
<b>Total: Transfers from Provincial Departments</b>	1 971	4 640	(1 720)	(41)	(66)	4 784	4 784	-
<b>Transfers for Other Grant Providers</b>								
<b>Municipal Allocations from other grant providers</b>								
<i>of which</i>								
<b>Other Grant Providers</b>	503	816	(831)	(52)	-	436	453	(17)
The Chemical industries Education and Training Authority	216	596	(576)	(15)	-	221	221	-
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	146	(164)	(25)	-	(5)	-	(5)
Local Government Sector and Training Authority (LGLDP - 20239677)	17	75	(91)	(13)	-	(12)	-	(12)
<b>Total: Transfers from Other grant providers</b>	503	816	(831)	(52)	-	436	453	(17)
<b>TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER</b>	3 505	48 545	(45 377)	(329)	(1 097)	5 248	5 265	(18)

Table 109: Grant performance - 2023/24

### 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		
2022/23	42 993	113 223	38%
2023/24	45 586	121 434	38%

Table 110: 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	2022/23	2023/24
Current ratio	Current assets/current liabilities	1.94	1.59
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 Month	1 month

Table 111: 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	2022/23	2023/24
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	n/a	n/a

Table 112: 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	2022/23	2023/24
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	0.01%	0.67%

Table 113: 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	2022/23	2023/24
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	57%	59.29%

Table 114: 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	2022/23	2023/24
		Audited outcome	Pre-audit outcome
Repairs and maintenance	R and M/ (Total revenue excluding capital revenue)	0.30%	0.28%

Table 115: 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	2022/23	2023/24		
	Actual	Original budget	Adjustment budget	Actual expenditure
<b>R'000</b>				
<b>Other assets</b>				<b>0</b>
General vehicles	0	0	0	529
Plant and equipment	0	0	0	276
Computers -hardware/equipment	769	690	828	215
Furniture and other office equipment	201	196	156	37
Other	0	0	0	879
<b>Intangibles</b>				
Computers - software and programming	34	0	0	0
<b>Total capital expenditure on new assets</b>	<b>128</b>	<b>886</b>	<b>984</b>	<b>969</b>

Table 116: 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	2022/23	2023/24		
	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	70 514	60 376	65 920	73 097
Government - operating	41 068	50 626	44 953	48 545
Government – capital	1 925	600	350	0
Interest	1 298	0	1 349	1 704
Dividends	0	0	0	0
Suppliers and employees	(115 935)	(103 634)	(114 780)	(119 494)
Finance charges	(14)	0	0	(14)
Transfers and grants	(1 532)	(2 893)	(522)	(1 199)
<b>Net cash from/(used) operating activities</b>	<b>(7 408)</b>	<b>5 075</b>	<b>(2 730)</b>	<b>(582)</b>
Proceeds on disposal of fixed assets	0	0	0	0
Purchase of intangible assets	(34)	0	0	0
Decrease/(increase) in non-current receivables	0	(285)	0	0
Capital assets	(840)	(2 708)	(2 179)	(1 162)
Increase in loan	0	0	0	0
<b>Net cash from/(used) investing activities</b>	<b>(5 214)</b>	<b>(2 993)</b>	<b>(2 179)</b>	<b>(1 162)</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	(141)	0	0	(99)
<b>Net cash from/(used) financing activities</b>	<b>(63)</b>	<b>0</b>	<b>0</b>	<b>(132)</b>
Net increase/(decrease) in cash held	(1 596)	2 081	(4 718)	(1 377)
<b>Cash/cash equivalents at the year begin:</b>	<b>12 905</b>	<b>11 472</b>	<b>12 716</b>	<b>11 309</b>
<b>Cash/cash equivalents at the year-end:</b>	<b>11 309</b>	<b>13 553</b>	<b>7 997</b>	<b>12 868</b>

Table 117: 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	5 415	5 415
2022/23	0	0	0	0	5 337	5 337
Difference	0	0	0	0	8	8
% Growth year on year	0	0	0	0	(0,1%)	(0,1%)

Note: Figures include provision for bad debt

Table 118: 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 2023/24 financial year:

### 5.8.1 Actual borrowings

Instrument	2022/23	2023/24
	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	99	0
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>99</b>	<b>0</b>

Table 119: Actual borrowings



## 5.9 Municipal investments

Investment type	2022/23	2023/24
	R'000	
Securities - National Government	0	0
Listed corporate bonds	0	0
Deposits – Bank	9 500	11 201
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>9 500</b>	<b>11 201</b>

Table 120: 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 2023/24 are fully GRAP compliant.



# APPENDICES

## APPENDIX A: COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committee</b>	<b>Purpose of committee</b>
<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> </ul>



## Committees (other than Mayoral / Executive Committee) and Purposes of Committees

Municipal Committee	Purpose of committee
	- Equal employment
<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> <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 121: Committees and Committee purposes

## APPENDIX B: THIRD TIER STRUCTURE

### Third Tier Structure

Directorate	Director / Manager
<b>Office of the Municipal Manager</b>	Mr. M G NKUNGWANA
<b>Corporate Services</b>	Adv. T B Mea (Acting)
<b>Roads Infrastructure Services</b>	Mr. W Strong (Acting)
<b>Financial Services</b>	Mr. R Butler (Acting)
<b>Socio Economic Services</b>	Mrs. B Koopman (Acting)

Table 122: Third Tier Structure

## APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2023/24

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 2023/24

Name of Service provider (Entity or Municipal Department)	Description of services rendered by the Service Provider	Project Manager	Contract Value
			R'000
Ignite Advisory Services	5 Year IDP Plan	Manager Strategic Services	As charged per tariff listing
Ignite Advisory Services	Performance Management		As charged per tariff listing





<b>Long Term Contracts 2023/24</b>			
<b>Name of Service provider (Entity or Municipal Department)</b>	<b>Description of services rendered by the Service Provider</b>	<b>Project Manager</b>	<b>Contract Value</b>
			<b>R'000</b>
		Manager Strategic Services	
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>
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 123: 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 2023/24 with no employees declaring any related party transactions.



## APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND SOURCE

Description	2022/23	2023/24		
		Original	Adjusted	
	Actual	budget	budget	Actual
R'000				
Property rates	0	0	0	0
Property rates - penalties and collection charges	0	0	0	0
Service charges - electricity revenue	0	0	0	0
Service charges - water revenue	0	0	0	0
Service charges - sanitation revenue	0	0	0	0
Actuarial gains	537	0	0	2 564
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	6 657	6 849	0
Department of Transport - Roads service charges	55 881	0	0	60 528
Government grants and subsidies - operating	40 508	43 772	45 422	42 993
Other income	130	58 538	58 970	5 689
Gains on disposal of property, plant and equipment	28	0	0	5
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>103 186</b>	<b>110 084</b>	<b>112 713</b>	<b>113 220</b>

Table 124: Revenue collection performance by vote and source

## APPENDIX F (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote description	2022/23	2023/24		
	Actual	Original	Adjusted	Actual
		budget	budget	
R'000				
Vote 1 - Executive and Council	42 377	49 054	48 917	43 467
Vote 2 - Budget and Treasury Office	958	1 053	2 648	1 251



Vote description	2022/23	2023/24		
	Actual	Original budget	Adjusted budget	Actual
	R'000			
Vote 3 - Corporate Services	5 839	2 394	8 065	3 418
Vote 4 – Technical Services	54 410	62 380	62 220	64 837
<b>Total revenue by vote</b>	<b>103 584</b>	<b>114 881</b>	<b>121 850</b>	<b>112 973</b>

Table 125: Revenue collection performance by vote

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

Description	2022/23	2023/24		
	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	2 564	0	0	986
Service charges - refuse revenue	0	0	0	0
Rentals of facilities and equipment	96	54	54	66
Interest earned - external investments	1 298	1 147	1 712	1 704
Interest earned - outstanding debtors	0	0	0	0
Dividends received	0	0	0	0
Debt impairment	0	0	0	0
Licences and permits	47	19	49	55
Agency services	0	6 666	6 666	0
Department of Transport - Roads service charges	60 529	0	0	65 782
Government grants and subsidies - operating	41 069	44 398	48 432	44 735
Other income	5 689	62 595	63 567	7 205
Gains on disposal of property, plant and equipment	5	0	0	50
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>111 297</b>	<b>114 890</b>	<b>120 480</b>	<b>120 583</b>



Table 126: Revenue collection performance by vote

## APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CENTRAL KAROO MTREF ALLOCATIONS: 2023/2024								
	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	-	37 712	(37 712)	-	-	-	-	-
<b>Infrastructure</b>	1 031	2 063	(1 852)	(182)	(1 031)	28	28	-
Rural roads assets management systems grant	1 031	2 063	(1 852)	(182)	(1 031)	28	28	-
<b>Capacity building and other current transfers</b>	0	3 314	(3 261)	(53)	-	(0)	0	(0)
Local government financial management grant	0	1 000	(949)	(52)	-	(0)	-	(0)
Expanded public works programme integrated grant for municipalities	-	2 314	(2 313)	(1)	-	0	0	-
<b>Sub total direct transfers</b>	1 031	43 089	(42 826)	(235)	(1 031)	28	28	(0)
<b>Total: Transfers from National Treasury</b>	1 031	43 089	(42 826)	(235)	(1 031)	28	28	(0)
<b>Transfers for Provincial Departments</b>								
<b>Municipal Allocations from Provincial Department</b>								
<b>Provincial Treasury</b>	353	-	(258)	-	(66)	29	29	-
Western Cape Financial Management Support Grant	9	-	-	-	(9)	-	-	-
Western Cape Financial Management Capability Building Grant	200	-	(171)	-	-	29	29	-
Western Cape Financial Management Capacity Building Grant	143	-	(87)	-	(56)	-	-	-
<b>Community Safety</b>	-	540	(505)	-	-	35	35	-
Safety initiative implementation - Whole of Society Approach (WOSA)	-	540	(505)	-	-	35	35	-
<b>Local Government</b>	1 618	4 100	(958)	(41)	-	4 719	4 719	-
Local Government Internship Grant	75	-	(75)	-	-	-	-	-
Western Cape Municipal Intervention Grant	-	800	(100)	-	-	700	700	-
Municipal Service Delivers and Capacity Building Grant	-	400	(8)	-	-	392	392	-
Joint District and Metro Approach Grant	993	-	(499)	-	-	494	494	-
Fire Service Capacity Building Grant	-	500	-	-	-	500	500	-
Local Government Public Employment Support Grant	200	-	-	-	-	200	200	-
Local Government Emergency Load-shedding Relief Grant	350	-	(276)	(41)	-	33	33	-
Municipal Water Resilience Grant	-	2 400	-	-	-	2 400	2 400	-
Municipal Drought Relief Grant	-	-	-	-	-	-	-	-
<b>Total: Transfers from Provincial Departments</b>	1 971	4 640	(1 720)	(41)	(66)	4 784	4 784	-
<b>Transfers for Other Grant Providers</b>								
<b>Municipal Allocations from other grant providers</b>								
<i>of which</i>								
<b>Other Grant Providers</b>	503	816	(831)	(52)	-	436	453	(17)
The Chemical industries Education and Training Authority	216	596	(576)	(15)	-	221	221	-
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	146	(164)	(25)	-	(5)	-	(5)
Local Government Sector and Training Authority (LGLDP - 20239677)	17	75	(91)	(13)	-	(12)	-	(12)
<b>Total: Transfers from Other grant providers</b>	503	816	(831)	(52)	-	436	453	(17)
<b>TOTAL GRANT ALLOCATIONS FROM PROVINCIAL, NATIONAL AND OTHER</b>	3 505	48 545	(45 377)	(329)	(1 097)	5 248	5 265	(18)

Table 127: 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 2023/24

No loans or grants have been made by the Central Karoo District Municipality for the 2023/24 financial year.



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

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



# **APPENDIX K: AUDITOR-GENERAL REPORT ON THE CKDM 2023/24**



The Accounting Officer  
Central Karoo District Municipality  
Private Bag X560  
Beaufort West  
6970

29 November 2024

Reference: 05465REG23-24

Dear Mr Penxa

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

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa [section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
3. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
4. Please notify the undersigned Business Unit Leader / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
5. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..

6. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



.....  
Lizo Ndzamela  
Senior Manager: Western Cape

Enquiries:	Avika Nunkumar
Telephone:	+27(0) 73 370 5331
Email:	avikan@agsa.co.za



# Report of the auditor-general to Western Cape Provincial Parliament and Council of 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 100, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 2023 were restated as a result of an errors in the financial statements of the municipality at, and for the year ended 30 June 2024.

### Events after reporting date

8. As disclosed in note 45 to the financial statements, the key event after the reporting date relates to Binding General Ruling 74 that was issued by SARS on 3 October 2024 relating to the VAT treatment of certain supplies of goods or services made by a municipality to national or provincial government.

### Other matters

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

### Unaudited disclosure notes

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

### Unaudited supplementary schedules

11. The supplementary information set out on pages 101 to 102 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.

### 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 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. This description, which is located at page 7, forms part of our auditor's report.

## Report on 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following material performance indicators related to strategic objectives presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Create job opportunities in terms of skills and labour needs within identified road projects by 30 June 2024.
  - Spend 95% of the total approved Roads budget by 30 June 2024.
  - Regravel 40 kilometres of road by 30 June 2024.
18. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
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.
  - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
  - the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

20. I performed the procedures to report 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 indicators.

### Other matters

22. I draw attention to the matters 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. This information should be considered in the context of the material findings on the reported performance information.
24. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report.

### Strategic Objective 4: Improve and maintain district roads and promote safe roads transport

Key service delivery indicator not achieved	Planned target	Reported achievement
Regravel 40 kilometres of road by 30 June 2024	40 kilometres	22.19 kilometres

### Material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic Objective 4: Improve and maintain district roads and promote safe roads transport. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

### Report on compliance with legislation

26. 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 municipality's compliance with legislation.
27. 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.

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

#### **Expenditure management**

30. Reasonable steps were not taken to prevent irregular expenditure amounting to R7 340 204, as disclosed in note 34 to the annual financial statements, as required by section 62(1)(d) of the MFMA.
31. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R6 758 719, as disclosed in note 34 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

#### **Procurement and contract management**

32. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

#### **HR management**

33. The municipal manager was appointed without the necessary minimum competencies, as required by section 54A of the MSA and regulations on appointment and conditions of employment of senior managers.

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

34. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.
35. 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.
36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I have nothing to report in this regard.

## Internal control deficiencies

38. 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.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
40. Lack of effective oversight over the appointment of the municipal manager position during the financial year has resulted in material non-compliance with Section 54A of the Municipal System Amendment Act and Regulation 9 of the Municipal System Act Regulations.
41. Management did not ensure that the municipality complied with Section 62(1)(d) of the Municipal Finance Management Act by ensuring that reasonable steps were taken to prevent unauthorised and irregular expenditure in the current financial year.
42. Management did not ensure that the municipality complied with Section 15 of the Municipal Finance Management Act by ensuring that expenditure was only incurred in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget or an adjustment budget.
43. Management did not ensure that effective internal controls were implemented to ensure that compliance risks associated with reason for deviations and approvals were adequately in place, to ensure compliance with the Municipal Supply Chain Management Regulations.

## Other reports

44. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
45. The Department of Public Works and Infrastructure investigated an allegation of misappropriation of grant funding in relation to the Expanded Public Works Programme grant during the period of 5 June 2024 to 14 June 2024. The investigation was concluded on 3 July 2024. The municipality has opened a case on the alleged fraud with the South African Police Service. Investigations into these allegations are currently ongoing.

*Auditor-General*

Cape Town

29 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

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

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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

## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<ul style="list-style-type: none"> <li>• Section 1 – paragraph (a), (b) and (d) of the definition of 'irregular expenditure'</li> <li>• Section 11(1)</li> <li>• Section 13(2)</li> <li>• Sections 14(1), 14(2)(a), 14(2)(b)</li> <li>• Section 15</li> <li>• Section 24(2)(c)(iv)</li> <li>• Section 28(1)</li> <li>• Section 29(1), 29(2)(b)</li> <li>• Section 32(2)(a), 32(2)(a)(ii), 32(2)(a)(l), 32(2)(b), 32(6)(a), 32(7)</li> <li>• Section 53(1)(c)(ii)</li> <li>• Section 54(1)(c)</li> <li>• Section 62(1)(d)</li> <li>• Sections 63(2)(a), 63(2)(c)</li> <li>• Sections 65(2)(a), 65(2)(b), 65(2)(e)</li> <li>• Section 72(1)(a)(ii)</li> <li>• Section 112(1)(j)</li> <li>• Sections 116(2)(b), 116(2)(c)(ii)</li> <li>• Section 117</li> <li>• Section 122(1)</li> <li>• Section 126(2)(a)</li> <li>• Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii)</li> <li>• Sections 129(1), 129(3)</li> <li>• Sections 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii)</li> <li>• Section 170</li> <li>• Sections 171(4)(a), 171(4)(b)</li> </ul>



Legislation	Sections or regulations
Municipal Budget and Reporting Regulations, 2009	<ul style="list-style-type: none"> <li>• Regulations 71(1)(a), 71(1)(b), 71(2)(a), 71(2)(b), 71(2)(d)</li> <li>• Regulations 72(1), 72(b), 72(c)</li> </ul>
Municipal Investment Regulations, 2005	<ul style="list-style-type: none"> <li>• Regulations 3(1)(a), 3(3)</li> <li>• Regulation 6</li> <li>• Regulation 7</li> <li>• Regulations 12(2), 12(3)</li> </ul>
Disciplinary Regulations for Senior Managers, 2010	<ul style="list-style-type: none"> <li>• Regulations 5(2), 5(3), 5(4), 5(6)</li> <li>• Regulation 8(4)</li> </ul>
Municipal Regulations of Financial Misconduct Procedures and Criminal Proceedings, 2014	<ul style="list-style-type: none"> <li>• Regulation 6(8)(a)</li> <li>• Regulation 10(1)</li> </ul>
Prevention and Combating of Corrupt Activities Act 12 of 2004	<ul style="list-style-type: none"> <li>• Section 34(1)</li> </ul>
Municipal Systems Act 32 of 2000	<ul style="list-style-type: none"> <li>• Sections 34(a), 34(b)</li> <li>• Section 38(a)</li> <li>• Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii)</li> <li>• Section 43(2)</li> <li>• Sections 54A(1)(a), 54A(2)</li> <li>• Section 56(1)(a)</li> <li>• Sections 57(2)(a), 57(6)(a)</li> <li>• Sections 66(1)(a), 66(1)(b)</li> <li>• Section 67(1)(d)</li> </ul>
Municipal Planning and Performance Management Regulations, 2001	<ul style="list-style-type: none"> <li>• Regulations 3(3), 3(5)(a)</li> <li>• Regulation 4(4)(b)</li> <li>• Regulation 7(1)</li> <li>• Regulation 8</li> <li>• Regulation 9(1)(a)</li> <li>• Regulation 10(a)</li> <li>• Regulation 15(1)(a)(ii)</li> <li>• Regulation 12(1)</li> </ul>
Division of Revenue Act	<ul style="list-style-type: none"> <li>• Section 11(6)(b)</li> <li>• Section 12(5)</li> <li>• Section 16(3)</li> </ul>
Municipal Supply Chain Management Regulations, 2005	<ul style="list-style-type: none"> <li>• Regulation 5</li> <li>• Regulations 12(1)(c), 12(3)</li> <li>• Regulation 13(c)</li> <li>• Regulation 16(a)</li> <li>• Regulations 17(1)(a), 17(1)(b), 17(1)(c)</li> <li>• Regulations 19(a), 19(b)</li> </ul>

Legislation	Sections or regulations
	<ul style="list-style-type: none"> <li>• Regulation 21(b)</li> <li>• Regulations 22(1)(b), 22(2)</li> <li>• Regulations 27(2)(a), 27(2)(e)</li> <li>• Regulation 28(1)(a)(i)</li> <li>• Regulations 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i)</li> <li>• Regulation 32</li> <li>• Regulation 36(1)(a)</li> <li>• Regulations 38(1)(c), 38(1)(d)(ii), 38(1)(d)(g)(iii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii)</li> <li>• Regulation 43</li> <li>• Regulation 44</li> <li>• Regulations 46(2)(e), 46(2)(f)</li> </ul>
Preferential Procurement Policy Framework Act 5 of 2000	<ul style="list-style-type: none"> <li>• Sections 2(1)(a), 2(1)(f)</li> </ul>
Preferential Procurement Regulations, 2022	<ul style="list-style-type: none"> <li>• Regulations 4(1), 4(4)</li> <li>• Regulations 5(1), 5(4)</li> </ul>
Construction Industry Development Board Act 38 of 2000	<ul style="list-style-type: none"> <li>• Section 18(1)</li> </ul>
Construction Industry Development Regulations, 2004	<ul style="list-style-type: none"> <li>• Regulation 17</li> <li>• Regulation 25(7A)</li> </ul>
Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006	<ul style="list-style-type: none"> <li>• Regulation 2(3)(a)</li> <li>• Regulation 4(4)(b)</li> <li>• Regulations 8(1), 8(2), 8(3)</li> </ul>
Regulations of Appointment and Conditions and Employment of Senior Managers, 2014	<ul style="list-style-type: none"> <li>• Regulation 36(1)(a)</li> </ul>

# APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2024

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

## 1. Terms of Reference

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

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

The Audit and Performance Audit Committee has reviewed the formal terms of reference (charter) that was approved by Council on 29 June 2023. The Committee has executed its duties during the past financial year in accordance with these terms of reference.

### a) Functions of the Audit Committee

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

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted by internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the audit plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.



- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- In addition to above the Audit Committee also performs the function of a performance audit committee. Functions of the Performance Audit Committee In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to –
  - i) review the quarterly reports produced and submitted by the internal audit process;
  - ii) review the municipality’s performance management system and make recommendations in this regard to the council of the municipality; and
  - iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

## 2. Members of the Audit and Performance Audit Committee

The Committee consists of four independent non-executive members.

