



# **ANNUAL REPORT**

## **Dannhauser Local Municipality**

### **30 June 2021**

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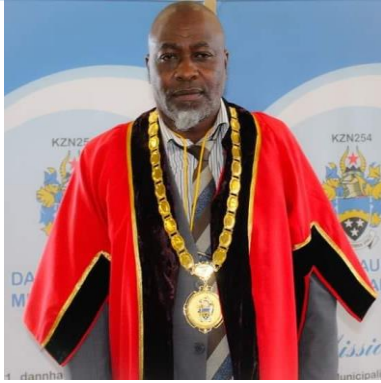
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# Chapter 1

## 1.1 CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORDHER WORSHIP THE MAYOR: CLLR S.E.C KUNENE



It gives I have great pleasure in presenting the Annual Report of Dannhauser Local Municipality for the for 2020/2021 financial year.

The year under review has been largely characterised by outbreak of the global coronavirus pandemic, which led The President to declare a State of Disaster in the country. This fight against the biggest health threat of our time required every legislature, council, organizations, companies and individuals to respond quickly in order to strike the balance between saving lives and livelihoods.

To this end, the impact of lockdown has been felt severely both growth and socially. The South African government also announced a number of interventions to ease the disaster’s impact on individuals and organisations. It adopted a multipronged approach, underpinned by a R500 billion stimulus package to support citizens and the country’s economy.

The council of Dannhauser also responded to national’s government’s approach by working proactively with the disaster management team to cushion the social impact of the country’s lockdown, which threatened the poor of the poorest with hunger and starvation.

The major negative impact of covid-19 was the delay it caused on the implementation of the municipality’s infrastructure, service delivery and community engagements programmes. Important to note, were projects that had commenced in the first, second and third quarters of the 2019/2020 financial year which could not be finalized due to covid regulations published, resulting in the projects being rolled-over into the 2020/2021 financial year.

This has also called upon us to change the way we do things, with technology taking over our meetings, community engagements and other forms of interactions. The Honorable President Maphosa announced that from 1 May 2020, a gradual and phased easing of the lockdown restrictions would begin, lowering the national alert level to 4. From 1 June, the national restrictions were lowered to level 3. The period of lockdown resulted in a devastating negative impact on the local businesses; some had to close operations while others retrenched their employees. This was witnessed and reported within the mining, primary agriculture, manufacturing, retail, services and informal trading sectors. With unemployment figures prior to lockdown pegging at 28%, this increased to levels of 39%. This was worsened by the influx of unemployed individuals who returned to their homesteads as a result of losing employment in other municipal jurisdictions. Some of the investments that had to be approved from prospecting investors had to be put on hold, as these investors were also impacted on by the epidemic.

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Although the lockdown levels had been changed to level 3, still not much could be undertaken in terms of delivering set programmes and projects. This was mainly due to the lack of understanding of how the pandemic was spreading or could be contained. The municipality often found itself in a situation where it had implemented control mechanisms as required by gazette regulations, but still the employees within the offices were affected and some were hospitalized. This caused operations to be ceased and sanitization to be undertaken. The municipality would on average lose two or three days of operating on a weekly or after every two weeks due to infections. Delivery of KPI's were thus affected.

In 2020/2021, some community members lost their lives; there was a loss of income from rate payers, some of them can no longer afford to fulfil their obligations as they have no employment due covid. In the midst of all the negative socio-economic status, the municipality had to still deliver basic services to all in the 13 wards. The demand of the services increased, due to the mitigating factors of covid-19, and with an insufficient and constrained municipal budget, the municipality had to undertake decisions that would save its jurisdictional population, taking into consideration the added pressure from the migration from those returning back to their households. Although the municipality remained steadfast and focused in our service delivery agenda despite various socio-economic challenges faced due to the epidemic, external and internal control measures had to be undertaken to curb and address the spreading of epidemic. This caused the municipality to have to re-budget and realign its priorities as per the guidance of the gazette regulations issued in line with the National Disaster Act of South Africa.

Dannhauser Local Municipality is classified as a B3/4 municipality (rural municipality) by national government based on its geographical setting. It is home to 105 341 people Census 2016, compared to a total of 102 161 Census 2011. Unemployment levels within the jurisdiction rose above the official national rate of 32% as reported in the second quarter index of 2021, this being applicable to the economically active bracket of the population age structure. The high level of unemployment is compounded by a slow economic growth activity and outlook nationally, which has been compounded by the outbreak of the COVID -19 Pandemic.

This placed a tremendous strain on the municipality which has limited resources to deliver high quality basic services to an increased poverty-stricken community. The Municipality has effectively confirmed its commitment to achieving high performance levels in the 2020/2021 financial year during the course of elections and increased wards. A continuous strive has been undertaken with regards to infrastructure development, basic service delivery, economic and social development.

Strategic Objectives were clearly factored on the service delivery programmes in the 2020/2021 Service Delivery and Budget Implementation plan (SDBIP), as part of addressing socio-economic issues facing the communities and creating a conducive environment for economic growth and increasing job opportunities. Important to this was the key guidelines provided by regulations in terms of section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002), in relation to mitigating covid 19 spread. The municipality adhered to the regulations gazette through the development of KPI's that directed municipalities and provinces in respect of the following matters in response to COVID -19: (a) Provision of water and sanitation services; (b) Hygiene education, communication and awareness; (c) Waste management, cleansing and sanitization; (d) Municipal public spaces, facilities and offices; (e) Customary initiations and cultural practices (f) Isolation and quarantine; (g) Monitoring and enforcement; (h) Municipal operations and governance; (i) Institutional arrangements and development of COVID -19 response plans; and (j) Precautionary measures to mitigate employee health and safety risks.