As of 30 June 2023, the Audit and Performance Audit Committee comprised of the following members:

NAME	POSITION	PERIOD
N Gabada	Chairperson	01 July 2023- 30 June 2024
A Augustyn	Member	01 July 2023 - 30 June 2024
K McKay	Member	01 July 2023 - 30 June 2024
Y Duimpies	Member	01 July 2023 - 30 June 2024

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

## 3. Meetings

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

MEMBER	24 August 2023	25 October 2023	24 January 2024	06 June 2023
N Gabada	a	a	a	a
A Augustyn	a	a	a	a
KE McKay	a	a	a	a
Y Duimpies	a	a	a	a



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

- Meeting with the office of the Auditor-General – 03 September 2023 and 04 December 2023.

#### **4. Statutory Duties**

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

##### *Oversight of risk management*

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

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

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

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

##### *Internal financial controls, governance and ethics*

The Committee has:

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

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

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

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



## *Annual financial statements and reports as on 30 June 2024*

The committee is pleased that the Auditor-General has once again issued an unqualified audit opinion on the financial statements for the year ended 30 June 2024.

However, as in the Audit Report of the Auditor-General, no material misstatements were identified by the auditors. Certain matters of emphasis were highlighted in the Audit Report of the Auditor-General, which relates to restatement of corresponding figures and events after reporting date relating to the VAT treatment of certain supplies of goods and services.

Although these matters were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion, it is important that management implement the necessary review and control actions to ensure accurate financial reporting.

The municipality continues to strive to adhere and uphold the relevant and applicable laws and regulatory frameworks, particularly the MFMA, DoRA etc. as non-conformance to these laws could impact negatively on the audit.

### *External audit*

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

### *Finance function*

The committee is fully aware of the huge effort it entails to ensure compliance to the onerous legislative requirements the municipality must comply with; however, the following issues were identified by the Auditor General:

- Reasonable steps were not taken to prevent unauthorised and irregular expenditure.
- Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).
- The matter on how to account for VAT on expenditure for the Roads function has not been resolved. The South African Revenue Service, in consultation with National Treasury, the Auditor General and the Accountant General will release a grid that will provide clarity on the VAT consequences, based on the different contracting options. This GRID will determine the classification of each district Municipality and subsequently determine what if any VAT is payable or claimable, thus effecting whether or not a contingent asset or contingent liability is applicable to the Municipality. The South African Revenue Service was thus not able to provide any indication of the possible effect on the Municipality, or when the final release date of this GRID would be by submission of the Annual financial statements. A General Binding Ruling was received from SARS on 3 October 2024 in which the GRID was provided. Management however disagrees with the Auditor General's interpretation of what grid the municipality falls within. This matter thus remains a contingent liability

### *Internal audit*

The committee has:

- reviewed and recommended the internal audit terms of reference for approval;
- evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate;



- satisfied itself that the internal audit function has the necessary resources, budget, standing and authority within the firm to enable it to discharge its functions;
- approved the internal audit plan; and
- encouraged cooperation between external and internal audit.

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

#### *Performance Management*

Material findings were identified on the reported performance information for the strategic objectives that were selected, however management subsequently corrected all misstatements and the report did not include any material findings.

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

#### *Conclusion*

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

On behalf of the Audit Committee

S Ngwevu

Chairperson of the Audit Committee  
Central Karoo District Municipality  
17 March 2025



# **VOLUME II: ANNUAL FINANCIAL STATEMENTS: CENTRAL KAROO DISTRICT MUNICIPALITY**





# Central Karoo District MUNICIPALITY



## AUDITED ANNUAL FINANCIAL STATEMENTS 30 JUNE 2024



# CENTRAL KAROO DISTRICT MUNICIPALITY

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# CENTRAL KAROO DISTRICT MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## GENERAL INFORMATION

### NATURE OF BUSINESS

Central Karoo District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 108 of 1998)

### 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

TCJ Prince

### SPEAKER

LM Paulse

### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor

Deputy Executive Mayor

Executive Councillor

Executive Councillor

Executive Councillor

J Botha

TCJ Prince

DW Sampie

LBJ Mdudumani

IA Jacobs

### MUNICIPAL MANAGER

JM Penxa

### CHIEF FINANCIAL OFFICER

Ms K Makalima (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 2024

## 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 Wall  
Tshangana Associates Attorneys

### RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)  
Collective Agreements  
Constitution (Act no.108 of 1998)  
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)  
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)  
and regulations issued in terms of the Act)  
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  
Proportional

#### COUNCILLOR

S Jooste  
J Reynolds  
J van der Linde  
AP Swanepoel  
G Pietersen  
DU Snyders  
LBJ Mdudumani  
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 2024, which are set out on pages 2 to 102 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.

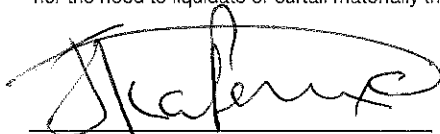
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

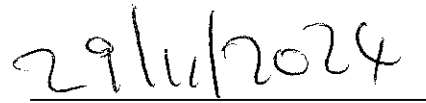
The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

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.



JM Penxa  
Municipal Manager



Date



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

	Notes	2024 R	2023 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>16 836 246</b>	<b>15 149 261</b>
Property, Plant and Equipment	2	9 807 918	8 543 142
Intangible Assets	3	48 029	62 218
Non-Current Receivables from Non-Exchange Transactions	4	6 980 299	6 543 900
<b>Current Assets</b>		<b>20 768 457</b>	<b>20 231 884</b>
Inventory	5	1 585 907	1 556 651
Receivables from Exchange Transactions	6.1	4 742 474	4 304 975
Receivables from Non-exchange Transactions	6.2	594 081	1 110 493
VAT receivable	14	588 470	1 419 580
Current Portion of Non-Current Receivables	4	570 701	531 100
Cash and Cash Equivalents	7	12 686 824	11 309 086
<b>Total Assets</b>		<b>37 604 703</b>	<b>35 381 145</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>13 281 000</b>	<b>13 173 001</b>
Long-term Borrowings	8	-	-
Non-current Employee Benefits	9	13 281 000	13 173 001
<b>Current Liabilities</b>		<b>14 177 268</b>	<b>10 311 800</b>
Consumer Deposits	10	-	1 500
Provisions	15	1 007 462	323 930
Current Employee Benefits	11	5 966 163	5 252 405
Trade and Other Payables from Exchange Transactions	12	1 835 800	1 129 504
Unspent Transfers and Subsidies	13	5 367 842	3 504 832
Current Portion of Long-term Borrowings	8	-	99 629
<b>Total Liabilities</b>		<b>27 458 268</b>	<b>23 484 801</b>
<b>Net Assets</b>		<b>10 146 434</b>	<b>11 896 340</b>
Accumulated Surplus		10 146 434	11 896 340
<b>Total Net Assets and Liabilities</b>		<b>37 604 702</b>	<b>35 381 141</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 R	2023 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>46 571 487</b>	<b>45 558 206</b>
<b>Transfer Revenue</b>		<b>45 585 564</b>	<b>42 993 976</b>
Government Grants and Subsidies	16	45 585 564	42 993 976
<b>Other Revenue</b>		<b>985 922</b>	<b>2 564 230</b>
Actuarial Gains	9	985 922	2 564 230
<b>Revenue from Exchange Transactions</b>		<b>74 862 876</b>	<b>67 665 051</b>
Licences and Permits	17	55 263	47 241
Rental from Fixed Assets	18	65 859	96 190
Interest Earned - External Investments	19	1 704 944	1 298 247
Operational Revenue	20	1 204 022	196 573
Department of Transport - Roads Service Charges	21	65 781 515	60 528 654
Straight Service Charge	21	6 001 042	5 492 609
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	5	50 231	5 538
<b>Total Revenue</b>		<b>121 434 363</b>	<b>113 223 257</b>
<b>EXPENDITURE</b>			
Employee related costs	22	(67 828 847)	(62 423 233)
Remuneration of Councillors	23	(4 974 967)	(4 829 376)
Debt impairment		-	(89 823)
Contracted Services	24	(10 887 037)	(9 491 206)
Depreciation and Amortisation	25	(789 451)	(973 691)
Finance Costs	26	(842 743)	(834 165)
Inventory Consumed	5	(14 105 844)	(12 599 317)
Loss on disposal of assets and liabilities	29	(944)	(1 935 520)
Transfers and Subsidies	27	(1 199 265)	(1 532 684)
Operational Costs	28	(22 555 174)	(22 820 349)
<b>Total Expenditure</b>		<b>(123 184 272)</b>	<b>(117 529 365)</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(1 749 910)</b>	<b>(4 306 108)</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Accumulated Surplus/ (Deficit)</b>	<b>Total</b>
	<b>R</b>	<b>R</b>
<b>Balance at 1 July 2022</b>	<b>15 363 622</b>	<b>15 363 622</b>
Correction of Error - note 30	838 830	838 830
<b>Restated balance</b>	<b>16 202 452</b>	<b>16 202 452</b>
Net Surplus/(Deficit) for the year	(4 306 108)	(4 306 108)
Net Surplus/(Deficit) previously reported	(4 245 347)	(4 245 347)
Effects of Correction of Errors - note 30	(60 760)	(60 760)
<b>Restated balance at 30 June 2023</b>	<b>11 896 344</b>	<b>11 896 344</b>
Net Surplus/(Deficit) for the year	(1 749 910)	(1 749 910)
<b>Balance at 30 June 2024</b>	<b>10 146 435</b>	<b>10 146 435</b>





**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 R	2023 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Other Revenue		73 097 470	70 514 357
Government - Operating and Capital		48 545 220	45 087 237
Interest income		1 704 944	1 298 247
Cash payments			
Suppliers of goods and services		(47 670 297)	(49 089 925)
Employee related cost		(71 824 133)	(66 844 579)
Finance Costs		(14 743)	(14 165)
Transfers and Grants		(1 199 265)	(1 532 684)
<b>Net Cash from Operating Activities</b>	<b>31</b>	<b>2 639 196</b>	<b>(581 512)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(1 161 830)	(840 223)
Purchase of Intangible Assets		-	(34 125)
<b>Net Cash from Investing Activities</b>		<b>(1 161 830)</b>	<b>(874 348)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Finance leases		(99 629)	(141 015)
<b>Net Cash from Financing Activities</b>		<b>(99 629)</b>	<b>(141 015)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1 377 738</b>	<b>(1 596 879)</b>
Cash and Cash Equivalents at the beginning of the year		11 309 086	12 905 965
Cash and Cash Equivalents at the end of the year		12 686 824	11 309 086
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1 377 738</b>	<b>(1 596 879)</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2024	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 and cash equivalents	Cash and Cash Equivalents	9 120 974	2 208 902	11 329 876	12 686 824	1 356 948	12%	Please see reasons under Note 33.2.1.1
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions	9 882 759	(9 204 701)	678 058	4 742 474	4 064 416	599%	Please see reasons under Note 33.2.1.2
Receivables from non-exchange transactions	Receivables from Non-exchange Transactions	-	-	-	594 081	594 081	100%	Please see reasons under Note 33.2.1.3
Current portion of non-current receivables	Current Portion of Non-Current Receivables	500 510	30 590	531 100	570 701	39 601	7%	Please see reasons under Note 33.2.1.4
Inventory	Inventory	1 279 290	277 360	1 556 650	1 585 907	29 257	2%	Please see reasons under Note 33.2.1.5
VAT	VAT Receivable	722 993	126 684	849 677	588 470	(261 207)	-31%	Please see reasons under Note 33.2.1.6
Other current assets		(370 259)	5 097 610	4 727 351	-	(4 727 351)	-100%	Please see reasons under Note 33.2.1.7
<b>Total Current Assets</b>		<b>21 136 267</b>	<b>(1 463 555)</b>	<b>19 672 712</b>	<b>20 768 457</b>	<b>1 095 745</b>	<b>6%</b>	
<b>Non-Current Assets</b>								
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions	7 372 490	(828 590)	6 543 900	6 980 299	436 399	7%	Please see reasons under Note 33.2.2.1
Property, Plant and Equipment	Property, Plant and Equipment	10 865 214	227 604	11 092 818	9 807 918	(1 284 900)	-12%	Please see reasons under Note 33.2.2.2
Intangible Assets	Intangible Assets	47 259	14 960	62 219	48 029	(14 190)	-23%	Please see reasons under Note 33.2.2.3
<b>Total Non-Current Assets</b>		<b>18 284 963</b>	<b>(586 026)</b>	<b>17 698 937</b>	<b>16 836 246</b>	<b>(862 691)</b>	<b>-5%</b>	
<b>TOTAL ASSETS</b>		<b>39 421 230</b>	<b>(2 049 581)</b>	<b>37 371 649</b>	<b>37 604 703</b>	<b>233 054</b>	<b>1%</b>	



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2024

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2024	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>								
Financial liabilities	Current Portion of Long-term Borrowings	141 015	(41 386)	99 629	-	(99 629)	-100%	Please see reasons under Note 33.2.3.1
Consumer Deposits	Consumer Deposits	-	1 500	1 500	-	(1 500)	-100%	Please see reasons under Note 33.2.3.2
Trade and other payables from exchange transactions		1 751 894	(511 377)	1 240 517	1 835 800	595 283	48%	Please see reasons under Note 33.2.3.3
	Trade and Other Payables from Exchange Transactions	1 751 894	(511 377)	1 240 517	1 835 800	595 283		
	Transfers and Subsidies Payable	-	-	-	-	-		
Trade and other payables from non-exchange transactions	Unspent Transfers and Subsidies	347 016	2 099 173	2 446 189	5 367 842	2 921 653	119%	Please see reasons under Note 33.2.3.4
Provisions	Current Employee Benefits	4 599 799	86 029	4 685 828	6 973 625	2 287 797	49%	Please see reasons under Note 33.2.3.5
VAT	VAT payable	(477 046)	(92 645)	(569 691)	-	569 691	-100%	Please see reasons under Note 33.2.3.6
Other current liabilities		928 030	(119 030)	809 000	-	(809 000)	-100%	Please see reasons under Note 33.2.3.7
<b>Total Current Liabilities</b>		<b>7 290 708</b>	<b>1 422 264</b>	<b>8 712 972</b>	<b>14 177 268</b>	<b>5 465 796</b>	<b>63%</b>	
<b>Non-Current Liabilities</b>								
Borrowing	Long-term Borrowings	99 629	-	99 629	-	(99 629)	-100%	Please see reasons under Note 33.2.4.1
Provisions	Non-current Employee Benefits	-	2 279 000	2 279 000	13 281 000	11 002 000	483%	Please see reasons under Note 33.2.4.2
Other non-current liabilities		14 821 002	(3 572 000)	11 249 002	-	(11 249 002)	-100%	Please see reasons under Note 33.2.4.3
<b>Total Non-Current Liabilities</b>		<b>14 920 631</b>	<b>(1 293 000)</b>	<b>13 627 631</b>	<b>13 281 000</b>	<b>(346 631)</b>	<b>-3%</b>	
<b>TOTAL LIABILITIES</b>		<b>22 211 339</b>	<b>129 264</b>	<b>22 340 603</b>	<b>27 458 268</b>	<b>5 119 165</b>	<b>23%</b>	
<b>NET ASSETS</b>								
Accumulated Surplus/(Deficit)	Accumulated Surplus/(Deficit)	17 209 890	2 068 528	19 278 418	10 146 434	(9 131 984)	-47%	Please see reasons under Note 33.2.5.1
<b>TOTAL NET ASSETS</b>		<b>17 209 890</b>	<b>2 068 528</b>	<b>19 278 418</b>	<b>10 146 434</b>	<b>(9 131 984)</b>	<b>-47%</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 KAROO DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)	Reasons for Material variances
		R		R	R	R	%	
<b>REVENUE</b>								
<b>Exchange Revenue</b>								
Rental from Fixed Assets	Rental from Fixed Assets	54 706	-	54 706	65 859	11 153	20%	Please see reasons under Note 33.2.6.1
Interest earned from Current and Non Current Assets	Interest Earned - External Investments	1 147 727	563 784	1 711 511	1 704 944	(6 567)	0%	Please see reasons under Note 33.2.6.2
Licences and Permits	Licences and Permits	19 184	29 793	48 977	55 263	6 286	13%	Please see reasons under Note 33.2.6.3
Agency Services		6 666 000	-	6 666 000	-	(6 666 000)	-100%	Please see reasons under Note 33.2.6.4
Operational Revenue		62 440 892	1 022 893	63 463 785	72 986 579	9 522 794	15%	Please see reasons under Note 33.2.6.5
	Operational Revenue	62 440 892	1 022 893	63 463 785	1 204 022	(62 259 763)		
	Department of Transport - Roads Service Charges	-	-	-	65 781 515	65 781 515		
	Straight Service Charge	-	-	-	6 001 042	6 001 042		
Sales of Goods and Rendering of Services		154 062	(51 226)	102 836	-	(102 836)		Please see reasons under Note 33.2.6.6
<b>Non-Exchange Revenue</b>								
Transfer and subsidies - Operational	Government Grants and Subsidies (Operational only)	44 398 412	4 033 249	48 431 661	44 735 268	(3 696 393)	-8%	Please see reasons under Note 33.2.6.7
Other Gains		-	-	(1)	1 036 154	1 036 155	-103615458%	Please see reasons under Note 33.2.6.8
	Actuarial Gains	-	-	(1)	985 922	985 923		
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-	50 231	50 231		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>114 880 983</b>	<b>5 598 493</b>	<b>120 479 475</b>	<b>120 584 066</b>	<b>104 591</b>	<b>0%</b>	
<b>EXPENDITURE</b>								
Employee Related Costs	Employee Related Costs	60 704 437	829 220	61 533 657	67 828 847	6 295 190	10%	Please see reasons under Note 33.2.7.1
Remuneration of Councillors	Remuneration of Councillors	5 308 074	(223 023)	5 085 051	4 974 967	(110 084)	-2%	Please see reasons under Note 33.2.7.2
Debt Impairment		-	-	-	-	-	0%	Please see reasons under Note 33.2.7.3
	Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	-	-	-	-		
	Bad Debts Written Off	-	-	-	-	-		
Depreciation and amortisation	Depreciation and Amortisation	734 000	92 800	826 800	789 451	(37 349)	-5%	Please see reasons under Note 33.2.7.4
Interest	Finance Costs	1	-	1	842 743	842 742	84274217%	Please see reasons under Note 33.2.7.5
Inventory consumed	Inventory Consumed	19 624 436	(2 944 505)	16 679 931	14 105 844	(2 574 087)	-15%	Please see reasons under Note 33.2.7.6
Contracted Services	Contracted Services	6 575 852	4 583 113	11 158 965	10 887 037	(271 928)	-2%	Please see reasons under Note 33.2.7.7
Transfers and Subsidies	Transfers and Subsidies	231 476	161 841	393 317	1 199 265	805 948	205%	Please see reasons under Note 33.2.7.8
Operational costs	Operational Costs	21 272 289	2 014 666	23 286 955	22 555 174	(731 781)	-3%	Please see reasons under Note 33.2.7.9
Losses on disposal of Assets	Gains/(Loss) on Sale of Fixed Assets	-	-	-	944	944	100%	Please see reasons under Note 33.2.7.10
<b>Total Expenditure</b>		<b>114 450 565</b>	<b>4 514 112</b>	<b>118 964 677</b>	<b>123 184 272</b>	<b>4 219 595</b>	<b>4%</b>	



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2024

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)	Reasons for Material variances
		R		R	R	R	%	
<b>Surplus/(Deficit)</b>		<b>430 418</b>	<b>1 084 381</b>	<b>1 514 798</b>	<b>(2 600 206)</b>	<b>(4 115 004)</b>	-272%	Please see reasons under Note 33.2.6.9
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	-	2 400 000	2 400 000	850 296	(1 549 704)	-65%	
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment	-	-	-	-	-	0%	
<b>Surplus/(Deficit) before taxation</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 798</b>	<b>(1 749 910)</b>	<b>(5 664 708)</b>	-145%	
Income Tax		-	-	-	-	-	0%	
<b>Surplus/(Deficit) after Taxation</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 798</b>	<b>(1 749 910)</b>	<b>(5 664 708)</b>	-145%	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	0%	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	0%	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 798</b>	<b>(1 749 910)</b>	<b>(5 664 708)</b>	-145%	
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions		-	-	-	-	-	0%	
<b>Surplus/(Deficit) for the year</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 798</b>	<b>(1 749 910)</b>	<b>(5 664 708)</b>	-145%	

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 2024**

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Adjustments	Final Budget	Actual Outcome 2024	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		69 318 432	(65 000)	69 253 432	73 097 470	3 844 038	6%	Please see reasons under Note 33.2.8.1
Transfers and Subsidies - Operational	Government - Operating	44 398 412	2 624 602	47 023 014	48 545 220	1 522 206	3%	Please see reasons under Note 33.2.8.2
Transfers and Subsidies - Capital	Government - Capital	-	2 400 000	2 400 000	-	(2 400 000)	-100%	Please see reasons under Note 33.2.8.3
Interest		1 147 727	650 000	1 797 727	1 704 944	(92 783)	-5%	Please see reasons under Note 33.2.8.4
<b>Payments</b>								
Suppliers and Employees		(113 109 722)	(16 091 892)	(129 201 614)	(119 494 430)	9 707 184	-8%	Please see reasons under Note 33.2.8.5
	Suppliers of goods and services	-	-	-	(47 670 297)	-		
	Employee related cost	-	-	-	(71 824 133)	-		
Finance charges		-	-	-	(14 743)	(14 743)	100%	Please see reasons under Note 33.2.8.6
Transfers and Subsidies	Transfers and Grants	(231 476)	231 476	-	(1 199 265)	(1 199 265)	100%	Please see reasons under Note 33.2.8.7
<b>Net Cash from/(used) Operating Activities</b>		<b>1 523 373</b>	<b>(10 250 814)</b>	<b>(8 727 441)</b>	<b>2 639 196</b>	<b>11 366 637</b>	<b>-130%</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE		-	-	-	-	-	100%	Please see reasons under Note 33.2.9.1
Decrease (increase) in Non-Current Receivables		-	(828 590)	(828 590)	-	828 590	-100%	Please see reasons under Note 33.2.9.2
<b>Payments</b>								
Capital Assets		(400 000)	(3 570 795)	(3 970 795)	(1 161 830)	2 808 965	-71%	Please see reasons under Note 33.2.9.3
	Purchase of Property, Plant and Equipment	(400 000)	(3 570 795)	(3 970 795)	(1 161 830)	2 808 965		
	Purchase of Intangible Assets	-	-	-	-	-		
<b>Net Cash from/(used) Investing Activities</b>		<b>(400 000)</b>	<b>(4 399 385)</b>	<b>(4 799 385)</b>	<b>(1 161 830)</b>	<b>3 637 555</b>	<b>-76%</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Increase (decrease) in consumer deposits		-	-	-	-	-	100%	Please see reasons under Note 33.2.10.1
<b>Payments</b>								
Repayment of Borrowing		-	-	-	(99 629)	(99 629)	100%	Please see reasons under Note 33.2.10.2
	Repayment of Finance leases	-	-	-	(99 629)	(99 629)		
<b>Net Cash from/(used) Financing Activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(99 629)</b>	<b>(99 629)</b>	<b>100%</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1 123 373</b>	<b>(14 650 199)</b>	<b>(13 526 826)</b>	<b>1 377 738</b>	<b>14 904 564</b>	<b>-110%</b>	
Cash and Cash Equivalents at the year begin:		7 997 601	3 311 484	11 309 085	11 309 086	1	0%	
Cash and Cash Equivalents at the year end:		<b>9 120 974</b>	<b>(11 338 715)</b>	<b>(2 217 741)</b>	<b>12 686 824</b>	<b>14 904 565</b>	<b>-672%</b>	

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



CENTRAL KAROO DISTRICT MUNICIPALITY  
APPROPRIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

2024

National Treasury Classification Format	GRAP Annual Financial Statement 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	Actual Outcome 2024	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>												
<b>Exchange Revenue</b>												
Rental from Fixed Assets	Rental from Fixed Assets	54 706	-	54 706	-	-	54 706	65 859	-	11 153	20%	20%
Interest earned from Current and Non Current Assets	Interest Earned - External Investments	1 147 727	563 784	1 711 511	-	-	1 711 511	1 704 944	-	(6 567)	0%	49%
Licences and Permits	Licences and Permits	19 184	29 793	48 977	-	-	48 977	55 263	-	6 286	13%	188%
Agency Services		6 666 000	-	6 666 000	-	-	6 666 000	-	-	(6 666 000)	-100%	-100%
Operational Revenue		62 440 892	1 022 893	63 463 785	-	-	63 463 785	72 986 579	-	9 522 794	15%	17%
	Operational Revenue	62 440 892	1 022 893	63 463 785	-	-	63 463 785	1 204 022	-	(62 259 763)	-98%	-98%
	Department of Transport - Roads Service Charges	-	-	-	-	-	-	65 781 515	-	65 781 515	-100%	-100%
	Straight Service Charge	-	-	-	-	-	-	6 001 042	-	6 001 042	-100%	-100%
Sales of Goods and Rendering of Services		154 062	(51 226)	102 836	-	-	102 836	-	-	(102 836)	-100%	-100%
<b>Non-Exchange Revenue</b>												
Transfer and subsidies - Operational	Government Grants and Subsidies (Operational only)	44 398 412	4 033 249	48 431 661	-	-	48 431 661	44 735 268	-	(3 696 393)	-8%	1%
Other Gains		-	-	-	-	-	-	1 036 154	-	1 036 154	-100%	-100%
	Actuarial Gains	-	-	-	-	-	-	985 922	-	985 922	-100%	-100%
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	-	-	-	-	-	-	-	-	0%	0%
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-	-	-	-	50 231	-	50 231	-100%	-100%
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>114 880 983</b>	<b>5 598 493</b>	<b>120 479 476</b>	<b>-</b>	<b>-</b>	<b>120 479 476</b>	<b>120 584 066</b>	<b>-</b>	<b>104 590</b>	<b>0%</b>	<b>5%</b>
Employee Related Costs	Employee Related Costs	60 704 437	829 220	61 533 657	-	-	61 533 657	67 828 847	(5 000 163)	6 295 190	10%	12%
Remuneration of Councillors	Remuneration of Councillors	5 308 074	(223 023)	5 085 051	-	-	5 085 051	4 974 967	110 084	(110 084)	-2%	-6%
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	-	-	-	-	-	-	-	-	0%	0%
Irrecoverable debts written off	Bad Debts Written Off	-	-	-	-	-	-	-	-	-	0%	0%
Depreciation and amortisation	Depreciation and Amortisation	734 000	92 800	826 800	-	-	826 800	789 451	(36 863)	(37 349)	-5%	8%
Interest	Finance Costs	1	-	1	-	-	1	842 743	(3 996)	842 742	84274217%	84274217%
Inventory consumed	Inventory consumed	19 624 436	(2 944 505)	16 679 931	-	-	16 679 931	14 105 844	2 117 694	(2 574 087)	-15%	-28%
Contracted Services	Contracted Services	6 575 852	4 583 113	11 158 965	-	-	11 158 965	10 887 037	(1 487 700)	(271 928)	-2%	66%
Transfers and Subsidies	Transfers and Subsidies	231 476	161 841	393 317	-	-	393 317	1 199 265	5 347	805 948	205%	418%
Operational Costs	Operational Costs	21 272 289	2 014 666	23 286 955	-	-	23 286 955	22 555 174	(1 575 683)	(731 781)	-3%	6%
Other Losses		-	-	-	-	-	-	-	-	-	0%	0%
Losses on Disposal of Assets	Loss on disposal of assets and liabilities	-	-	-	-	-	-	944	-	944	-100%	-100%
<b>Total Expenditure</b>		<b>114 450 565</b>	<b>4 514 112</b>	<b>118 964 677</b>	<b>-</b>	<b>-</b>	<b>118 964 677</b>	<b>123 184 272</b>	<b>(5 871 280)</b>	<b>4 219 595</b>	<b>4%</b>	<b>8%</b>
<b>Surplus/(Deficit)</b>		<b>430 418</b>	<b>1 084 381</b>	<b>1 514 799</b>	<b>-</b>	<b>-</b>	<b>1 514 799</b>	<b>(2 600 206)</b>	<b>-</b>	<b>(4 115 005)</b>	<b>-272%</b>	<b>-704%</b>
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	-	2 400 000	2 400 000	-	-	2 400 000	850 296	-	(1 549 704)	-65%	-100%
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	0%	0%
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 799</b>	<b>-</b>	<b>-</b>	<b>3 914 799</b>	<b>(1 749 910)</b>	<b>-</b>	<b>(5 664 709)</b>	<b>-145%</b>	<b>-507%</b>
Taxation		-	-	-	-	-	-	-	-	-	0%	0%
<b>Surplus/(Deficit) after Taxation</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 799</b>	<b>-</b>	<b>-</b>	<b>3 914 799</b>	<b>(1 749 910)</b>	<b>-</b>	<b>(5 664 709)</b>	<b>-145%</b>	<b>-507%</b>
Attributable to Minorities		-	-	-	-	-	-	-	-	-	0%	0%
<b>Surplus/(Deficit) Attributable to Municipality</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 799</b>	<b>-</b>	<b>-</b>	<b>3 914 799</b>	<b>(1 749 910)</b>	<b>-</b>	<b>(5 664 709)</b>	<b>-145%</b>	<b>-507%</b>
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-	-	0%	0%
<b>Surplus/(Deficit) for the year</b>		<b>430 418</b>	<b>3 484 381</b>	<b>3 914 799</b>	<b>-</b>	<b>-</b>	<b>3 914 799</b>	<b>(1 749 910)</b>	<b>-</b>	<b>(5 664 709)</b>	<b>-145%</b>	<b>-507%</b>



2024 (continued)

National Treasury Classification Format	GRAP Annual Financial Statement 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	Actual Outcome 2024	Unauthorised expenditure	Variance	Variance (Actual Outcome as % of Final Budget)	Variance (Actual Outcome as % of Original Budget)
<b>CAPITAL EXPENDITURE AND FUND SOURCES</b>												
<b>Total expenditure and funds sources</b>												
Total Capital expenditure		3 905 503	(1 726 066)	2 179 437	-	-	2 179 437	2 040 982	-	(138 455)	-6%	-48%
<b>Sources of capital funds</b>												
Transfers recognised - capital		600 000	1 305 937	1 905 937	-	-	1 905 937	1 057 389	-	(848 548)	-45%	76%
Transfers recognised - capital (Allocation in-kind)		-	-	-	-	-	-	879 152	-	879 152	-100%	-100%
Internally generated funds		305 503	(32 003)	273 500	-	-	273 500	104 441	(887 439)	(169 059)	-62%	-66%
<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>2 040 982</b>	<b>(887 439)</b>	<b>(138 455)</b>	<b>-6%</b>	<b>125%</b>
<b>CASHFLOWS</b>												
Net cash from / (used) in operating activities		1 523 373	(10 250 814)	(8 727 441)	-	-	(8 727 441)	2 639 196	-	11 366 637	-130%	73%
Net cash from / (used) in investing activities		(400 000)	(4 399 385)	(4 799 385)	-	-	(4 799 385)	(1 161 830)	-	3 637 555	-76%	190%
Net cash from / (used) in financing activities		-	-	-	-	-	-	(99 629)	-	(99 629)	-100%	-100%
<b>Net increase/(decrease) in cash and cash equivalents at year end</b>		<b>1 123 373</b>	<b>(14 650 199)</b>	<b>(13 526 826)</b>	<b>-</b>	<b>-</b>	<b>(13 526 826)</b>	<b>1 377 738</b>	<b>-</b>	<b>14 904 564</b>	<b>-110%</b>	<b>23%</b>
Cash and cash equivalents at the beginning of the year		7 997 601	3 311 484	11 309 085	-	-	11 309 085	11 309 086	-	1	0%	41%
<b>Cash and cash equivalents at the end of the year</b>		<b>9 120 974</b>	<b>(11 338 715)</b>	<b>(2 217 741)</b>	<b>-</b>	<b>-</b>	<b>(2 217 741)</b>	<b>12 686 824</b>	<b>-</b>	<b>14 904 565</b>	<b>-672%</b>	<b>39%</b>





2023

National Treasury Classification Format	GRAP Annual Financial Statement 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 2023	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
<b>FINANCIAL PERFORMANCE</b>												
Rental from Fixed Assets		50 000	50 000	100 000	-	-	100 000	96 190	-	(3 810)		
	Rental from Fixed Assets	50 000	50 000	100 000	-	-	100 000	96 190	-	(3 810)		
Interest earned from Current and Non Current Assets		1 049 000	300 000	1 349 000			1 349 000	1 298 247		(50 753)		
Licences and Permits		18 358	5 000	23 358			23 358	47 241		23 883		
Agency Services		6 657 600	192 000	6 849 600			6 849 600	-		(6 849 600)		
Transfer and subsidies - Operational	Government Grants and Subsidies (Operational only)	43 772 740	1 650 179	45 422 919			45 422 919	41 068 976		(4 353 943)		
Other Revenue		58 538 271	432 458	58 970 729			58 970 729	66 217 836		7 247 107		
	Operational Revenue	58 538 271	432 458	58 970 729			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	Sales of Goods and Rendering of Services	147 459	(147 459)	-	-	-	-	-		-		
Other Gains		-	-	-	-	-	-	2 569 768	-	2 569 768		
	Actuarial Gains							2 564 230		2 564 230		
	Reversal of Impairment Loss on receivables							-		-		
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value							5 538		5 538		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>110 233 428</b>	<b>2 482 178</b>	<b>112 715 606</b>	<b>-</b>	<b>-</b>	<b>112 715 606</b>	<b>111 298 257</b>	<b>-</b>	<b>(1 417 349)</b>		
Employee Related Costs		53 312 860	2 638 530	55 951 390			55 951 390	62 423 233		6 471 843		
Remuneration of Councillors		4 851 478	(20 000)	4 831 478			4 831 478	4 829 376		(2 102)		
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	-	-			-	-		-		
Irrecoverable debts written off	Bad Debts Written Off	78 675	-	78 675			78 675	89 823		11 148		
Depreciation and Asset Impairment	Depreciation and Amortisation	811 660	-	811 660			929 360	973 691		44 331		
Finance Charges	Finance Costs	-	-	-			-	834 165		834 165		
Inventory consumed		11 935 850	-	11 935 850			(755 377)	11 180 473	12 599 317	1 418 844		
Contracted Services		10 077 590	-	10 077 590			(375 602)	9 701 988	9 491 206	(210 782)		
Transfers and Subsidies		2 893 000	-	2 893 000			19 796	2 912 796	1 532 684	(1 380 112)		
Operational costs	Operational Costs	19 417 600	1 733 942	21 151 542			993 483	22 145 025	22 820 349	675 324		
Losses on Disposal of Assets	Loss on disposal of assets and liabilities	-	-	-	-	-	-	1 935 520		1 935 520		
Other Losses		-	-	-	-	-	-	-		-		
<b>Total Expenditure</b>		<b>103 378 713</b>	<b>4 352 472</b>	<b>107 731 185</b>	<b>-</b>	<b>-</b>	<b>107 731 185</b>	<b>117 529 365</b>	<b>6 113 285</b>	<b>9 798 180</b>		
<b>Surplus/(Deficit)</b>		<b>6 854 715</b>	<b>(1 870 294)</b>	<b>4 984 421</b>	<b>-</b>	<b>-</b>	<b>4 984 421</b>	<b>(6 231 108)</b>		<b>(11 215 529)</b>		
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	-	-	-			-	1 925 000		1 925 000		
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment	-	-	-			-	-		-		
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>6 854 715</b>	<b>(1 870 294)</b>	<b>4 984 421</b>	<b>-</b>	<b>-</b>	<b>4 984 421</b>	<b>(4 306 108)</b>		<b>(9 290 529)</b>		
Taxation		-	-	-			-	-		-		
<b>Surplus/(Deficit) after Taxation</b>		<b>6 854 715</b>	<b>(1 870 294)</b>	<b>4 984 421</b>	<b>-</b>	<b>-</b>	<b>4 984 421</b>	<b>(4 306 108)</b>		<b>(9 290 529)</b>		
Attributable to Minorities		-	-	-			-	-		-		
<b>Surplus/(Deficit) Attributable to Municipality</b>		<b>6 854 715</b>	<b>(1 870 294)</b>	<b>4 984 421</b>	<b>-</b>	<b>-</b>	<b>4 984 421</b>	<b>(4 306 108)</b>		<b>(9 290 529)</b>		
Share of Surplus/(Deficit) of Associate		-	-	-			-	-		-		
<b>Surplus/(Deficit) for the year</b>		<b>6 854 715</b>	<b>(1 870 294)</b>	<b>4 984 421</b>	<b>-</b>	<b>-</b>	<b>4 984 421</b>	<b>(4 306 108)</b>		<b>(9 290 529)</b>		



2023 (continued)

National Treasury Classification Format	GRAP Annual Financial Statement 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 2023	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
<b>CAPITAL EXPENDITURE AND FUND SOURCES</b>												
<b>Total expenditure and funds sources</b>												
Total Capital expenditure		2 715 500	-	2 715 500	-	-	2 715 500	1 038 900	-	(1 676 600)		
<b>Sources of capital funds</b>												
Transfers recognised - capital		600 000	880 000	1 480 000	-	-	1 480 000	1 997 880	-	517 880		
Internally generated funds		2 115 500	(880 500)	1 235 000	-	-	1 235 000	154 573	-	(1 080 427)		
<b>Total sources of capital funds</b>		<b>2 715 500</b>	<b>(500)</b>	<b>2 715 000</b>	<b>-</b>	<b>-</b>	<b>2 715 000</b>	<b>2 152 453</b>	<b>-</b>	<b>(562 547)</b>		
<b>CASHFLOWS</b>												
Net cash from / (used) in operating activities		2 312 120	(262 120)	2 050 000	-	-	2 050 000	(581 512)	-	(2 631 512)		
Net cash from / (used) in investing activities		(2 708 860)	-	(2 708 860)	-	-	(2 708 860)	(874 348)	-	1 834 512		
Net cash from / (used) in financing activities		-	-	-	-	-	-	(141 015)	-	(141 015)		
<b>Net increase/(decrease) in cash and cash equivalents at year end</b>		<b>(396 740)</b>	<b>(262 120)</b>	<b>(658 860)</b>	<b>-</b>	<b>-</b>	<b>(658 860)</b>	<b>(1 596 874)</b>	<b>-</b>	<b>(938 014)</b>		
Cash and cash equivalents at the beginning of the year		11 470 440	-	11 470 440	-	-	11 470 440	12 905 965	-	1 435 525		
<b>Cash and cash equivalents at the end of the year</b>		<b>11 073 700</b>	<b>(262 120)</b>	<b>10 811 580</b>	<b>-</b>	<b>-</b>	<b>10 811 580</b>	<b>11 309 091</b>	<b>-</b>	<b>497 511</b>		



## **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.

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 annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### **1.3 Comparative information**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a Standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed.

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

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



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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.

#### **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.



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**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 103	<p><b><u>Heritage assets</u></b></p> <p>There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting.</p> <p>The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No impact is expected since the Municipality does not have any Heritage Assets.</p>	Unknown
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> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2025
<b>GRAP 1: Going concern</b>	<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 statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure.</p> <p>The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown



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REFERENCE	TOPIC	EFFECTIVE DATE
<b>Improvement to GRAP standards (2023)</b>	<p><b><u>Improvement to GRAP standards (2023)</u></b></p> <p>The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
<b>GRAP 105, GRAP 106 and GRAP 107 (amendments)</b>	<p><b><u>Transfer of Functions and Mergers</u></b></p> <p>The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p>	Unknown
<b>Guideline</b>	<p><b><u>Application of Materiality of Financial Statements</u></b></p> <p>The guideline is not authoritative but only encouraged.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	No effective date as only encouraged
<b>iGRAP 22</b>	<p><b><u>Foreign Currency Transactions and Advanced Consideration</u></b></p> <p>The interpretation is to provide guidance on determining the transaction date for purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.</p> <p>Early adoption of the Interpretation is encouraged.</p> <p>No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.</p>	1 April 2025

## 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 disclosure of finance liabilities and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

### **Municipality as Lessor**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments (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 the disclosure of financial assets, 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.

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

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

### **Long Service Awards**

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the net defined benefit 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 net interest 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 net defined benefit 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 net interest 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.



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.

Accumulated leave is vesting.

### **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.

The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

## **1.16 Property, Plant and Equipment**

### **Initial Recognition**

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

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

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

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

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

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

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.

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**

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

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

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

<b>Classification</b>	<b>Years</b>
<b>Land and Buildings</b>	
Land	Indefinite
Buildings (Civic and Other)	100
<b>Other Assets</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>Leased Assets</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.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.



### **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.

## **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.

The cost of the intangible asset includes the purchase price and any cost incurred to prepare the asset for its intended use.

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;
- the municipality has the ability to use or sell the intangible asset;
- 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. Where an intangible asset is acquired through a non-exchange transaction it is measured fair value.



### **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:

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

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

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting 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;
- 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.



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

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

a) External sources of information

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

b) Internal sources of information

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

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

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

- depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- service unit approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually





determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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

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

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

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

## **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 per 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 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.

### **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.

The municipality considers the following as indicators:

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

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

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

### **Derecognition**

The Municipality derecognises a statutory receivable when:

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

Any difference between consideration received and amounts derecognised/recognised is recognised in surplus and deficit.

## **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.

Government grants and subsidies received, or receivable, are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability



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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.

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

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 arising from legislation is recognised in accordance with the approved tariff.



### **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.

Revenue from the services rendered is recognised when:

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

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

Interest revenue is recognised using the effective interest rate method.

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

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

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

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

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

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

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively



constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

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

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

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

### **1.23 Related parties**

A related party is a person or an entity:

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

The following are regarded as related parties of the Municipality:

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

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

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

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

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





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- 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 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 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 and assets.

#### **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 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.

### **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.

Commitments are disclosed in the notes inclusive of VAT.

### **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.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

### **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 2024

	Cost									Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Correction of Error	Opening Residual Value	Additions Residual Value	Closing Residual Value	Additions	WIP Additions	Disposals	Closing Balance	Opening Balance	Correction of Error OB	Depreciation	Disposals	Closing Balance	
<b>Other Assets</b>															
Land	1 211 650	-	-	-	-	-	-	-	1 211 650	-	-	-	-	-	1 211 650
Buildings	6 683 776	-	-	-	-	879 152	-	-	7 562 928	2 591 215	-	96 398	-	2 687 613	4 875 315
Machinery and Equipment	670 760	-	-	-	-	275 981	-	-	946 741	518 684	-	50 176	-	568 859	377 882
Furniture and Office Equipment	2 229 089	-	-	-	-	36 812	-	(2 269)	2 263 631	1 233 735	-	165 016	(1 325)	1 397 427	866 205
Transport Assets	2 743 654	-	130 000	105 000	235 000	528 579	-	-	3 507 233	2 032 120	-	226 799	-	2 258 919	1 248 314
Computer Equipment	1 759 643	-	-	-	-	215 459	-	-	1 975 102	568 952	-	177 598	-	746 551	1 228 551
	15 298 573	-	130 000	105 000	235 000	1 935 982	-	(2 269)	17 467 286	6 944 706	-	715 987	(1 325)	7 659 368	9 807 917
<b>Leases</b>															
Furniture and Office Equipment	413 988	-	-	-	-	-	-	(413 988)	-	354 712	-	59 275	(413 988)	-	-
	413 988	-	-	-	-	-	-	(413 988)	-	354 712	-	59 275	(413 988)	-	-
<b>Total</b>	<b>15 712 561</b>	<b>-</b>	<b>130 000</b>	<b>105 000</b>	<b>235 000</b>	<b>1 935 982</b>	<b>-</b>	<b>(416 257)</b>	<b>17 467 286</b>	<b>7 299 418</b>	<b>-</b>	<b>775 262</b>	<b>(415 313)</b>	<b>7 659 368</b>	<b>9 807 917</b>

2.2 30 JUNE 2023

	Cost									Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Correction of Error (OB)	Opening Residual Value	Disposals Residual Value	Closing Residual Value	Additions	WIP Additions	Disposals	Closing Balance	Opening Balance	Correction of Error (OB)	Depreciation	Disposals	Closing Balance	
<b>Other Assets</b>															
Land	1 207 650	4 000	-	-	-	-	-	-	1 211 650	-	-	-	-	-	1 211 650
Buildings	5 940 333	743 443	-	-	-	-	-	-	6 683 776	2 444 898	62 241	84 076	-	2 591 215	4 092 561
Machinery and Equipment	735 810	190	-	-	-	-	-	(65 240)	670 760	485 481	-	99 036	(65 834)	518 684	152 077
Furniture and Office Equipment	2 486 075	9 417	-	-	-	201 927	-	(468 331)	2 229 089	1 518 440	-	170 821	(455 526)	1 233 735	995 354
Transport Assets	4 846 610	-	240 000	(110 000)	130 000	-	-	(2 102 955)	2 873 654	1 957 466	-	374 867	(300 213)	2 032 120	841 535
Computer Equipment	1 385 892	27 205	-	-	-	768 722	-	(422 175)	1 759 643	843 305	-	137 255	(411 608)	568 952	1 190 691
	16 602 369	784 255	240 000	(110 000)	130 000	970 650	-	(3 058 701)	15 428 573	7 249 591	62 241	866 055	(1 233 181)	6 944 706	8 483 867
<b>Leases</b>															
Furniture and Office Equipment	413 988	-	-	-	-	-	-	-	413 988	266 242	-	88 470	-	354 712	59 275
	413 988	-	-	-	-	-	-	-	413 988	266 242	-	88 470	-	354 712	59 275
<b>Total</b>	<b>17 016 357</b>	<b>784 255</b>	<b>240 000</b>	<b>(110 000)</b>	<b>130 000</b>	<b>970 650</b>	<b>-</b>	<b>(3 058 701)</b>	<b>15 842 561</b>	<b>7 515 833</b>	<b>62 241</b>	<b>954 526</b>	<b>(1 233 181)</b>	<b>7 299 418</b>	<b>8 543 142</b>



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<b>2.</b>	<b>PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>	<b>2024</b>	<b>2023</b>	
		<b>R</b>	<b>R</b>	
<b>2.3</b>	<b>Property, Plant and Equipment which is in the process of being constructed or developed:</b>			
	Other Assets			
	Transport assets	-	-	
	Office equipment	-	25 421	
	<b>Total Property, Plant and Equipment under construction</b>	<b>-</b>	<b>25 421</b>	
		<b>2024</b>	<b>2023</b>	
		<b>R</b>	<b>R</b>	
	The movements for the year can be reconciled as follows:			
	Balance at beginning of year	25 421	2 023 301	
	Expenditure during the year	-	-	
	Assets unbundled during the year	(25 421)	(1 997 880)	
	Impairment recognised during the year	-	-	
	<b>Balance at end of year</b>	<b>-</b>	<b>25 421</b>	
<b>2.4</b>	<b>Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>			
	No property, plant and equipment is taking a significantly longer period of time to complete than was expected.			
<b>2.5</b>	<b>Property, Plant and Equipment where construction or development has been halted:</b>			
	No Property, plant and equipment's construction has been halted either in the current or prior period.			
		<b>2024</b>	<b>2023</b>	
		<b>R</b>	<b>R</b>	
<b>2.6</b>	<b>Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>			
	Inventory Consumed	12 125	707	
	Contracted Services	115 151	102 575	
	Operational Costs	7 019	15 769	
	<b>Total Repairs and Maintenance</b>	<b>134 294</b>	<b>119 052</b>	
		<b>2024</b>	<b>2023</b>	
		<b>R</b>	<b>R</b>	
<b>2.7</b>	<b>Assets pledged as security:</b>			
	Leased Property, Plant and Equipment of R0 (2024) and R 240 644 (2023) were secured for leases as set out in Note 8.			
<b>2.8</b>	<b>Effect of changes in accounting estimates</b>			
	The useful lives of certain plant and equipment were estimated in 2023/2024 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:			
		<b>2024</b>	<b>2025</b>	<b>2026</b>
		<b>R</b>	<b>R</b>	<b>R</b>
	<b>Effect on Property, plant and equipment</b>			
	Computer Equipment	(4 619)	2 310	2 310
	Furniture and office equipment	(6 695)	3 251	3 444
	Machinery and Equipment	(20 574)	10 287	10 287
		<b>(31 888)</b>	<b>15 848</b>	<b>16 040</b>



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

	2024 R	2023 R
<b>2.9 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	2 378 876	633 579
Transport Assets	2 378 876	633 579
<b>Total</b>	<b>2 378 876</b>	<b>633 579</b>
	<b>2024 R</b>	<b>2023 R</b>
This expenditure will be financed from:		
Government Grants	2 378 876	633 579
<b>Total</b>	<b>2 378 876</b>	<b>633 579</b>

**2.10 General**

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.

	2024 R	2023 R
<b>3. INTANGIBLE ASSETS</b>		
<b>3.1 Net Carrying amount at 1 July</b>	<b>62 218</b>	<b>47 259</b>
Cost	172 520	138 395
Accumulated Amortisation	(110 302)	(91 136)
Additions	-	34 125
Amortisation	(14 189)	(19 166)
Disposals	-	-
Amortisation written back on disposal	-	-
Impairment Loss/ Reversal of Impairment Loss	-	-
<b>Net Carrying amount at 30 June</b>	<b>48 029</b>	<b>62 218</b>
Cost	172 520	172 520
Accumulated Amortisation	(124 491)	(110 302)

**3.2 Intangible Assets which is in the process of being constructed or developed:**

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

**3.3 Intangible Assets that is taking a significantly longer period of time to complete than expected:**

There are no Intangible assets taking a significantly longer period of time to complete.

**3.4 Intangible Assets where construction or development has been halted:**

There are no Intangible assets where construction or development has been halted.

	2024 R	2023 R
<b>3.5 Material Intangible Assets included in the carrying value:</b>		
<u>Description</u>		
Microsoft software and other software	48 029	62 218





**3. INTANGIBLE ASSETS (CONTINUED)**

**3.6 Effect of changes in accounting estimates**

The useful lives of certain Intangible assets were estimated in 2023/2024 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:

	2024 R	2025 R	2026 R
Computer Software and applications	(6 901)	2 592	4 309

**3.7 General**

No intangible asset were assessed as 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.

	2024 R	2023 R
<b>4. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Employee Benefits - At amortised cost		
Department of Transport: Roads - Post Employment Health Care Benefits	5 752 000	5 296 000
Department of Transport: Roads - Long Service Awards	1 799 000	1 779 000
	<b>7 551 000</b>	<b>7 075 000</b>
<b>Less:</b> Current portion transferred to the Current Portion of Non-Current Receivables	<b>(570 701)</b>	<b>(531 100)</b>
Department of Transport: Roads - Post Employment Health Care Benefits	(391 477)	(366 100)
Department of Transport: Roads - Long Service Awards	(179 224)	(165 000)
	6 980 299	6 543 900
<b>Total Non-Current Receivables from Non-Exchange Transactions</b>	<b>6 980 299</b>	<b>6 543 900</b>
	<b>2024 R</b>	<b>2023 R</b>

**5. INVENTORY**

Maintenance Materials - At cost

**Total Inventory**

1 585 907	1 556 651
<b>1 585 907</b>	<b>1 556 651</b>

	2024 R	2023 R
<b>5.1 Inventories recognise as an expense during the year:</b>		
Maintenance Materials - At cost	14 105 844	12 599 317
<b>Total</b>	<b>14 105 844</b>	<b>12 599 317</b>

	2024 R	2023 R
<b>5.2 Inventories write-down to Net Replacement Value (NRV):</b>		
Maintenance Materials - At cost	50 231	5 538
<b>Total</b>	<b>50 231</b>	<b>5 538</b>

No inventories were pledged as security for liabilities.



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	2024 R	2023 R
<b>6. RECEIVABLES</b>		
<b>6.1 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Department of transport and public works	4 734 596	4 301 432
Rental Debtors	7 878	3 543
	4 742 474	4 304 975
<b>Less:</b> Provision for Debt Impairment	-	-
<b>Total Receivables from exchange transactions</b>	<b>4 742 474</b>	<b>4 304 975</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><u>Ageing of amounts past due but not impaired:</u></b>		
Current (0 - 30 days)	4 742 474	4 304 975
1 month past due	-	-
2+ months past due	-	-
	<b>4 742 474</b>	<b>4 304 975</b>

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.

	2024 R	2023 R
<b>6.2 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Other Receivables	594 081	1 110 493
	594 081	1 110 493
<b>Less:</b> Provision for Debt Impairment	-	-
<b>Total Receivables from non-exchange transactions</b>	<b>594 081</b>	<b>1 110 493</b>
Balance previously reported		1 138 375
Correction of error - note 30		(27 883)
		<b>1 110 493</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><u>Ageing of amounts past due but not impaired:</u></b>		
Current (0 - 30 days)	228 134	527 305
1 month past due	10 144	1 063
2+ months past due	355 804	582 126
	<b>594 081</b>	<b>1 110 493</b>

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.



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	2024 R	2023 R
<b>7. CASH AND CASH EQUIVALENTS</b>		
<b>7.1 <u>Cash and Cash Equivalents</u></b>		
Current Accounts	1 484 757	1 807 530
Call Deposits and Investments	11 200 686	9 500 263
Cash On-hand	1 380	1 293
<b>Total Cash and Cash Equivalents - Assets</b>	<b>12 686 824</b>	<b>11 309 086</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.

	2024 R	2023 R
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
ABSA Bank Account Number 1540000014 (Cheque account):	133 889	1 447 183
First National Bank Account number 62062151429 (Cheque account):	270 016	197 655
Nedbank Account number 1178835510 (Cheque account):	1 080 852	162 692
	<b>1 484 757</b>	<b>1 807 530</b>

	2024 R	2023 R
<b><u>Call Deposits and Investments</u></b>		
Nedbank 03/7881114568	47 305	43 605
Nedbank 03/7881125551	2 647 543	2 437 785
Nedbank 03/7881121858	995 600	917 726
Nedbank 03/7881150777	1 802 882	1 661 864
Nedbank 03/7881151625	5 672 493	4 407 130
First Rand Bank Limited 62 835 272 361	34 864	32 153
	<b>11 200 686</b>	<b>9 500 263</b>

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

	2024 R	2023 R
<b><i>ABSA Bank Account Number 1540000014 (Cheque account):</i></b>		
Cash book balance at beginning of year	1 447 183	285 262
Cash book balance at end of year	133 889	1 447 183
Bank statement balance at beginning of year	1 447 183	285 262
Bank statement balance at end of year	133 889	1 447 183

	2024 R	2023 R
<b><i>First National Bank Account number 62062151429 (Cheque account):</i></b>		
Cash book balance at beginning of year	197 655	127 563
Cash book balance at end of year	270 016	197 655
Bank statement balance at beginning of year	197 655	127 563
Bank statement balance at end of year	270 016	197 655

	2024 R	2023 R
<b><i>Nedbank Account number 1178835510 (Cheque account):</i></b>		
Cash book balance at beginning of year	162 692	4 801 891
Cash book balance at end of year	1 080 852	162 692
Bank statement balance at beginning of year	159 276	4 798 475
Bank statement balance at end of year	1 077 437	159 276



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	2024 R	2023 R
<b>8. LONG-TERM BORROWINGS</b>		
Capitalised Lease Liability - At amortised cost	-	99 629
	-	<b>99 629</b>
<b>Less:</b> Current Portion transferred to Current Liabilities	-	<b>(99 629)</b>
Capitalised Lease Liability - At amortised cost	-	(99 629)
	-	-
<b>Total Long-term Borrowings</b>	-	-

	2024 R	2023 R
<b>8.1</b> The obligations under finance leases are scheduled below:		
		<b>Minimum payments</b>
Amounts payable under finance leases:		
Payable within one year	-	102 262
Payable within two to five years	-	-
	-	102 262
<b>Less:</b> Future finance obligations	-	<b>(2 633)</b>
<b>Present value of finance lease obligations</b>	-	<b>99 629</b>

The capitalised lease liability consisted out of the following contracts until 28 February 2024:

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 were secured during the year until disposal by property, plant and equipment - Note 2

	2024 R	2023 R
<b>9 NON-CURRENT EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Health Care Benefits	10 886 000	10 894 000
Provision for Long Service Awards	2 395 000	2 279 000
<b>Total Non-current Employee Benefits</b>	<b>13 281 000</b>	<b>13 173 001</b>
	<b>2024 R</b>	<b>2023 R</b>
<b><u>Post Retirement Health Care Benefits</u></b>		
Balance 1 July	11 703 000	13 371 000
Contribution for the year	271 000	308 000
Interest cost	1 355 000	1 403 000
Expenditure (Benefits paid) for the year	(822 891)	(859 032)
Actuarial Loss/(Gain)	(825 109)	(2 519 968)
<b>Total provision 30 June</b>	<b>11 681 000</b>	<b>11 703 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 11	(795 000)	(809 000)
<b>Balance 30 June</b>	<b>10 886 000</b>	<b>10 894 000</b>



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

	2024	2023
	R	R
<b><u>Long Service Awards</u></b>		
Balance 1 July	2 655 000	2 350 000
Contribution for the year	247 000	239 000
Interest cost	284 000	240 000
Expenditure (Benefits paid) for the year	(365 187)	(129 738)
Actuarial Loss/(Gain)	(160 813)	(44 262)
<b>Total provision 30 June</b>	<b>2 660 000</b>	<b>2 655 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 11	(265 000)	(376 000)
<b>Balance 30 June</b>	<b>2 395 000</b>	<b>2 279 000</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>

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

The valuation of the post retirement health care benefit considers all current employees, retirees and their dependants whose participation in the health care arrangements entitles them to a post-employment medical aid subsidy.

This post-employment health care benefit does not have a plan asset in place to meet the defined benefit obligation. It is thus not a funded arrangement.

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	30	34
In-service (employee) non-members	124	111
Continuation (retiree and surviving dependents) members	17	19
<b>Total Members</b>	<b>171</b>	<b>164</b>

Eligible employees will receive a post-employment subsidy of 70% of the contributions payable should they be a member of a medical scheme and have at least ten years of service at retirement.

Continuation members and their eligible dependants will receive a 70% subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum subsidy was assumed to be R 5,541 per principal member per month for the year ending 30 June 2025, and has been assumed to increase annually on 1 July at 75% of salary inflation.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

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

Bonitas  
LA Health  
SAMWU Medical Aid

	2024	2023
	R	R
The defined benefit obligation was estimated to be as follows:		
In-service (employee) members	3 206 000	2 728 000
In-service (employee) non-members	1 076 000	972 000
Continuation (retiree and surviving dependents) members	7 399 000	8 003 000
<b>Total Liability</b>	<b>11 681 000</b>	<b>11 703 000</b>

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

	2022	2021	2020
	R	R	R
<b>Total Liability</b>	<b>13 371 000</b>	<b>13 020 000</b>	<b>12 772 000</b>

The Projected Unit Credit Method has been used to value the defined benefit obligation.



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

**Key Assumptions**

**(i) Key Financial Assumptions**

**Rate of interest**

Discount rate  
CPI (Consumer Price inflation)  
Medical aid contribution inflation rate  
Net discount rate (medical aid contributions)

2024 %	2023 %
11.78%	11.98%
5.83%	6.24%
7.33%	7.74%
4.15%	3.94%

GRAP 25 defines the determination of the Discount rate assumption to be used as follows:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment DBO. However, where there is no deep market in government bonds with sufficiently long maturity to match the estimated term of the benefit payments, current market rates of appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.78% per annum has been used. The corresponding index-linked yield at this term is 5.15%. 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 26 June 2024.

**(ii) Demographic Assumptions**

**Mortality during employment**

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

**Post-Employment Mortality**

PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010.

**Termination of Service**

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined Benefit Obligation in respect of that employee ceases.

**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.

**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.

**Proportion of Eligible In-Service Non-Members Joining a Scheme by Retirement**

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

**Family Profile**

It has been assumed that female spouses will be four years younger than their male counterparts. Furthermore, we've assumed that 60% of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

**iii) Plan Asset**

There are no long-term assets set aside off balance-sheet in respect of the Municipality's post-employment health care DBO.



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

	2024 R	2023 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	11 703 000	13 371 000
Total expenses	803 109	851 968
Current service cost	271 000	308 000
Interest Cost	1 355 000	1 403 000
Benefits Paid	(822 891)	(859 032)
Actuarial (gains)/losses	(825 109)	(2 519 968)
Demographic assumptions	-	-
Financial assumptions	(241 000)	(1 568 000)
Experience adjustments	(584 109)	(951 968)
Present value of fund obligation at the end of the year	<u>11 681 000</u>	<u>11 703 000</u>
Transfer to current portion - Note 11	(795 000)	(809 000)
Total Non-current portion of fund obligation	<u>10 886 000</u>	<u>10 894 000</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2024**

Assumption	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)
Central Assumptions	<u>4.282</u>	<u>7.399</u>	<u>11.681</u>

The effect of movements in the **assumptions** are as follows:

Assumption	Change	Eligible Employees Rm	Continuation members Rm	Total liability Rm	% Change
Medical aid contribution inflation rate	+1%	4.716	7.826	12.542	7%
Medical aid contribution inflation rate	-1%	3.787	6.936	10.723	-8%
Discount rate	+1%	3.690	6.882	10.572	-9%
Discount rate	-1%	5.020	7.993	13.013	11%
Post-employment mortality	+1 year	4.188	7.169	11.357	-3%
Post-employment mortality	-1 year	4.372	7.628	12.000	3%
Average retirement age	-1 year	4.646	7.399	12.045	3%
Membership continuation	-10%	3.734	7.399	11.133	-5%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2024.

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025**

Assumption	Current Service Cost R	Interest Cost R	Total R
Central Assumptions	<u>283 000</u>	<u>1 330 000</u>	<u>1 613 000</u>

The effect of movements in the **assumptions** are as follows:

Assumption	Change	Current Service Cost R	Interest Cost R	Total Cost R	% Change
Medical aid contribution inflation rate	+1%	315 000	1 432 000	1 747 000	8%
Medical aid contribution inflation rate	-1%	245 000	1 218 000	1 463 000	-9%
Discount rate	+1%	239 000	1 302 000	1 541 000	-4%
Discount rate	-1%	341 000	1 361 000	1 702 000	6%
Post-employment mortality	+1 year	277 000	1 292 000	1 569 000	-3%
Post-employment mortality	-1 year	289 000	1 368 000	1 657 000	3%
Average retirement age	-1 year	287 000	1 373 000	1 660 000	3%
Membership continuation	-10%	247 000	1 266 000	1 513 000	-6%

**Experience adjustments** were calculated as follows:

	2024 Rm	2023 Rm
DBO: (gain) / loss	(0.584)	(0.952)
Plan assets: gain / (loss)	-	-



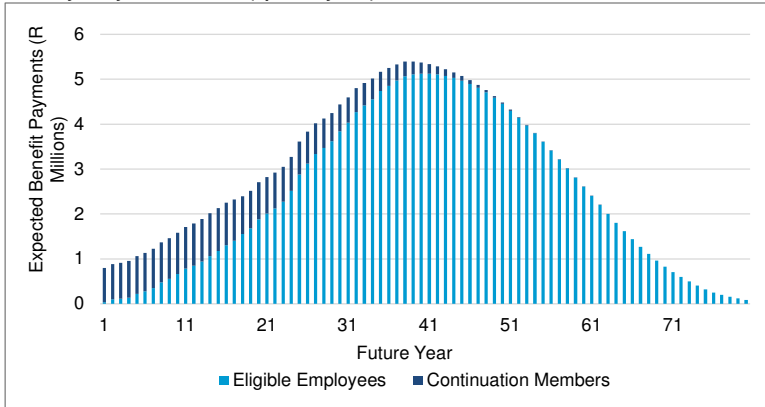
**9 NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)**

**Maturity Analysis**

The following figure shows the DBO's maturity analysis (undiscounted expected benefit payments) for the next 80 years. The benefit payments that are expected to occur thereafter are relatively insignificant and thus add little information to the graph.

Current continuation members' expected benefit payments are shown in a darker colour. The post-employment expected benefit payments of eligible employees currently in active service is displayed in a lighter shade.

**Maturity analysis of the DBO (up to 80 years)**



Year	Future year	Expected benefits vesting R (m)
2025	1	0.795
2026	2	0.881
2027	3	0.913
2028	4	0.953
2029	5	1.058
2030 - 2034	6-10	6.767
2035 - 2039	11-15	9.528
2040 - 2044	16-20	12.193
2045 - 2049	21-25	15.669
2050 - 2054	26-30	20.664
2055 - 2064	31-40	51.230
2065 - 2074	41-50	49.791
2075 - 2084	51-60	34.938
2085 - 2094	61-70	15.633
2095 - 2104	71-80	3.337

**9.2 Provision for Long Service Awards**

This valuation considers all employees eligible for long service awards (LSA).

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:**

	2024 R	2023 R
Roads	108	107
Non-Roads	46	38
<b>Total Eligible employees</b>	<b>154</b>	<b>145</b>

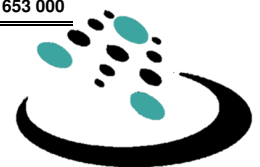
The unfunded liability in respect of past service has been estimated as follows:

Present value of fund obligations	<b>2 660 000</b>	<b>2 665 000</b>
-----------------------------------	------------------	------------------

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

	2022 R	2021 R	2020 R
<b>Total Liability</b>	<b>2 350 000</b>	<b>2 556 000</b>	<b>2 653 000</b>

The Projected Unit Credit Method has been used to value the defined benefit obligation.





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

**Key Assumptions**

**(i) Key Financial assumptions**

**Rate of interest**

Discount rate	11.10%	11.49%
CPI Inflation rate	5.24%	5.80%
General earnings Inflation rate (long-term)	6.24%	6.80%
Net discount rate	4.58%	4.39%

	2024 %	2023 %
	11.10%	11.49%
	5.24%	5.80%
	6.24%	6.80%
	4.58%	4.39%

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

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the DBO. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.10% 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 5.10%. 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 26 June 2024. The duration of the total liability was estimated to be 9 years.

**ii) Demographic Assumptions**

**Promotional Earnings Scale**

The annual escalation rates below are in addition to the general earnings inflation assumption of 6.24% per annum for all employees.

**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.

**Termination of Service**

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined Benefit Obligation in respect of that employee ceases.

**Mortality during Employment**

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.

**iii) Plan Asset**

Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the LSA DBO.

	2024 R	2023 R
<b><u>Reconciliation of present value of fund obligation:</u></b>		
Present value of fund obligation at the beginning of the year	2 655 000	2 350 000
Total expenses	165 813	349 262
Current service cost	247 000	239 000
Interest Cost	284 000	240 000
Benefits Paid	(365 187)	(129 738)
Actuarial (gains)/losses	(160 813)	(44 262)
Demographic assumptions	-	-
Financial assumptions	(24 000)	(172 000)
Experience adjustments	(136 813)	127 738
Present value of fund obligation at the end of the year	<b>2 660 000</b>	<b>2 655 000</b>
Transfer to current portion - Note 11	(265 000)	(376 000)
Total Non-current portion of fund obligation	<b>2 395 000</b>	<b>2 279 000</b>



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

**Sensitivity Analysis on the Accrued Liability on 30 June 2024**

	<b>Total liability (Rm)</b>
<b>Assumption</b>	
Central Assumptions	<b>2,660,000</b>

	<b>Change</b>	<b>Liability (Rm)</b>	<b>% Change</b>
<b>Assumption</b>			
General earnings inflation rate	+1%	2,810,000	6%
General earnings inflation rate	-1%	2,523,000	-5%
Discount rate	+1%	2,521,000	-5%
Discount rate	-1%	2,814,000	6%
Average retirement age	+2 yrs	3,083,000	16%
Average retirement age	-2 yrs	2,412,000	-9%
Rates of termination of service	x2	2,195,000	-17%
Rates of termination of service	x0.5	2,981,000	12%

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025**

	<b>Current Service Cost</b>	<b>Interest Cost</b>	<b>Total</b>
	<b>R</b>	<b>R</b>	<b>R</b>
<b>Assumption</b>			
Central Assumptions	<b>264 000</b>	<b>281 000</b>	<b>545 000</b>

The effect of movements in the assumptions are as follows:

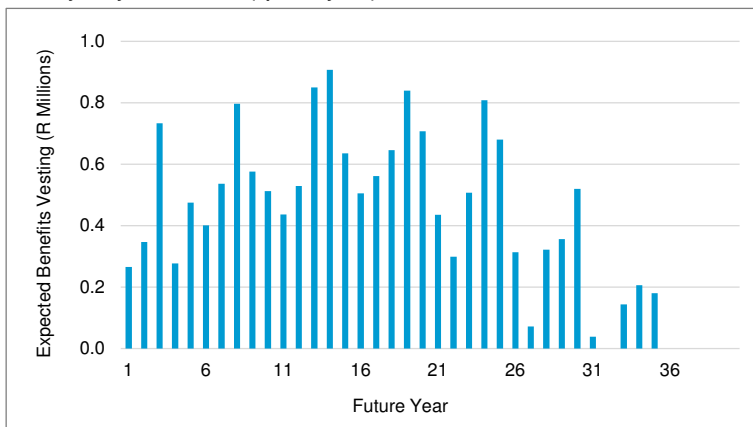
	<b>Change</b>	<b>Current Service Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% change</b>
		<b>R</b>	<b>R</b>	<b>R</b>	
<b>Assumption</b>					
General earnings inflation rate	+1%	285 000	298 000	583 000	7%
General earnings inflation rate	-1%	245 000	266 000	511 000	-6%
Discount rate	+1%	247 000	290 000	537 000	-1%
Discount rate	-1%	282 000	271 000	553 000	1%
Average retirement age	+2 years	291 000	327 000	618 000	13%
Average retirement age	-2 years	245 000	254 000	499 000	-8%
Rates of termination of service	x2	192 000	230 000	422 000	-23%
Rates of termination of service	x0.5	318 000	317 000	635 000	17%

	<b>2024</b>	<b>2023</b>
	<b>Rm</b>	<b>Rm</b>
<b>Experience adjustments</b> were calculated as follows:		
DBO: (gain) / loss	(136 813)	127 738
Plan asset: gain / (loss)	-	-

**Maturity Analysis**

The following figure shows the DBO's maturity analysis (undiscounted expected benefits vesting) for the next 40 years. The expected benefits vesting thereafter are relatively insignificant and thus add little information to the graph.

**Maturity analysis of the DBO (up to 40 years)**



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

**Maturity analysis of the DBO (up to 40 years, R millions)**

Year	Future year	Expected benefits vesting R (m)
2025	1	0.265
2026	2	0.346
2027	3	0.733
2028	4	0.277
2029	5	0.474
2030 - 2034	6-10	2.821
2035 - 2039	11-15	3.357
2040 - 2044	16-20	3.257
2045 - 2054	21-30	4.311
2050 - 2064	31-40	0.571

	2024 R	2023 R
<b>9.3 Retirement funds</b>		
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.		
<b>10. CONSUMER DEPOSITS</b>	<b>2024 R</b>	<b>2023 R</b>
Rental Properties	-	1 500
<b>Total Consumer Deposits</b>	-	1 500
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts. All consumer deposits have been returned at year end.		
<b>11. CURRENT EMPLOYEE BENEFITS</b>	<b>2024 R</b>	<b>2023 R</b>
Performance Bonuses	245 777	344 281
Staff Bonuses	1 456 962	1 371 759
Staff Leave	3 203 424	2 351 365
Current Portion of Non-Current Provisions	1 060 000	1 185 000
Current Portion of Post Retirement Benefits - Note 9	795 000	809 000
Current Portion of Long-Service Provisions - Note 9	265 000	376 000
<b>Total Provisions</b>	<b>5 966 163</b>	<b>5 252 405</b>
Balance previously reported		5 229 592
Correction of error - note 30		22 814
		<b>5 252 405</b>
<b><u>The movement in current provisions are reconciled as follows:</u></b>	<b>2024 R</b>	<b>2023 R</b>
<b>11.1 Performance Bonuses</b>		
Balance at beginning of year	344 281	473 108
Contribution to current portion	7 816	182 855
Expenditure incurred	(106 319)	(311 682)
Balance at end of year	<b>245 777</b>	<b>344 281</b>
Balance previously reported		321 467
Correction of error - note 30		22 814
		<b>344 281</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.



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**11. CURRENT EMPLOYEE BENEFITS (CONTINUED)**

	2024 R	2023 R
<b>11.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	1 371 760	1 267 138
Contribution to current portion	2 992 445	2 894 051
Expenditure incurred	(2 907 242)	(2 789 429)
Balance at end of year	<b>1 456 963</b>	<b>1 371 760</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.

	2024 R	2023 R
<b>11.3 <u>Staff Leave</u></b>		
Balance at beginning of year	2 351 365	2 300 361
Contribution to current portion	1 721 168	458 552
Expenditure incurred	(869 110)	(407 548)
Balance at end of year	<b>3 203 424</b>	<b>2 351 365</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.

	2024 R	2023 R
<b>12. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	1 620 496	1 126 052
Debtors with credit balances	4 121	2 152
Sundry Creditors	211 183	1 300
<b>Total Trade Payables</b>	<b>1 835 800</b>	<b>1 129 504</b>
Balance previously reported		1 594 871
Correction of error - note 30		(465 367)
		<b>1 129 504</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.

	2024 R	2023 R
<b>13. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	5 385 027	3 504 832
National Government Grants	150 943	1 031 049
Provincial Government Grants	4 781 192	1 970 975
District Municipality	-	-
Other Sources	452 892	502 808
<b>Less:</b> Unpaid Transfers and Subsidies	(17 185)	-
National Government Grants	-	-
Other Sources	(17 185)	-
<b>Total Unspent Transfers and Subsidies</b>	<b>5 367 842</b>	<b>3 504 832</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.



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	2024 R	2023 R
<b>14. VAT RECEIVABLE</b>		
VAT Control	93 851	282 136
VAT Accrual	494 619	1 137 444
<b>Net VAT (Payable)/Receivable</b>	<b>588 470</b>	<b>1 419 580</b>
Balance previously reported		1 419 368
Correction of error - note 30		212
		<b>1 419 580</b>

Value added tax (VAT) is accounted for on the payment basis.  
VAT Control and VAT Accrual is now presented separately in the note.

	2024 R	2023 R
<b>15. PROVISIONS</b>		
Litigation Provisions	1 007 462	323 930
	<b>1 007 462</b>	<b>323 930</b>
Balance previously reported		-
Correction of error - note 30		323 930
		<b>323 930</b>

A letter was sent without prejudice to the Office of the State Attorney requesting that the Department consider writing off the debt owed by the Municipality relating to case 222/19, 550/19 and 577/21. Case 577/21 is still presently a contingent liability and a provision has not yet been provided for. Till date, no response on the matter has been received by the Municipality.

	2024 R	2023 R
<b>16. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Government Grants and Subsidies - Operating</b>	<b>44 693 871</b>	<b>42 993 976</b>
Equitable Share	37 712 000	36 456 000
Expanded Public Works Programme Integrated Grant	2 314 000	1 321 000
Local Government Financial Management Grant	839 166	999 954
Municipal Service Delivers and Capacity Building Grant	7 741	-
Western Cape Financial Management Capability Building Grant	170 594	-
Western Cape Financial Management Capacity Building Grant	87 073	106 766
Rural Asset Management Grant (RAMS)	1 498 624	1 023 998
The Chemical industries Education and Training Authority	591 096	888 628
Western Cape Municipal Intervention Grant	100 000	-
Safety initiative implementation - Whole of Society Approach (WOSA)	507 219	-
Municipal Drought Relief Grant	-	960 269
Local Government Internship Grant	75 010	24 990
Joint District and Metro Approach Grant	499 123	6 753
Local Government Sector and Training Authority (LGLDP - 20216264)	-	1 205 617
Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368)	188 770	-
Local Government Sector and Training Authority (LGLDP - 20239677)	103 455	-
<b>Government Grants and Subsidies - Capital</b>	<b>891 694</b>	<b>-</b>
Local Government Emergency Load-shedding Relief Grant	317 378	-
Rural Asset Management Grant (RAMS)	535 949	-
Local Government Financial Management Grant	38 367	-
<b>Total Government Grants and Subsidies</b>	<b>45 585 564</b>	<b>42 993 976</b>

Included in above are the following grants and subsidies received:

	2024 R	2023 R
<b>Unconditional</b>	37 712 000	36 456 000
Unconditional grants	37 712 000	36 456 000
<b>Conditional</b>	7 873 564	6 537 976
Conditional grants	7 873 564	6 537 976
<b>Total Government Grants and Subsidies</b>	<b>45 585 565</b>	<b>42 993 976</b>



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

	2024 R	2023 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	37 712 000	36 456 000
Executive and Council	4 435 646	2 344 998
Corporate services	1 946 497	2 119 236
Finance	1 491 421	2 073 743
<b>Total Government Grants and Subsidies</b>	<b>45 585 564</b>	<b>42 993 976</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:**

	2024 R	2023 R
<b>16.1 <u>Equitable Share</u></b>		
Opening balance	-	-
Grants received	37 712 000	36 456 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(37 712 000)	(36 456 000)
Conditions met - Capital	-	-
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.

	2024 R	2023 R
<b>16.2 <u>Local Government Financial Management Grant (FMG)</u></b>		
Opening balance	46	141 237
Grants received	1 000 000	1 000 000
Repaid to National Revenue Fund	-	(141 237)
Conditions met - Operating	(787 311)	(939 092)
Conditions met - Capital	(38 367)	-
Conditions met - Own revenue	(51 855)	(60 862)
Conditions still to be met	<b>122 513</b>	<b>46</b>

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).

	2024 R	2023 R
<b>16.3 <u>Expanded public works programme integrated grant for municipalities (EPWP)</u></b>		
Opening balance	-	-
Grants received	2 314 000	1 321 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2 312 738)	(1 321 000)
Conditions met - Capital	-	-
Conditions met - Own revenue	(1 262)	-
Conditions still to be met	-	-

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.



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<b>16.</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>	<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.4</b>	<b><u>Rural Asset Management Grant (RAMS)</u></b>		
	Opening balance	1 031 002	1 130 984
	Grants received	2 063 000	2 055 000
	Repaid to National Revenue Fund	(1 031 000)	(1 130 984)
	Conditions met - Operating	(1 316 426)	(933 438)
	Conditions met - Capital	(535 949)	-
	Conditions met - Own revenue	(182 199)	(90 559)
	Conditions still to be met	<b>28 430</b>	<b>1 031 002</b>

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.

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.5</b>	<b><u>Western Cape Financial Management Capacity Building Grant</u></b>		
	Opening balance	143 234	395 715
	Grants received	-	-
	Repaid to National Revenue Fund	(56 161)	(145 715)
	Conditions met - Operating	(87 073)	(106 766)
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<b>-</b>	<b>143 234</b>

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.

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.6</b>	<b><u>Safety initiative implementation - Whole of Society Approach (WOSA)</u></b>		
	Opening balance	-	344 136
	Grants received	540 000	-
	Repaid to National Revenue Fund	-	(344 136)
	Conditions met - Operating	(507 219)	-
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<b>32 781</b>	<b>-</b>

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

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.7</b>	<b><u>Municipal Drought Relief Grant</u></b>		
	Opening balance	-	1 350 000
	Grants received	-	-
	Repaid to National Revenue Fund	-	(389 731)
	Conditions met - Operating	-	(960 269)
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<b>-</b>	<b>-</b>

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



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<b>16.</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>	<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.8</b>	<b><u>Western Cape Financial Management Support Grant</u></b>		
	Opening balance	9 485	9 485
	Grants received	-	-
	Repaid to National Revenue Fund	(9 485)	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>-</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.

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.9</b>	<b><u>Western Cape Financial Management Capability Building Grant</u></b>		
	Opening balance	200 000	-
	Grants received	-	200 000
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(170 594)	-
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>29 406</u>	<u>200 000</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.

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.10</b>	<b><u>Local Government Public Employment Support Grant</u></b>		
	Opening balance	200 000	200 000
	Grants received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	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.

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>16.11</b>	<b><u>Joint District and Metro Approach Grant</u></b>		
	Opening balance	993 247	1 800 000
	Grants received	-	1 000 000
	Repaid to National Revenue Fund	-	(1 800 000)
	Conditions met - Operating	(499 123)	(5 873)
	Conditions met - Capital	-	-
	Conditions met - Own revenue	-	(881)
	Conditions still to be met	<u>494 124</u>	<u>993 247</u>

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





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

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.12 <u>Local Government Emergency Load-shedding Relief Grant</u></b>		
Opening balance	350 000	-
Grants received	-	350 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(275 981)	-
Conditions met - Own revenue	(41 397)	-
Conditions still to be met	<b>32 622</b>	<b>350 000</b>

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.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.13 <u>Fire Service Capacity Building Grant</u></b>		
Opening balance	-	-
Grants received	500 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<b>500 000</b>	<b>-</b>

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

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.14 <u>Local Government Internship Grant</u></b>		
Opening balance	75 010	11 673
Grants received	-	100 000
Repaid to National Revenue Fund	-	(11 673)
Conditions met - Operating	(75 010)	(24 990)
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<b>-</b>	<b>75 010</b>

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

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.15 <u>The Chemical industries Education and Training Authority</u></b>		
Opening balance	216 304	(209 968)
Grants received	595 900	1 314 900
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(576 135)	(846 461)
Conditions met - Capital	-	-
Conditions met - Own revenue	(14 960)	(42 167)
Conditions still to be met	<b>221 108</b>	<b>216 304</b>

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.



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

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<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 - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<b>201 784</b>	<b>201 784</b>

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.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<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 - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	<b>-</b>	<b>-</b>

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.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.18 <u>Local Government Sector and Training Authority (LGLDP - 202331655 &amp; 20233368)</u></b>		
Opening balance	38 160	-
Grants received	145 800	38 160
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(164 148)	-
Conditions met - Capital	-	-
Conditions met - Own revenue	(24 622)	-
Conditions still to be met	<b>(4 810)</b>	<b>38 160</b>

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

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16.19 <u>Local Government Sector and Training Authority (LGLDP - 20239677)</u></b>		
Opening balance	16 560	-
Grants received	74 520	16 560
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(90 880)	-
Conditions met - Capital	-	-
Conditions met - Own revenue	(12 575)	-
Conditions still to be met	<b>(12 375)</b>	<b>16 560</b>

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



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

	2024 R	2023 R
<b>16.20 <u>Nedbank Winter Outreach Programme</u></b>		
Opening balance	30 000	-
Grants received	-	30 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	30 000	30 000

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

	2024 R	2023 R
<b>16.21 <u>Municipal Water Resilience Grant</u></b>		
Opening balance	-	-
Grants received	2 400 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	2 400 000	-

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

A capital commitment is in place for the spending of this grant due to the order of an 18 000 liter water tanker truck by Isuzu Motors South Africa.

	2024 R	2023 R
<b>16.22 <u>Western Cape Municipal Intervention Grant</u></b>		
Opening balance	-	-
Grants received	800 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(100 000)	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	700 000	-

The purpose of this grant is to fund the Municipal Graduate Internship Programme that is aimed at employing HR graduates. This is envisaged to provide institutional capacity within municipalities, to provide practical experience to graduates in local government, and to influence young people to consider local government sector for their career development.

	2024 R	2023 R
<b>16.23 <u>Municipal Service Delivery and Capacity Building Grant</u></b>		
Opening balance	-	-
Grants received	400 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(7 741)	-
Conditions met - Capital	-	-
Conditions met - Own revenue	-	-
Conditions still to be met	392 259	-

To strengthen and improve municipal service delivery and capacity building to enable municipalities to manage their own affairs, to exercise their own powers and to perform their functions as prescribed by local government legislation. This grant relates to the funding of the Disaster Management Internship Programme.



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16. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2024	2023
	R	R
<b>16.24 Total Grants</b>		
Opening balance	3 504 832	5 375 045
Grants received	48 545 220	45 087 237
Repaid to National Revenue Fund	(1 096 646)	(3 963 475)
Conditions met - Operating	(44 406 397)	(42 799 507)
Conditions met - Capital	(850 296)	-
Conditions met - Own revenue	(328 871)	(194 469)
<b>Conditions still to be met/(Grant expenditure to be recovered)</b>	<b>5 367 842</b>	<b>3 504 832</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>Disclosed as follows:</b>		
Unspent Conditional Government Grants and Receipts	5 385 027	3 504 832
Unpaid Conditional Government Grants and Receipts	(17 185)	-
<b>Total</b>	<b>5 367 842</b>	<b>3 504 832</b>
Refer to Appendix B for the detailed disclosure of Grants and Subsidies.		
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>17. LICENCES AND PERMITS</b>		
Health Certificates	55 263	47 241
<b>Total Licences and Permits</b>	<b>55 263</b>	<b>47 241</b>
<b>Disclosed as follows:</b>		
Revenue from Exchange Transactions	55 263	47 241
<b>Total Licences and Permits</b>	<b>55 263</b>	<b>47 241</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>18. RENTAL FROM FIXED ASSETS</b>		
Property, Plant and Equipment	65 859	96 190
<b>Total Rental from Fixed Assets</b>	<b>65 859</b>	<b>96 190</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>19. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	914 594	754 692
Call investment deposits	790 350	543 555
<b>Total Interest Earned - External Investments</b>	<b>1 704 944</b>	<b>1 298 247</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>20. OPERATIONAL REVENUE</b>		
Commission	41 367	44 866
Discounts and Early Settlements	3 120	-
Insurance Refund	984 866	-
LGSETA Admin Fee	105 501	102 675
Photocopies, telephone, sale of tenders and other	69 169	46 032
Bad debts recovered	-	3 000
<b>Total Operational Revenue</b>	<b>1 204 022</b>	<b>196 573</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>Disclosed as follows:</b>		
Revenue from Exchange Transactions	1 204 022	196 573
<b>Total Operational Revenue</b>	<b>1 204 022</b>	<b>196 573</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**  
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	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>21. STRAIGHT SERVICE CHARGE</b>		
Department of Transport and Public Works: Straight Service Charge	6 001 042	5 492 609
<b>Total Straight Service Charges</b>	<b>6 001 042</b>	<b>5 492 609</b>
<p>The Municipality has a service level agreement with the Department of Transport Western Cape for rendering of services regarding the roads function within the jurisdiction of the Central Karoo District Municipality. The commission is calculated at a pre-determined rate on the total received from the Department of Transport and Public Works. The amount received for the current financial year amounted to:</p>		
Department of Transport - Roads Service Charges	65 781 515	60 528 654
<b>Total Department of Transport and Public works for the year</b>	<b>65 781 515</b>	<b>60 528 654</b>
<p>Grp 109 is not applicable as the relationship between the Municipality and the Department of Public Works and Transport of the Western Cape, does not meet the principal agent criteria as determined by the standard.</p>		
<p>To align to the accounting treatment for the funding received from the Department of Transport and Public Works with regards to the road maintenance, the prior year naming convention for this funding source was changed from agency services to Straight service charge. Both the prior year and current year naming convention is therefore consistent. This allows the users of the Annual Financial Statements to have a clear understanding of the substance of this funding.</p>		
Contributed asset - Fence surrounding Erf 290 Murraysburg	879 152	-
<b>Total Contributed assets</b>	<b>879 152</b>	<b>-</b>
<p>A fence was constructed around the depot in Murraysburg belonging to the Municipality. This was paid for by the Department of Transport and Public Works, included in the total allocation above and as such represents a contributed asset.</p>		

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>22. EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	47 930 149	42 961 220
Pension, UIF and Medical Aid contributions	9 709 732	10 446 257
Overtime	2 839 081	1 970 777
Bonuses	3 000 261	3 076 906
Housing Allowances	361 885	317 183
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	2 070 570	2 983 338
Long service awards	84 000	83 000
Leave provision	1 721 168	458 552
Current service cost	112 000	126 000
<b>Total Employee Related Costs</b>	<b>67 828 847</b>	<b>62 423 233</b>
Balance previously reported		62 400 419
Correction of error - note 30		22 814
		<b>62 423 233</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.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i>Remuneration of the Municipal Manager (Acting) - Mr M Nhlengethwa</i>		
Basic Salary	-	245 488
Contributions to UIF, Medical and Pension Funds	-	708
Performance Bonus	-	-
Motor Vehicle Allowance	-	20 576
Cell Phone Allowance	-	8 856
Housing Allowances	-	-
Other benefits and allowances	-	19 153
Payments in lieu of leave	-	5 074
<b>Total</b>	<b>-</b>	<b>299 856</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)**

	2024 R	2023 R
<b>Remuneration of the Municipal Manager (Acting) - Mr HT Prince</b>		
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>-</b>	<b>192 964</b>

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

	2024 R	2023 R
<b>Remuneration of the Municipal Manager (Acting) - Mr Nyati</b>		
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>-</b>	<b>61 412</b>

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

	2024 R	2023 R
<b>Remuneration of the Municipal Manager - Mr SW Vatala</b>		
Basic Salary	-	363 945
Contributions to UIF, Medical and Pension Funds	-	11 992
Performance Bonus	74 424	-
Motor Vehicle Allowance	-	28 000
Cell Phone Allowance	-	12 000
Housing Allowances	-	18 000
Other benefits and allowances	-	29 565
Payments in lieu of leave	-	107 550
<b>Total</b>	<b>74 424</b>	<b>571 051</b>

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

	2024 R	2023 R
<b>Remuneration of the Municipal Manager (Acting) - Mr A Makendlana</b>		
Basic Salary	-	-
Contributions to UIF, Medical and Pension Funds	354	-
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	-	-
Housing Allowances	-	-
Other benefits and allowances	39 562	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>39 916</b>	<b>-</b>

Mr A Makendlana commenced with his duties as Acting Municipal Manager on 1 January 2024 and ceased with his duties on 31 January 2024.



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

	2024 R	2023 R
<b>Remuneration of the Municipal Manager (Acting and Permanent) - Mr M Nkungwana</b>		
Basic Salary	1 212 890	-
Contributions to UIF, Medical and Pension Funds	61 155	-
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	33 000	-
Housing Allowances	-	-
Other benefits and allowances	87 264	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>1 394 309</b>	<b>-</b>

Mr MG Nkungwana acted as the Municipal Manager from 1 July 2023 until 31 December 2023. He was then appointed permanently from 1 February 2024.

	2024 R	2023 R
<b>Remuneration of the Chief Financial Officer (Acting) - Mr R Butler</b>		
Basic Salary	545 784	252 642
Contributions to UIF, Medical and Pension Funds	74 870	13 729
Performance Bonus	-	-
Motor Vehicle Allowance	60 000	-
Cell Phone Allowance	20 000	6 560
Other benefits and allowances	44 245	16 072
Payments in lieu of leave	-	-
<b>Total</b>	<b>744 899</b>	<b>289 003</b>

Mr R Butler acted as the Chief Financial Officer for two periods during the financial year. The first commencing on 1 September 2023 and ceasing on 29 February 2024. The second commencing on 6 May 2024 up until after year end.

	2024 R	2023 R
<b>Remuneration of the Chief Financial Officer (Acting) - Mr M Nhlengethwa</b>		
Basic Salary	156 372	337 209
Contributions to UIF, Medical and Pension Funds	783	886
Performance Bonus	-	-
Motor Vehicle Allowance	14 000	20 000
Cell Phone Allowance	5 480	12 500
Other benefits and allowances	14 116	25 054
Payments in lieu of leave	40 215	-
<b>Total</b>	<b>230 966</b>	<b>395 649</b>

Mr M Nhlengethwa acted as the Chief Financial Officer for two periods during the financial year. The first commencing on 1 July 2023 and ceasing on 31 August 2024. The second commencing on 1 March 2024 and ceasing 6 March 2024.

	2024 R	2023 R
<b>Remuneration of the Chief Financial Officer (Acting) - Mr NP Mabhena</b>		
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>-</b>	<b>211 517</b>

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



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

	2024 R	2023 R
<b>Remuneration of the Chief Financial Officer - Ms U Baartman</b>		
Basic Salary	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	155 841
Motor Vehicle Allowance	-	-
Cell Phone Allowance	-	-
Other benefits and allowances	-	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>-</b>	<b>155 841</b>

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

	2024 R	2023 R
<b>Remuneration of the Chief Financial Officer - Mr MR Abdullah</b>		
Basic Salary	-	594 686
Contributions to UIF, Medical and Pension Funds	-	31 922
Performance Bonus	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	-	17 980
Other benefits and allowances	-	43 845
Payments in lieu of leave	-	85 699
<b>Total</b>	<b>-</b>	<b>774 133</b>

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

	2024 R	2023 R
<b>Remuneration of Director : Corporate Services - Mr JJ Jonkers</b>		
Basic Salary	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	155 841
Motor Vehicle Allowance	-	-
Cell Phone Allowance	-	-
Other benefits and allowances	-	-
Acting Allowance - Municipal Manager	-	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>-</b>	<b>155 841</b>

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

	2024 R	2023 R
<b>Remuneration of Director : Corporate Services - Dr RR Links</b>		
Basic Salary	669 785	849 478
Contributions to UIF, Medical and Pension Funds	1 902	1 948
Performance Bonus	-	-
Motor Vehicle Allowance	180 000	240 000
Cell Phone Allowance	22 500	30 000
Other benefits and allowances	54 691	81 234
Acting Allowance - Municipal Manager	-	55 241
Payments in lieu of leave	13 482	431
<b>Total</b>	<b>942 359</b>	<b>1 258 331</b>

Dr RR Links commenced with his duties on 1 June 2022. He was seconded to Bitou Municipality on 1 March 2024 and resigned from CKDM on 30 March 2024.

	2024 R	2023 R
<b>Remuneration of Director : Corporate Services (Acting) - Adv TB Mea</b>		
Basic Salary	285 429	-
Contributions to UIF, Medical and Pension Funds	531	-
Performance Bonus	-	-
Motor Vehicle Allowance	21 000	-
Cell Phone Allowance	7 500	-
Housing Allowances	-	-
Other benefits and allowances	19 661	-
Payments in lieu of leave	-	-
<b>Total</b>	<b>334 122</b>	<b>-</b>

Adv TB Mea commenced with his duties as Acting Corporate services director on 1 April 2024.





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

	2024 R	2023 R
<b>SUMMARY OF KEY MANAGEMENT PERSONNEL REMUNERATION</b>		
Basic Salary	2 870 260	3 059 349
Contributions to UIF, Medical and Pension Funds	139 595	62 282
Performance Bonus	74 424	311 682
Motor Vehicle Allowance	275 000	313 576
Cell Phone Allowance	88 480	102 304
Housing Allowances	-	18 000
Other benefits and allowances	259 539	244 410
Acting Allowance	-	55 241
Payments in lieu of leave	53 697	198 754
<b>Total Key Management Remuneration</b>	<b>3 760 994</b>	<b>4 365 597</b>
Balance previously reported		4 310 582
Correction of disclosure error - note 30		55 015
		<b>4 365 597</b>

**23. REMUNERATION OF COUNCILLORS**

	2024 R	2023 R
<b>Executive Mayor</b>	<b>647 651</b>	<b>587 331</b>
G. Mckenzie	-	523 370
J. Botha	647 651	63 961
<b>Executive Deputy-Mayor / Deputy-Mayor</b>	<b>750 884</b>	<b>757 449</b>
G. Pietersen	467 052	757 449
T. Prince	283 832	-
<b>Speaker</b>	<b>783 308</b>	<b>753 749</b>
L. Paulse	783 308	753 749
<b>Executive Committee Members</b>	<b>1 606 761</b>	<b>1 527 813</b>
I. Jacobs	737 290	806 190
E. Botha	74 169	313 249
L. Mdudumani	417 558	408 374
T. Prince	151 424	-
D. Sample	226 320	-
<b>Section 79 Committee Chairperson</b>	<b>132 469</b>	<b>131 670</b>
A. Mckay	132 469	131 670
<b>Councillors</b>	<b>1 053 894</b>	<b>1 071 364</b>
J. de Bruyn	-	216 669
D. Welgemoed	-	254 437
A. Swanepoel	339 450	325 003
A. Mckay	-	18 885
R. Skuza	-	6 818
N. Constable	34 206	29 544
J. VD Linde	19 674	30 681
J. Reynolds	15 857	12 500
S. Koonthea	17 693	17 859
L. Piti	32 940	15 908
D. Sample	253 703	95 497
D. Snyders	338 270	47 563
N. Abrahams	2 104	-
<b>Total Councillors' Remuneration</b>	<b>4 974 967</b>	<b>4 829 376</b>

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	647 651	-	-	-	647 651
Executive Deputy-Mayor	705 832	-	45 052	-	750 884
Speaker	686 429	-	46 136	50 743	783 308
Executive Committee Members	1 548 874	-	57 887	-	1 606 761
Section 79 Committee Chairperson	132 469	-	-	-	132 469
Councillors	907 164	-	126 657	20 073	1 053 894
<b>Total Councillors' Remuneration</b>	<b>4 628 419</b>	<b>-</b>	<b>275 732</b>	<b>70 816</b>	<b>4 974 967</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.



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	2024 R	2023 R
<b>24. CONTRACTED SERVICES</b>		
Contracted services	10 887 037	9 491 206
<b>Total Contracted Services</b>	<b>10 887 037</b>	<b>9 491 206</b>
	<b>2024 R</b>	<b>2023 R</b>
<b>25. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	775 262	954 526
Intangible Assets	14 189	19 166
<b>Total Depreciation and Amortisation</b>	<b>789 451</b>	<b>973 691</b>
Balance previously reported		938 798
Correction of error - note 30		34 894
		<b>973 691</b>
	<b>2024 R</b>	<b>2023 R</b>
<b>26. FINANCE COSTS</b>		
Employee benefits	1 639 000	1 643 000
Less: Employee benefits transferred to Roads	(811 000)	(823 000)
Finance leases	2 633	12 378
Overdue Accounts	12 110	1 788
<b>Total Finance Costs</b>	<b>842 743</b>	<b>834 165</b>
	<b>2024 R</b>	<b>2023 R</b>
<b>27. TRANSFERS AND SUBSIDIES</b>		
Bursaries and study assistance provided	433 739	372 415
Monetary allocations to other organisations	54 976	-
Monetary allocations to B Municipalities	670 000	1 160 269
Allocations in-kind to B Municipalities	40 550	-
<b>Total Transfers and Subsidies</b>	<b>1 199 265</b>	<b>1 532 684</b>
	<b>2024 R</b>	<b>2023 R</b>
<b>28. OPERATIONAL COSTS</b>		
Advertising, Publicity and Marketing	201 942	147 196
Administration costs - Roads	6 901 198	6 316 500
Audit Fees	3 085 390	3 370 691
Bank Charges, Facility and Card Fees	25 939	28 864
Bursaries (Employees)	224 155	1 375 297
Courier and Delivery Services	76 573	45 974
Communication	565 889	611 756
Entertainment	-	2 374
External Computer Service	3 168 346	3 435 458
Fines and Penalties	-	3 300
Insurance Underwriting	590 066	568 406
Municipal Services	1 399 926	889 393
Printing, Publications and Books	232 706	122 496
Professional Bodies, Membership and Subscription	580 160	682 454
Registration Fees	11 418	5 500
Resettlement Cost	-	5 625
Sundry Projects	718 384	829 883
Training	567 738	514 132
Travel and Subsistence	3 347 714	3 166 971
Uniform and Protective Clothing	476 459	370 887
Vehicle licences	37 182	26 211
Workmen's Compensation Contributions	343 990	300 981
<b>Total Operational Costs</b>	<b>22 555 174</b>	<b>22 820 349</b>
Balance previously reported		22 817 296
Correction of error - note 30		3 053
		<b>22 820 349</b>



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	2024 R	2023 R
<b>29 (GAIN) / LOSS ON DISPOSAL OF ASSETS AND LIABILITIES</b>		
Intangible Assets	-	-
Property, Plant and Equipment	944	1 935 520
	<b>944</b>	<b>1 935 520</b>
		<b>2023 R</b>
<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:		
		<b>2023 R</b>
<b>30.1 Property, Plant and Equipment</b>		
<b>Balance previously reported</b>		<b>7 856 022</b>
Cost		784 255
In 2011 with the demarcation board process, all the properties not being utilised by the District Municipality were transferred to the Beaufort West Local Municipality. Erf 290 Murraysburg was erroneously also transferred in the process.		
Land		4 000
Buildings		70 003
First time recognition assets were brought in as noted during the annual asset verification of the Municipality.		36 812
Fencing installed at the Beaufort West Depot was not brought into the Fixed asset register.		673 440
Accumulated Depreciation		(97 135)
In 2011 with the demarcation board process, all the properties not being utilised by the District Municipality were transferred to the Beaufort West Local Municipality. Erf 290 Murraysburg was erroneously also transferred in the process.		
Buildings		(27 934)
Fencing installed at the Beaufort West Depot was not brought into the Fixed asset register.		(64 322)
First time recognition assets were brought in as noted during the annual asset verification of the Municipality.		(4 879)
<b>Restated Balance</b>		<b>8 543 142</b>
		<b>2023 R</b>
<b>30.2 Receivables from Non-Exchange Transactions</b>		
<b>Balance previously reported</b>		<b>1 138 375</b>
The opening balance of the Receivables from non-exchange transactions was affected by a Consolidated Retirement fund benefit payout received. This transaction had not been previously recognised in the Annual Financial Statements as a receivable.		116 820
In the previous year the journal for the timing differences in Payday payments were treated separately as a sundry creditor, instead of being included in the Salary Clearing reconciliation.		(144 702)
<b>Restated Balance</b>		<b>1 110 493</b>
		<b>2023 R</b>
<b>30.3 Current Employee Benefits</b>		
<b>Balance previously reported</b>		<b>5 229 592</b>
The Performance bonus provision was adjusted for the previous Municipal Manager, based on the percentage allocated being insufficient.		22 814
<b>Restated Balance</b>		<b>5 252 405</b>



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<b>30.</b>	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)</b>	<b>2023</b>
		<b>R</b>
<b>30.4</b>	<b>Trade and Other Payables from Exchange Transactions</b>	
	<b>Balance previously reported</b>	1 594 871
	A new disclosure was created for provisions for litigation costs that are no longer contingent liabilities.	(323 930)
	In the previous year the journal for the timing differences in Payday payments were treated separately as a sundry creditor, instead of being included in the Salary Clearing reconciliation.	(144 702)
	Invoices noted that were posted in the incorrect financial year and had to be moved back 2022/2023.	3 265
		<b>1 129 504</b>
		<b>2023</b>
		<b>R</b>
<b>30.4</b>	<b>Provisions</b>	
	<b>Balance previously reported</b>	-
	A new disclosure was created for provisions for litigation costs that are no longer contingent liabilities.	323 930
		<b>323 930</b>
		<b>2023</b>
		<b>R</b>
<b>30.5</b>	<b>VAT receivable</b>	
	<b>Balance previously reported</b>	1 419 368
	Invoices noted that were posted in the incorrect financial year and had to be moved back 2022/2023.	212
		<b>1 419 580</b>
		<b>2023</b>
		<b>R</b>
	VAT Control and VAT Accrual is now presented separately in note 14. This has also resulted in the disclosure of the statutory receivable only consisting of the VAT Control amount.	
		<b>2023</b>
		<b>R</b>
<b>30.6</b>	<b>Depreciation and Amortisation</b>	
	<b>Balance previously reported</b>	938 798
	In 2011 with the demarcation board process, all the properties not being utilised by the District Municipality were transferred to the Beaufort West Local Municipality. Erf 290 Murraysburg was erroneously also transferred in the process.	2 328
	A Fence was constructed around the Beaufort West Depot belonging to the District Municipality, but not brought into account.	27 687
	First time recognitions noted during the annual asset verification have been recognised in the Fixed asset register	4 879
	<b>Restated Balance</b>	<b>973 691</b>
		<b>2023</b>
		<b>R</b>
<b>30.7</b>	<b>Operational Costs</b>	
	<b>Balance previously reported</b>	22 817 296
	Invoices noted that were posted in the incorrect financial year and had to be moved back 2022/2023.	3 053
		<b>22 820 349</b>
		<b>2023</b>



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

**2023**  
**R**

**30.8 Employee related costs**

**Balance previously reported**

62 400 419

The Performance bonus provision was adjusted for the previous Municipal Manager, based on the percentage allocated being insufficient. Thus the contribution to the Bonus provision was affected.

22 814

**Restated Balance**

**62 423 233**

**2023**  
**R**

**30.9 Accumulated Surplus/(Deficit) - 1 July 2022**

**Balance previously reported 1 July 2022**

**15 363 622**

General	Overall general rounding issues	(4)
Receivables from non-exchange transactions	The opening balance of the Receivables from non-exchange transactions was affected by a Consolidated Retirement fund benefit payout received. This transaction had not been previously recognised in the Annual Financial Statements as a receivable.	116 820
Property, plant and equipment	In 2011 with the demarcation board process, all the properties not being utilised by the District Municipality were transferred to the Beaufort West Local Municipality. Erf 290 Murraysburg was erroneously also transferred in the process.	
	Land: Cost	4 000
	Buildings: Cost	70 003
	Buildings: Accumulated Depreciation	(25 606)
Property, plant and equipment	First time recognition assets were brought in as noted during the annual asset verification of the Municipality.	36 812
Property, plant and equipment	Fencing installed at the Beaufort West Depot was not brought into the Fixed asset register.	
	Fencing: Cost	673 440
	Fencing: Accumulated Depreciation	(36 635)

**Restated Balance 1 July 2022**

**16 202 452**

**Surplus/(Deficit) previously reported 2022/2023**

**(4 245 347)**

Property, plant and equipment	In 2011 with the demarcation board process, all the properties not being utilised by the District Municipality were transferred to the Beaufort West Local Municipality. Erf 290 Murraysburg was erroneously also transferred in the process.	
	Buildings: Depreciation	(2 328)
Property, plant and equipment	Depreciation on first time recognition assets that were brought in as noted during the annual asset verification of the Municipality.	(4 879)
Property, plant and equipment	A Fence was constructed around the Beaufort West Depot belonging to the District Municipality, but not brought into account. This resulted in additional depreciation not begin accounted for.	(27 687)
Performance Bonus	The Performance bonus provision was adjusted for the previous Municipal Manager, based on the percentage allocated being insufficient. Thus the contribution to the Bonus provision was affected.	(22 814)
Operational Cost	Invoices noted that were posted in the incorrect financial year and had to be moved back 2022/2023.	(3 053)

**Surplus/(Deficit) restated 2022/2023**

**(4 306 108)**

**Restated Balance at 1 July 2023**

**11 896 344**



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

**2023**  
**R**

**30.10 Changes to Statement of Financial Performance**

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

	<b>Balance previously reported</b>	<b>Adjustments</b>	<b>Restated Balance</b>
<b>Revenue</b>			
Government Grants and Subsidies	42 993 976	-	42 993 976
Contributed Property, Plant and Equipment	-	-	-
Actuarial Gains	2 564 230	-	2 564 230
Reversal of impairment loss	-	-	-
Fines, Penalties and Forfeits	-	-	-
Interest Earned - Non-exchange Transactions	-	-	-
Licences and Permits from Non-Exchange Transactions	47 241	-	47 241
Service Charges	-	-	-
Sales of Goods and Rendering of Services	-	-	-
Rental from Fixed Assets	96 190	-	96 190
Interest Earned - External Investments	1 298 247	-	1 298 247
Interest Earned - Exchange Transactions	-	-	-
Operational Revenue	196 573	-	196 573
Department of Transport - Roads Service Charges	60 528 654	-	60 528 654
Straight Service Charge	5 492 609	-	5 492 609
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	5 538	-	5 538
<b>Total</b>	<b>113 223 257</b>	<b>-</b>	<b>113 223 257</b>
<b>Expenditure</b>			
Employee related costs	(62 400 419)	(22 814)	(62 423 233)
Remuneration of Councillors	(4 829 376)	-	(4 829 376)
Debt impairment	(89 823)	-	(89 823)
Contracted Services	(9 491 206)	-	(9 491 206)
Depreciation and Amortisation	(938 798)	(34 894)	(973 691)
Actuarial Losses	-	-	-
Finance Costs	(834 165)	-	(834 165)
Bulk Purchases	-	-	-
Inventory Consumed	(12 599 317)	-	(12 599 317)
Loss on disposal of assets and liabilities	(1 935 520)	-	(1 935 520)
Transfers and Subsidies	(1 532 684)	-	(1 532 684)
Operational Costs	(22 817 296)	(3 053)	(22 820 349)
<b>Total</b>	<b>(117 468 604)</b>	<b>(60 760)</b>	<b>(117 529 365)</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>(4 245 347)</b>	<b>(60 760)</b>	<b>(4 306 108)</b>

**30.11 General disclosure prior year errors**

**30.11.1 Financial Instrument Disclosure**

The Financial Instrument disclosure note was updated to be in line with the latest GRAP standard requirements, this impacted the previous year as well. Furthermore, a provision amount relating to the prior year has been moved from payables to its own provision line, thus resulting in a difference in disclosure, due to provisions being excluded from the scope of Financial instrument disclosure.

**30.11.2 Key Management personnel remuneration disclosure**

Payments made relating to different financial years Payday reports were not taken into account in this correct year for disclosure purposes. This was rectified to reflect the true expenditure for the financial year under review.

**30.11.3 Reportable Segments**

The formatting used in the Monthly C schedules - used for monthly decision making purposes, changed during the previous financial year. We thus amended the disclosure in both financial years to bring the disclosure in line.

**30.11.4 Cashflow Statement - Rounding**

The rounding on the cashflow statement of the previous year was updated for disclosure purposes.

**30.11.5 Cashflow Statement - Intangible assets disclosure**

The Cashflow from Investing activities was not split correctly between Property, plant and equipment and Intangible assets. There is an overall net zero effect on the Cashflow statement.



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

**30.11.6 Financial Sustainability**

The cash coverage ratio of the prior year is affected by prior year errors of other balances. Furthermore the Current Ratio (Current assets exceeded Current liabilities) has been amended and updated due to prior year errors on trade and other payables.

**30.11.7 Remuneration of Councillors**

The disclosure of the remuneration of Councillors under note 23 was updated to comply with GRAP 20 requirements regarding key management.

**30.11.8 Irregular Expenditure**

Payment vouchers approved by Mr T Prince in the 2022/2023 financial year were treated as irregular expenditure, but upon further investigation these expenses were deemed to be a consequential event of his appointment, and as such should not be deemed irregular. An Amount of R8 157 464.01 should not have been deemed irregular, only his actual remuneration of R192 964.31  
Furthermore, an additional amount of R976 516.70 was recognised as irregular expenditure due a non-compliance with Regulation 19 (a) of the Municipal Supply Change Management regulations with regards to short term insurance.  
Furthermore, Telkom was identified as no longer being a State owned enterprise, as such all expenditure from 2018 until present is deemed irregular.

	2024 R	2023 R
<b>31. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	(1 749 910)	(4 306 108)
<b>Adjustments for:</b>		
Depreciation and Amortisation	789 451	973 691
Government Grants and Subsidies received	48 545 220	45 087 237
Government Grants and Subsidies recognised as revenue	(45 585 564)	(42 993 976)
Government Grants and Subsidies paid back	(1 096 646)	(3 963 475)
Contribution from/to provisions - Non-Current Employee Benefits	1 093 922	1 031 231
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(985 922)	(2 564 230)
Contribution from/to - Current Employee Benefits	713 758	196 799
Non-cash movement in Employee Benefits Receivable	(436 399)	828 590
Contributed assets	(879 152)	-
Bad Debts written off	-	89 823
Loss on disposal of assets and liabilities (non-cash)	944	1 935 520
Reversal of Inventory NRV	50 231	5 538
Operating Surplus/(Deficit) before changes in working capital	459 934	(3 679 359)
Changes in working capital	2 179 262	3 097 847
Increase/(Decrease) in Provisions	683 532	323 930
Increase/(Decrease) in Trade and Other Payables	706 296	(1 165 896)
Increase/(Decrease) in Employee Benefits	(39 601)	(30 590)
(Increase)/Decrease in Taxes	831 110	(174 916)
(Increase)/Decrease in Inventory	(79 488)	(213 278)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(437 500)	4 629 781
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	516 412	(268 184)
Increase/(Decrease) in Consumer deposits	(1 500)	(3 000)
<b>Cash generated/(absorbed) by operations</b>	<b>2 639 196</b>	<b>(581 512)</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>

**32. CAPITAL COMMITMENTS**

**Commitments in respect of capital expenditure:**

Approved and contracted for:	<b>2 378 876</b>	<b>633 579</b>
Total commitments consist out of the following:		
The supply of a Double cab bakkie by Williams Hunt	-	633 579
The supply of a 18 000 liter water tanker truck by Isuzu Motors South Africa	2 378 876	-
	<b>2 378 876</b>	<b>633 579</b>
This expenditure will be financed from:		
Government Grants	2 378 876	633 579
	<b>2 378 876</b>	<b>633 579</b>

Capital commitments are disclosed inclusive of VAT.



**33. BUDGET INFORMATION**

The Annual Budget of the Municipality is prepared for a 2023/24 MTREF period and is applicable from 1 July 2023 until 30 June 2024.

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.

**33.1 Explanation of variances between approved and final budget amounts**

GRAP 24 specifically requires reasons for the differences between approved budget and final budget amounts.

**Explanation of variances between the final Budget and Actual amounts**

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.

**33.2 STATEMENT OF FINANCIAL POSITION**

**33.2.1 Current Assets**

**33.2.1.1 Cash and cash equivalents**

*The cash and cash equivalents increase was partly due to an increase in unspent grants awaiting finalisation for our commitments to purchase a water truck.*

**33.2.1.2 Trade and other receivables from exchange transactions**

*Receivables from exchange transactions shows a positive variance due to the Department of Transport and Public Works being raised as a debtor at year-end.*

**33.2.1.3 Receivables from non-exchange transactions**

*Central Karoo District Municipality disclosed all its Receivables under Exchange Receivables in the budget, whereas this is not the case within our financial statements. This was a misalignment within the budgeting process.*

**33.2.1.4 Current portion of non-current receivables**

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

**33.2.1.5 Inventory**

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

**33.2.1.6 VAT**

*The VAT balance reflected a positive variance due to monies recovered from the Receiver of Revenue relating to the prior year VAT reconciliation.*

**33.2.1.7 Other current assets**

*This variance was caused by a misalignment within the budgeting process.*





**33. BUDGET INFORMATION (CONTINUED)**

**33.2.2 Non-Current Assets**

**33.2.2.1 Non-current receivables from non-exchange transactions**

*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**

*The final award and order was done for the provision of a water tanker in June 2024, however the delivery did not place before year-end. The commitment is R 2 378 876, there was also a tender for a vehicle which is currently at the complains period stage, which amounts to R 430 000. These two acquisitions will lead to a variance of 0,05%, which is deemed immaterial.*

**33.2.2.3 Intangible Assets**

*Intangible assets pertains to software licences software. The computer equipment tender was only finalised at year-end.*

**33.2.3 Current Liabilities**

**33.2.3.1 Financial liabilities**

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

**33.2.3.2 Consumer Deposits**

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

**33.2.3.3 Trade and other payables from exchange transactions**

*The variance is due to a large legal fees invoice and municipal arrears account of a property not recognised before by the municipality. This amounts to R 877 027, which leads to a variance of 1% and is deemed immaterial.*

**33.2.3.4 Trade and other payables from non-exchange transactions**

*Poor performance and implementation of the grants received for the Financial Year 2023-24.*

**33.2.3.5 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. Furthermore, provisions were made for the continuing legal fees relating to the previous Municipal Manager's court cases. This caused a major increase year on year.*

**33.2.3.6 VAT**

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

**33.2.3.7 Other current liabilities**

*This variance was caused by a misalignment within the budgeting process.*

**33.2.4 Non-Current Liabilities**

**33.2.4.1 Borrowing**

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

**33.2.4.2 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. BUDGET INFORMATION (CONTINUED)**

**33.2.4.3 Other non-current liabilities**

*This variance was caused by a misalignment within the budgeting process.*

**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.*

**STATEMENT OF FINANCIAL PERFORMANCE**

**33.2.6 Revenue**

**33.2.6.1 Rental from Fixed Assets**

*One of the lessees contract was suppose to expire end of February, but there were an extension till end of the financial year*

**33.2.6.2 Interest earned from Current and Non Current Assets**

*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 Operational Revenue**

*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. The effect of this would then amount to a variance of less then 10% (6%), which is immaterial.*

**33.2.6.6 Sales of Goods and Rendering of Services**

*This variance was caused by a misalignment within the budgeting process.*

**33.2.6.7 Transfer and subsidies - Operational**

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

**33.2.6.8 Other Gains**

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

**33.2.6.9 Transfers and subsidies - capital (monetary allocations)**

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



**33. BUDGET INFORMATION (CONTINUED)**

**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 amount budgeted. Upper limit amendments were only gazetted on 14 June 2023. Thus effect of backpay only to be felt in following year.*

**33.2.7.2 Remuneration of Councillors**

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

**33.2.7.3 Debt Impairment**

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

**33.2.7.4 Depreciation and amortisation**

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

**33.2.7.5 Interest**

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

**33.2.7.6 Inventory consumed**

*The increase is due to normal factors such as pricing, as well as the flood damage in the three surrounding towns which resulted in additional materials being required for the fixing of roads. This in turn would result in more maintenance for equipment, much of which is done in house by buying parts, as well as more fuel being used by vehicles in the process, all of which impacts inventory consumed. All of this contributes to the increase in the Inventory consumed year on year.*

**33.2.7.7 Contracted Services**

*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 amount budgeted. The contracted services mostly pertains to Roads.*

**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 Operational costs**

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

**33.2.7.10 Losses on disposal of Assets**

*Planned losses were not budgeted for, during the annual asset count however - assets that had not been verified for the past two years were written off, resulting in a loss on disposal of Asset.*



**33. BUDGET INFORMATION (CONTINUED)**

**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**

*The final award and order was done for the provision of a water tanker in June 2024, however the delivery did not place before year-end. The commitment is R 2 378 876. This acquisitions will lead to a variance of 1%, which is deemed immaterial.*

**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 Subsidies**

*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*

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

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

**33.2.9.3 Capital Assets**

*The final award and order was done for the provision of a water tanker in June 2024, however the delivery did not place before year-end. The commitment is R 2 378 876. There was also a tender for a vehicle which is currently at the complains period stage, which amounts to R 430 000. These two acquisitions will lead to a variance of less then R100, which is deemed immaterial.*

**33.2.10 Net Cash from Financing Activities**

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

*No movement*

**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.*



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	2024 R	2023 R
<b>34. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>34.1 <u>Unauthorised expenditure</u></b>		
Reconciliation of unauthorised expenditure:		
Opening balance	10 040 667	12 708 653
Correction of prior period error - see Note 30	-	-
	10 040 667	12 708 653
Restated opening balance	10 040 667	12 708 653
Unauthorised expenditure current year - operational	5 871 280	6 113 285
Unauthorised expenditure current year - capital	887 439	14 238
Approved/condoned/authorised by Council	(10 040 667)	(8 795 509)
Current	-	-
Prior Period	(10 040 667)	(8 795 509)
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	<b>6 758 719</b>	<b>10 040 667</b>

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

	2024 Actual R	2024 Final Budget R	2024 Variance R	2024 Unauthorised R
<b>Unauthorised expenditure current year - operating</b>				
Vote 1 - Executive and Council	14 161 997	12 591 198	(1 570 799)	(1 570 799)
Vote 2 - Municipal Manager	-	-	-	0
Vote 3 - Finance	21 350 047	22 251 418	901 371	0
Vote 4 - Corporate Services	21 646 134	22 396 638	750 504	0
Vote 5 - Technical Services	66 026 095	61 725 614	(4 300 481)	(4 300 481)
	<b>123 184 272</b>	<b>118 964 868</b>	<b>(4 219 404)</b>	<b>(5 871 280)</b>

	2024 Actual R	2024 Final Budget R	2024 Variance R	2024 Unauthorised R
<b>Unauthorised expenditure current year - capital</b>				
Vote 1 - Executive and Council	23 288	15 000	(8 288)	(8 288)
Vote 2 - Municipal Manager	-	-	-	0
Vote 3 - Finance	336 172	576 463	240 291	0
Vote 4 - Corporate Services	802 370	3 379 332	2 576 962	0
Vote 5 - Technical Services	879 152	1	(879 151)	(879 151)
	<b>2 040 982</b>	<b>3 970 796</b>	<b>1 929 814</b>	<b>(887 439)</b>

	2024 R	2023 R
<b>34.2 <u>Fruitless and wasteful expenditure</u></b>		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	13 006	177 987
Correction of prior period error	-	-
	13 006	177 987
Restated opening balance	13 006	177 987
Fruitless and wasteful expenditure current year	17 438	10 353
Correction of prior period error - see Note 30	-	-
Approved/condoned/authorised by Council	(13 006)	(165 885)
Current	-	-
Prior Period	(13 006)	(165 885)
Transfer to receivables for recovery - not written off	(5 327)	-
Current	(5 327)	-
Prior Period	-	-
Amounts recovered during year	-	(9 449)
Current	-	(9 449)
Prior Period	-	-
Fruitless and wasteful expenditure awaiting further action	<b>12 110</b>	<b>13 006</b>



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**34. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)**

	2024 R	2023 R
<b>34.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	20 675 781	37 624 692
Correction of prior period error - see Note 30	-	-
Restated opening balance	20 675 781	37 624 692
Irregular expenditure current year	3 516 520	18 269 354
Irregular expenditure based on PPR regulations	-	693 035
Correction of prior period error - see Note 30	-	(4 952 056)
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Written off as supported by council	(16 852 099)	(30 959 244)
Current	-	-
Prior Period	(16 852 099)	(30 959 244)
Transfer to receivables for recovery - not written off	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	<b>7 340 203</b>	<b>20 675 781</b>

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

	2024 R	2023 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	572 912	659 416
Amount paid - current year	(572 912)	(659 416)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>35.2 Audit fees - [MFMA 125 (1)(c)]</b>		
Opening balance	-	209 251
Correction of prior period error	-	-
Restated opening balance	-	209 251
Current year audit fee	3 085 390	3 370 691
External Audit - Auditor-General	3 085 390	3 370 691
Amount paid - current year	(3 085 390)	(3 370 691)
Amount paid - previous year	-	(209 251)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>35.3 VAT - [MFMA 125 (1)(c)]</b>		
<b>VAT Receivable</b>	<b>588 470</b>	<b>1 419 580</b>

VAT output payables and VAT input receivables are shown in note 14.  
All VAT returns were submitted by the due date throughout the year.



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

	2024 R	2023 R
<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	10 738 732	9 855 001
Amount paid - current year	(10 738 732)	(9 855 001)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

	2024 R	2023 R
<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	13 104 540	12 547 867
Amount paid - current year	(13 104 540)	(12 547 867)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

**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 2024:

	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
<i>Councillor JD van der Linde</i>	-	639	639
<i>Councillor SD Koonthea</i>	-	635	635
<i>Councillor AJ MacKay</i>	-	123 457	123 457
	<b>-</b>	<b>251 283</b>	<b>251 283</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>



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

**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 2024**

	<b>Type of Deviation</b>			
	<b>Amount</b>	<b>Sole Supplier / Agent</b>	<b>Impractical</b>	<b>Emergency</b>
July	124 871	0	4	0
August	204 540	16	8	0
September	172 579	14	6	0
October	460 096	16	11	0
November	700 253	12	13	0
December	356 423	10	12	0
January	98 125	6	7	0
February	1 294 334	9	8	0
March	1 227 183	11	9	0
April	1 714 162	21	9	0
May	1 264 520	26	7	0
June	5 139 944	25	34	1
	<b>12 757 028</b>	<b>166</b>	<b>128</b>	<b>1</b>

**Summary of amounts 2024:**

	<b>Up to R30 000</b>	<b>Between R30 000 and R200 000</b>	<b>Total</b>
Emergency	-	277 353	277 353
Impractical	708 402	9 719 510	10 427 912
Sole Supplier/Agent	1 354 884	696 879	2 051 763
	<b>2 063 285</b>	<b>10 693 743</b>	<b>12 757 028</b>

**30 June 2023**

	<b>Type of Deviation</b>			
	<b>Amount</b>	<b>Sole Supplier / Agent</b>	<b>Impractical</b>	<b>Emergency</b>
July	-	0	0	0
August	1 949 554	7	9	0
September	62 578	5	2	0
October	199 515	2	6	0
November	1 278 818	3	5	0
December	573 136	6	3	0
January	502 029	3	1	0
February	234 474	6	1	0
March	167 948	4	9	0
April	380 106	3	4	0
May	305 282	12	7	0
June	2 425 108	45	30	1
	<b>8 078 548</b>	<b>96</b>	<b>77</b>	<b>1</b>

**Summary of amounts 2023:**

	<b>Up to R30 000</b>	<b>Between R30 000 and R200 000</b>	<b>Total</b>
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>





**CENTRAL KAROO DISTRICT MUNICIPALITY**  
Audited Annual Financial Statements for the year ended 30 June 2024

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

**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 2024**

Company Name	Related Person	Service Capacity	Relationship	State Department	Amount of Award
Admiror Trading	Mr D Jonker	Occupational Therapist	Spouse	Beaufort West Hospital	33 631
Beaufort West Luxury Coaches	Mrs B Johnson	Traffic Officer	Daughter in Law	Provincial Traffic	3 500
Ann's Deli and Projects	Mr A Stoffels	General Worker	Spouse	WCED	8 350
Mcleod Pest Control	Mrs R Mcleod	Professional Nurse	Spouse	Beaufort West Hospital	12 500
Magrietha Heilbrecht Jacobs	Mrs H Jacobs	Legal Services	Daughter in Law	Central Karoo District Municipality	3 521
Ilanja Sweiswerke t/a B en B Sweiswerke	Mr AC Du Plessis	Teacher	Son	WCED	85 533
Avril Johnson	Ms MI Johnson	Social Worker	Daughter	Social Development	38 600
Inzalo Sebata Municipal Solutions	Mrs NT Mazibuko	National Archivist	Spouse	Department Arts & Culture	2 608 229
Van De Wall Inc	Mrs J M Cronje	SARS Tax Consultant	Spouse	South African Revenue Services	160 515
<b>2 954 379</b>					

**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
Admiror Trading	Mr D Jonker	Occupational Therapist	Spouse	Beaufort West Hospital	635 580
Ilanja Sweiswerke t/a B en B Sweiswerke	Mr AC Du Plessis	Teacher	Son	WCED	20 787
Magrietha Heilbrecht 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	1 248
Ann's Deli and Projects	Mr A Stoffels	General Worker	Spouse	WCED	6 500
Inzalo Sebata Municipal Solutions	Mrs NT Mazibuko	National Archivist	Spouse	Department Arts & Culture	2 928 723
Van De Wall Inc	Mrs J M Cronje	SARS Tax Consultant	Spouse	South African Revenue Services	467 648
TNA General Services (Pty) Ltd	Mrs MKM Arendse	Nurse	Spouse	Nuveld Park Clinic	19 489
Mubesko Africa	Mrs L Saaiman	Curriculum Specialist	Spouse	WCED	4 370 547
Alfreda Elrico Hermanus	Mr S Fry	Operations Manager	Step Father	EC Health	87 622
RDB Building	Mr R Basson	Acting Director Technical Services, Matzikama Municipality	Husband	Matzikama Municipality	196 547
<b>8 741 641</b>					



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

**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 75**

The following Section 71 Monthly Reports have not been published within five days as required by legislation:

July 2023  
October 2023  
November 2023  
December 2023  
January 2024  
February 2024

The following Section 52 Quarterly Report has not been published within five days as required by legislation:

September 2023

The final budget was approved by Council on 24 May 2024 and made public on the website on 20 June 2024. This should have been made public on 29 May 2024.

**Non-compliance with the MFMA Municipal Budget and Reporting Regulations Section 31**

The quarterly Section 52 report was not timeously submitted for quarter 1 of the 2023/2024 financial year.

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

The Mid-year report was only approved by Council on 26 January 2024 and submitted to Provincial and National Treasury late on the 30th of January 2024.

**Non-compliance with the MFMA Municipal Budget and Reporting Regulations Section 26**

The first adjustment budget was not published within ten working days after the municipal council has approved the document.

**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 25**

The Draft Integrated Development Plan was not published on the Municipal website within 14 days of its adoption.

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

Judge DM Thulare of the High court provided a judgement on 5 June 2024 stating the following in paragraph 15(b): "The decision of the Central Karoo District Municipality Council to appoint Mzingisi Gratitude Nkungwana as Municipal Manager on 10 January 2024, when he did not have the prescribed competencies, in contravention of section 54A(2) and (3)(a) of the Local Government: Municipal Systems Act 32 of 2000. (Act No 32 of 2000) read with the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers published under GN 21 in GG37245 of 17 January 2014, is reviewed and set aside." The first leave of appeal was dismissed with costs.

**2024**  
**R**

**2023**  
**R**

**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.



**36. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(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

	2024 R	2023 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
0.25% (2023: 1.00%) Increase in interest rates	31 714	112 082
1.00% (2023: 0.25%) Decrease in interest rates	(126 854)	(28 020)

**(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 5 367 842 are pledged as security for financial liabilities

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

	2024 R	2023 R
<b>Financial assets exposed to credit risk at year end are as follows:</b>		
Receivables from exchange transactions	4 742 474	4 304 975
Receivables from non-exchange transactions	594 081	1 110 493
Cash and Cash Equivalents	12 685 443	11 307 793
	<b>18 021 999</b>	<b>16 723 261</b>



**36. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(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>2024</b>				
Trade and Other Payables from Exchange Transactions	1 835 800	-	-	-
Unspent conditional grants and subsidies	5 367 842	-	-	-
Long-term Liabilities	-	-	-	-
Finance cost	-	-	-	-
	<b>7 203 642</b>	<b>-</b>	<b>-</b>	<b>-</b>
	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	1 129 504	-	-	-
Unspent conditional grants and subsidies	3 504 832	-	-	-
Long-term Liabilities	102 262	-	-	-
Finance cost	(2 633)	-	-	-
	<b>4 733 965</b>	<b>-</b>	<b>-</b>	<b>-</b>

**37. FINANCIAL INSTRUMENTS**

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

<b>37.1 Financial Assets</b>	<b>Classification</b>	<b>2024 R</b>	<b>2023 R</b>
<b>Receivables from Exchange Transactions</b>			
Department of transport and public works	Financial Instruments at amortised cost	4 734 596	4 301 432
Rental Debtors	Financial Instruments at amortised cost	7 878	3 543
<b>Receivables from Non-Exchange Transactions</b>			
Other Receivables	Financial Instruments at amortised cost	594 081	1 110 493
<b>Cash and Cash Equivalents</b>			
Bank Balances	Financial Instruments at amortised cost	1 484 757	1 807 530
Call Deposits	Financial Instruments at amortised cost	11 200 686	9 500 263
Cash on hand	Financial Instruments at amortised cost	1 380	1 293
<b>Total Financial Assets</b>		<b>18 023 379</b>	<b>16 724 554</b>

**SUMMARY OF FINANCIAL ASSETS**

**Financial Instruments at amortised cost:**

		<b>2024 R</b>	<b>2023 R</b>
Receivables from Exchange Transactions	Department of transport and public works	4 734 596	4 301 432
Receivables from Exchange Transactions	Rental Debtors	7 878	3 543
Receivables from Non-Exchange Transactions	Other Receivables	594 081	1 110 493
Cash and Cash Equivalents	Bank Balances	1 484 757	1 807 530
Cash and Cash Equivalents	Call Deposits	11 200 686	9 500 263
Cash and Cash Equivalents	Cash on hand	1 380	1 293
<b>Total Financial Assets</b>		<b>18 023 379</b>	<b>16 724 554</b>



**37. FINANCIAL INSTRUMENTS (CONTINUED)**

		2024	2023
		R	R
<b>37.2</b>	<b><u>Financial Liabilities</u></b>		
	<b><u>Classification</u></b>		
	<b>Trade and Other Payables from Exchange transactions</b>		
	Trade Payables	1 620 496	1 126 052
	Sundry Creditors	211 183	1 300
	Debtors with credit balances	4 121	2 152
	<b>Other liabilities</b>		
	Consumer deposits	-	1 500
	Capitalised Lease Liability (Current)	-	99 629
	Unspent Transfers and Subsidies	5 367 842	3 504 832
		<b>7 203 643</b>	<b>4 735 465</b>
		<b>7 203 643</b>	<b>4 735 465</b>
		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial instruments at amortised cost:**

Trade and Other Payables	Trade Payables	1 620 496	1 126 052
Trade and Other Payables	Sundry Creditors	211 183	1 300
Trade and Other Payables	Debtors with credit balances	4 121	2 152
Other liabilities	Consumer deposits	-	1 500
Other liabilities	Capitalised Lease Liability (Current)	-	99 629
Other liabilities	Unspent Transfers and Subsidies	5 367 842	3 504 832
		<b>7 203 643</b>	<b>4 735 465</b>
		<b>7 203 643</b>	<b>4 735 465</b>
		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>

**38. STATUTORY RECEIVABLES**

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

**Taxes**

VAT Receivable	93 851	282 136
<b>Total Statutory Receivables (after provision)</b>	<b>93 851</b>	<b>282 136</b>
	<b>93 851</b>	<b>282 136</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.

The transaction value is determined with reference to the applicable legislation.

Statutory receivables disclosure has been amended to only reflect the VAT Control amount.

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

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

**40. PRIVATE PUBLIC PARTNERSHIPS**

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



	2024 R	2023 R
<b>41. CONTINGENT LIABILITY</b>		
<p>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:</p>		
<b>41.1 CKDM//DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - WESTERN CAPE GOVERNMENT</b>		
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	12 637 -	12 637
	<b>12 637</b>	<b>12 637</b>

The Municipality decided to no longer oppose claims 550/19 and 222/19 during the 2022/2023 financial year and a provision was disclosed to account for this. The provision remains in place at 30 June 2024.

Provisions for Claim 550/19 and 222/19 remain disclosed as such on 30 June 2024. Claim 577/21 is still in progress.

	2024 R	2023 R
<b>41.2 CKDM // CAPX INVOICE DISCOUNTING (PTY) LTD HIGH COURT CASE NO: 6615/2017</b>		
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.	2 000 000 / 1 000 000	2 000 000 / 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 four years now.

We do not think that this matter will proceed to trial.

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.

<b>41.3 CKDM &amp; AFRICA CREEK // ENTREPRENEURIAL BUSINESS SCHOOL (PTY) LTD / CB WILLIAMS TRAINING CC / BRIGHT IDEA PROJECTS 447 (PTY) LTD HIGH COURT CASE NO: 1723/2018</b>		
The Plaintiff's cause of action against CKDM also relates to the LGSETA project, where Africa Creek was appointed as implementing agent and Africa Creek failed to pay the three Plaintiffs (Training Providers), monies which was due to the Plaintiff.		
This claim has been defended by CKDM on the basis that Africa Creek is the party that is responsible for the payment of the Training Providers and not CKDM.		
With regards to the prospects of success it is difficult to make a pronouncement of our prospects, as the Plaintiffs hold the municipality liable on the basis that Africa Creek acted as its agent and that the Central Karoo District Municipality as principal is therefore responsible for paying the Plaintiff's fees. This matter could go either way and it will in all probability have to be tried in Court.		



**41. CONTINGENT LIABILITY (CONTINUED)**

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 four years now.

We do not think that this matter will proceed to trial.

	2024 R	2023 R
<b>41.4 FINANCIAL PERFORMANCE GUARANTEES FOR THE REHABILITATION OF LAND DISTURBED BY PROSPECT MINING IN TERMS OF THE EXECUTION OF ENVIRONMENTAL MANAGEMENT PLAN/PROGRAMME</b>		

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.

1 301 980	1 301 980
-----------	-----------

	2024 R	2023 R
<b>41.5 CKDM // AFRICA CREEK HIGH COURT CASE NO: 21067/2019</b>		

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
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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 four years now.

We do not think that this matter will proceed to trial.

	2024 R	2023 R
<b>41.6 CASE NO: WPC022306 CLAIMANT - MOEGAMAT RIDWAN ABDULLAH</b>		

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.

450 000	350 000
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The financial exposure is unknown for the Central Karoo District Municipality, but could amount to R450 000.

	2024 R	2023 R
<b>41.7 MNYAMEZELI JACKSON PENXA // CKDM &amp; 5 OTHERS</b>		

The applicant brought an urgent application to set aside the appointment of the 4th Respondent as the Municipality Manager.

250 000	-
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The financial exposure is unknown for the Central Karoo District Municipality, but could amount to R250 000.



**41. CONTINGENT LIABILITY (CONTINUED)**

	2024 R	2023 R
<b>41.8 MEC OF LOCAL GOVERNMENT WESTERN CAPE &amp; 2 OTHERS // CKDM &amp; 4 OTHERS</b>		
The applicants re-enrolled the matter on an urgent basis to compel the 1st to 5th respondent to comply with investigations and to disclose certain documents. We have proceeded to court carrying a watching brief that the MEC does not take order against the Municipality.	100 000	-

The financial exposure is unknown for the Central Karoo District Municipality, but could amount to R100 000.

**41.9 CKDM // SARS VAT TREATMENT REGARDING DEPARTMENT OF TRANSPORT AND PUBLIC WORKS**

The municipality does not levy input or pay output Value Added Tax (VAT) to the South African Revenue Service (SARS) for services rendered to/for the Department of Transport and Public Works related to the maintenance of roads in the district area.

During the audit of the previous financial year, this method of treatment was questioned by the Auditor General of South Africa, resulting in the Municipality subsequently requesting a VAT ruling from SARS.

A letter of correspondence was received from the South African Revenue Service dated 15 August 2024, in which SARS states that our application for a VAT ruling can not be accepted, based on the criteria set forth under the Tax Administration Act 28 of 2011 (the TA Act).

The following reason was provided:

**Section 80(1)(d)(i) of the TA Act**

*The application "involves an issue that is of a factual nature".*

*In this regard, it should be noted that the Commissioner for the South African Revenue Service cannot interpret the contractual arrangement between yourselves and the Western Cape Provincial Department of Transport and Public Works.*

*The South African Revenue Service, in consultation with National Treasury, the Auditor General and the Accountant General will release a grid that will provide clarity on the VAT consequences, based on the different contracting options.*

This GRID will determine the classification of each district Municipality and subsequently determine what if any VAT is payable or claimable, thus effecting whether or not a contingent asset or contingent liability is applicable to the Municipality.

The South African Revenue Service was thus not able to provide any indication of the possible effect on the Municipality, or when the final release date of this GRID would be by submission of the Annual financial statements.

A General Binding Ruling was received from SARS on 3 October 2024 in which the GRID was provided. Management however disagrees with the Auditor General's interpretation of what grid the municipality falls within. This matter thus remains a contingent liability.

	2024 R	2023 R
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**42. CONTINGENT ASSETS**

**42.1 2023**

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  
Mr S Jooste (Previous Municipal Manager) and NB Wilson & Associates and Mr Lance Wilson and Mrs Lorraine Wilson

-	-
-	-
-	-
-	-

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 2023**

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.





**42. CONTINGENT ASSETS (CONTINUED)**

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.

**2024**

On Monday 6 November 2023, Guardrisk took a decision to honour the insurance claim on the Fire truck, with the proviso that CDKM settle an invoice for the insurance premiums owed regarding the truck. This was conveyed to the municipality via email correspondence.

The Acceptance of loss letter received was dated at 28 March 2024, where the net settlement amount of R1 038 897.60 was indicated as being payable to the municipality. Payment was received on 12 April 2024.

**42.3 2024**

Member of the Executive Council for Local Government, Environmental Affairs and Development Planning Western Cape Province & 2 Others// CKDM & 5 Others CASE NR. 4567/24

Non-compliance with the requests of the forensic auditors (2nd and 3rd applicants) appointed by the First applicant in an official investigation in terms of Section 106 of the Municipal Systems Act. We won the court case, with costs on 26/04/2024.

The cost account entered by our attorneys amounted to R419 923.94.

We are however unsure of the amount of legal fees to be recouped, due to the fact that the Bill of Costs in respect of fees and disbursements due is still required to be taxed by the Taxing Master of the High Court.

**42.4 2024**

**POTENTIAL EXPANDED PUBLIC WORKS FRAUD INVOLVING GHOST EMPLOYEES**

During the financial year a SAPS case number 117/5/2024 was opened against an employee at the Municipality on 13 May 2024 relating to potential ghost employees being paid as EPWP workers. This case is still ongoing and is being handled by the South African Police Services. The Municipality would potentially want to recoup some of the monies lost due to fraudulent activities from the employee's pension fund, should they be found guilty.

**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
<i>Councillor JD van der Linde</i>	-	639	639
<i>Councillor SD Koonthea</i>	-	635	635
<i>Councillor AJ MacKay</i>	-	123 457	123 457
	-	<b>251 283</b>	<b>251 283</b>

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.



**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 2024:

Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid	Total
Municipal Manager	34 742	-	196 901	231 644
Chief Financial Officer	-	-	14 833	14 833
Head: Corporate Services	-	245 777	103 063	348 840
	<b>34 742</b>	<b>245 777</b>	<b>314 796</b>	<b>595 316</b>

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>

**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>	1.46:1	1.96:1
<b>Cash Cost Coverage Ratio</b>	0.72 Months	0.82 Months
	<b>R</b>	<b>R</b>
<b>Accumulated Surplus</b>	10 146 435	11 896 344

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. Management is aware of the current disagreement regarding the treatment of VAT on allocations received for the operating of roads on behalf of the Provincial government - General Binding Ruling 74 - received from SARS on 3 October 2024, but still operates under the assumption that we will remain a going concern for the foreseeable future.

**45. EVENTS AFTER REPORTING PERIOD**

**Adjusting Subsequent event**

Subsequent to the Judgement received from Judge DM Thulare of the High Court on 5 June 2024, further legal costs have been incurred regarding this matter after year end. A provision was created to address the additional legal fees that originated from the first judgement, but were only billed after year end to the Municipality.

A General Binding Ruling was received from SARS on 3 October 2024 in which the GRID was provided. Management however disagrees with the Auditor General's interpretation of what grid the municipality falls within. This matter thus remains a contingent liability as it is unresolved.

**46. 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.



**47 REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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 2024						
	Governance and Administration	Environment health	Disaster Management	Roads Function	Non-Reportable	Total
	R	R	R	R	R	R
<b>SEGMENT REVENUE</b>						
<b>External revenue from exchange transactions</b>	<b>9 025 143</b>	<b>5 987</b>	<b>-</b>	<b>65 781 515</b>	<b>-</b>	<b>74 812 645</b>
Rental from Fixed Assets	65 859	-	-	-	-	65 859
Interest earned from Current and Non Current Assets	1 704 944	-	-	-	-	1 704 944
Licences and Permits	55 263	-	-	-	-	55 263
Agency services	6 001 042	-	-	-	-	6 001 042
Operational Revenue	1 198 035	5 987	-	65 781 515	-	66 985 537
<b>External revenue from non-exchange transactions</b>	<b>46 546 708</b>	<b>-</b>	<b>75 010</b>	<b>-</b>	<b>-</b>	<b>46 621 718</b>
Transfers and subsidies - Operational	45 510 554	-	75 010	-	-	45 585 564
Other Gains	1 036 154	-	-	-	-	1 036 154
<b>Revenue from transactions with other segments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Internal Revenue	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>55 571 851</b>	<b>5 987</b>	<b>75 010</b>	<b>65 781 515</b>	<b>-</b>	<b>121 434 363</b>
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	25 561 301	5 639 699	1 594 574	35 033 272	-	67 828 847
Remuneration of Councillors	4 974 967	-	-	-	-	4 974 967
Debt Impairment	-	-	-	-	-	-
Depreciation and amortisation	211 074	20 178	495 677	62 522	-	789 451
Interest	839 130	-	-	3 613	-	842 743
Inventory consumed	271 943	23 757	47 598	13 762 545	-	14 105 844
Contracted Services	6 718 794	124 910	23 393	4 019 941	-	10 887 037
Transfers and subsidies	1 199 265	-	-	-	-	1 199 265
Irrecoverable debts written off	-	-	-	-	-	-
Operational costs	8 903 641	291 021	216 310	13 144 202	-	22 555 174
Losses on Disposal of Assets	-	29	916	-	-	944
Other Losses	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>48 680 116</b>	<b>6 099 594</b>	<b>2 378 468</b>	<b>66 026 095</b>	<b>-</b>	<b>123 184 272</b>
<b>Surplus/(Deficit)</b>	<b>6 891 735</b>	<b>(6 093 607)</b>	<b>(2 303 458)</b>	<b>(244 580)</b>	<b>-</b>	<b>(1 749 910)</b>
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>6 891 735</b>	<b>(6 093 607)</b>	<b>(2 303 458)</b>	<b>(244 580)</b>	<b>-</b>	<b>(1 749 910)</b>
Taxation	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	<b>6 891 735</b>	<b>(6 093 607)</b>	<b>(2 303 458)</b>	<b>(244 580)</b>	<b>-</b>	<b>(1 749 910)</b>
Attributable to Minorities	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	<b>6 891 735</b>	<b>(6 093 607)</b>	<b>(2 303 458)</b>	<b>(244 580)</b>	<b>-</b>	<b>(1 749 910)</b>
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>6 891 735</b>	<b>(6 093 607)</b>	<b>(2 303 458)</b>	<b>(244 580)</b>	<b>-</b>	<b>(1 749 910)</b>
<b>Capital Expenditure for the year</b>	<b>1 087 513</b>	<b>74 317</b>	<b>-</b>	<b>879 152</b>	<b>-</b>	<b>2 040 982</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.



**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>						
<b>External revenue from exchange transactions</b>	7 136 398	-	-	60 528 654	-	67 665 051
Rental from Fixed Assets	96 190	-	-	-	-	96 190
Interest earned from Current and Non Current Assets	1 298 247	-	-	-	-	1 298 247
Licences and Permits	47 241	-	-	-	-	47 241
Operational Revenue	5 694 720	-	-	60 528 654	-	66 223 373
<b>External revenue from non-exchange transactions</b>	45 533 216	-	24 990	-	-	45 558 206
Transfers and subsidies - Operational	42 968 986	-	24 990	-	-	42 993 976
Other Gains	2 564 230	-	-	-	-	2 564 230
<b>Revenue from transactions with other segments</b>	-	-	-	-	-	-
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	22 161 722	4 905 440	1 706 404	33 649 667	-	62 423 233
Remuneration of Councillors	4 829 376	-	-	-	-	4 829 376
Debt Impairment	89 823	-	-	-	-	89 823
Depreciation and amortisation	273 528	18 128	632 196	49 840	-	973 691
Interest	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 subsidies	1 532 684	-	-	-	-	1 532 684
Irrecoverable debts written off	-	-	-	-	-	-
Operational costs	9 961 088	327 150	120 938	12 411 172	-	22 820 349
Other Losses	54 077	79	1 881 364	-	-	1 935 520
Internal charges	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>46 365 234</b>	<b>5 343 279</b>	<b>4 447 606</b>	<b>61 373 246</b>	<b>-</b>	<b>117 529 365</b>
<b>Surplus/(Deficit)</b>	6 304 379	(5 343 279)	(4 422 616)	(844 592)	-	(4 306 108)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	6 304 379	(5 343 279)	(4 422 616)	(844 592)	-	(4 306 108)
Taxation	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	6 304 379	(5 343 279)	(4 422 616)	(844 592)	-	(4 306 108)
Attributable to Minorities	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	6 304 379	(5 343 279)	(4 422 616)	(844 592)	-	(4 306 108)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>6 304 379</b>	<b>(5 343 279)</b>	<b>(4 422 616)</b>	<b>(844 592)</b>	<b>-</b>	<b>(4 306 108)</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</b>	<b>22 128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 004 775</b>
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**APPENDIX A**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2024**

EXTERNAL LOANS	Rate	Start date	Balance at 30 June 2023	Received during the period	Redeemed written off during the period	Balance at 30 June 2024
<b>LEASE LIABILITY</b>						
Ricoh IMC3500 3110R610607	7.00%	01/03/2021	20 269	-	(20 269)	-
Ricoh IMC3500 3110R610518	7.00%	01/03/2021	20 269	-	(20 269)	-
Ricoh IMC3500 3110R610806	7.00%	01/03/2021	20 269	-	(20 269)	-
Ricoh MP6503SP G659C970117	7.00%	01/03/2021	38 821	-	(38 821)	-
<b>Total Lease Liabilities</b>			<b>99 629</b>	<b>-</b>	<b>(99 629)</b>	<b>-</b>
<b>TOTAL EXTERNAL LOANS</b>			<b>99 629</b>	<b>-</b>	<b>(99 629)</b>	<b>-</b>



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

Grant Description	Balance 30 June 2023	Correction of Error	Restated Balance 30 June 2023	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 2024	Unspent 30 June 2024 (Creditor)	Unpaid 30 June 2024 (Debtor)
<b>National Government Grants</b>											
Equitable Share	-	-	-	37 712 000	-	(37 712 000)	-	-	-	-	-
Local government financial management grant	46	-	46	1 000 000	-	(787 311)	(38 367)	(51 855)	122 513	122 513	-
Expanded public works programme integrated grant for municipalities	-	-	-	2 314 000	-	(2 312 738)	-	(1 262)	-	-	-
Rural Asset Management Grant (RAMS)	1 031 002	-	1 031 002	2 063 000	(1 031 000)	(1 316 426)	(535 949)	(182 199)	28 430	28 430	-
<b>Total National Government Grants</b>	<b>1 031 049</b>	<b>-</b>	<b>1 031 049</b>	<b>43 089 000</b>	<b>(1 031 000)</b>	<b>(42 128 475)</b>	<b>(574 315)</b>	<b>(235 316)</b>	<b>150 943</b>	<b>150 943</b>	<b>-</b>
<b>Provincial Government Grants</b>											
Western Cape Financial Management Capacity Building Grant	143 234	-	143 234	-	(56 161)	(87 073)	-	-	-	-	-
Western Cape Financial Management Capability Building Grant	200 000	-	200 000	-	-	(170 594)	-	-	29 406	29 406	-
Safety initiative implementation - Whole of Society Approach (WOSA)	-	-	-	540 000	-	(507 219)	-	-	32 781	32 781	-
Western Cape Municipal Intervention Grant	-	-	-	800 000	-	(100 000)	-	-	700 000	700 000	-
Western Cape Financial Management Support Grant	9 485	-	9 485	-	(9 485)	-	-	-	-	-	-
Municipal Service Delivers and Capacity Building Grant	-	-	-	400 000	-	(7 741)	-	-	392 259	392 259	-
Fire Service Capacity Building Grant	-	-	-	500 000	-	-	-	-	500 000	500 000	-
Local Government Public Employment Support Grant	200 000	-	200 000	-	-	-	-	-	200 000	200 000	-
Joint District and Metro Approach Grant	993 247	-	993 247	-	-	(499 123)	-	-	494 124	494 124	-
Local Government Emergency Load-shedding Relief Grant	350 000	-	350 000	-	-	-	(275 981)	(41 397)	32 622	32 622	-
Municipal Water Resilience Grant	-	-	-	2 400 000	-	-	-	-	2 400 000	2 400 000	-
Local Government Internship Grant	75 010	-	75 010	-	-	(75 010)	-	-	-	-	-
<b>Total Provincial Government Grants</b>	<b>1 970 975</b>	<b>-</b>	<b>1 970 975</b>	<b>4 640 000</b>	<b>(65 646)</b>	<b>(1 446 760)</b>	<b>(275 981)</b>	<b>(41 397)</b>	<b>4 781 192</b>	<b>4 781 192</b>	<b>-</b>
<b>Other Grant Providers</b>											
The Chemical industries Education and Training Authority	216 304	-	216 304	595 900	-	(576 135)	-	(14 960)	221 108	221 108	-
Local Government Sector and Training Authority	201 784	-	201 784	-	-	-	-	-	201 784	201 784	-
Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368)	38 160	-	38 160	145 800	-	(164 148)	-	(24 622)	(4 810)	-	(4 810)
Local Government Sector and Training Authority (LGLDP - 20239677)	16 560	-	16 560	74 520	-	(90 880)	-	(12 575)	(12 375)	-	(12 375)
Nedbank Winter Outreach Programme	30 000	-	30 000	-	-	-	-	-	30 000	30 000	-
<b>Total Other Grant Providers</b>	<b>502 808</b>	<b>-</b>	<b>502 808</b>	<b>816 220</b>	<b>-</b>	<b>(831 163)</b>	<b>-</b>	<b>(52 158)</b>	<b>435 707</b>	<b>452 892</b>	<b>(17 185)</b>
<b>Total Grants</b>	<b>3 504 832</b>	<b>-</b>	<b>3 504 832</b>	<b>48 545 220</b>	<b>(1 096 646)</b>	<b>(44 406 397)</b>	<b>(850 296)</b>	<b>(328 871)</b>	<b>5 367 842</b>	<b>5 385 027</b>	<b>(17 185)</b>

The Unspent Grants are cash-backed by term deposits.