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During the 2019/2020 financial year, Key Performance Indicators (KPIs) totaled 175 as per SDBIP, and increased in 2020/2021 financial year (177 KPIs). The increase by two (2) in KPIs is to ensure that all strategic objectives set out by the municipality are properly addressed. Increase in the KPI's derived from the alignment and effecting smart principles. Achieving good performance has been difficult due to limited resources and capacity constraints which is caused by high vacancy rate on critical positions. With all the good programmes that the municipality has planned over the years, performance has always left much room for improvement. In the 2020-2021 financial year, the majority of our targets set continued per department, enabled more focus on empowering council to exercise effective oversight over the implementation of the targets. With limited capacity constraints, resources, and Covid-19 lockdown.

The achieved KPI's are mainly related to areas beyond the municipality's control such as sector departments, capacity constraints and Nationwide Lockdown. It must be noted that in the first quarter of the financial year under review some employees were not back to work and our offices were partially operational. This was done to comply with lockdown regulations in place at the time.

The municipality has adopted the directive from the "Freedom Charter" (1955), the Constitution Act 108 of 1996, the Batho Pele Principles; the Back to Basics Campaign; operation Sukuma Sakhe; the Municipal Systems Act 32 of 2000; Municipal Finance Management Act and other related acts that govern local government, all Performance Management related matters have been publicly consulted with the affected communities and aligned to the Integrated Development Plan (IDP) 2020/2021; Service Delivery Budget & Implementation Plan (2020/2021) and the Budget (2020/2021), all adopted.

In summary to the above, the municipality is committed to ensuring that it contributes on the strive to grow South Africa together going forward, development of a conducive economic and social climate that is job creating which aimed to reduce poverty and unemployment. Our performance must further reach the limelight of a top performing municipality that are regionally, provincially, and nationally aligned to the directives of the KZN Provincial Growth & Development Strategy 2035; the Amajuba District Development Growth Plan 2030; National Development Plan of 2030; the KZN Spatial Development Framework, KZN Human Settlements Sector Plan, Disaster Management Plan together other sector plans and other guiding policies and strategies.

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER: W.B NKOSI



As required by legislation, the municipality has issued its Annual Report (AR) for 2020/2021 in terms of the following legislative provisions Section 46 of the Municipal Systems Act (MSA) 32 of 2000 and read in line with Section 121 of the Municipal Finance Management Act (MFMA) 56 of 2003. The main accountabilities of the Accounting Officer are the six Key Legislative Mandate and Key Performance Areas which include:

1. Basic Service Delivery and Infrastructure;
2. Local Economic Development;
3. Municipal Financial Viability and Management;
4. Good Governance and Public Participation;
5. Municipal Transformation and Organisational Development; and
6. Environmental and Spatial Management.

The publishing of this Annual Report, its compliance and its structure is further informed by MFMA Circular.63 issued by National Treasury, the purpose being;

- to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- to provide a report on performance in service delivery and budget implementation for the financial year;
- to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- to reduce the additional reporting requirements that will otherwise arise from Government Departments,
- monitoring agencies and financial institutions

Adherence to Section 46 (1) of the MSA states that: A municipality must prepare for each financial year a performance report reflecting –

- (a) The performance of the municipality and of each external service provider during the financial year;
  - (b) A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) Measure taken to improve performance.
- (2) An annual report must form part of the municipality's Annual Performance Report in terms of Chapter 12 of the Municipal Finance Management Act (MFMA) 56 of 2003.

- ✓ To further this, the municipality complied with Chapter.6 of the **Municipal Systems Act, 32 of 2000**, which highlights in summary the following:



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- Establish a PMS that is commensurate with its resources, in line with priorities, objectives, indicators and targets contained in the IDP;
- Promotion of a culture of performance management among its political structures, political office bearers and councilors and its administration;
- Administer its affairs in an economical, effective and accountable manner;
- Set appropriate **key performance indicators (KPI's)** and **measurable performance targets** with regards to the municipality's **development priorities** and **objectives** set out in the **IDP in consultation with the community**;
- Establish mechanisms to; at least **once per year, monitor, measure and review performance**;
- Set up appropriate **mechanisms** to **timeously detect under-performance**;
- Conduct an **Internal Audit on performance**;
- Submit **results of performance measurement** for audit by the **Auditor General (AG)**;
- Include a **report on performance** as well as the **audit report on performance by the AG**, in the municipality's Annual Performance Report required in terms of Section 121 of the local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and
- **Publish the Annual Report** for the information of councilors, staff, public and other spheres of government.

**Applicable to the municipality's 2020 / 2021 AR is the Accountability of Municipal Manager & H.O. D'S – Performance Agreements (KPI'S)**

## **Accountability**

- ✓ Municipal Manager is accountable to the municipal executive;
- ✓ The H.O. Ds are accountable to the Municipal Manager as per the performance of their departments through the achievement of their KPIs

## **Purpose Of Performance Agreement – KPIs**

### **The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006)**

#### **Section 23 Subsection.2**

Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality

#### **Section.57**

**"Employment Contracts for Municipal Managers and Managers Directly Accountable to Municipal Managers"**

# Chapter 1

(4) The performance agreement referred to in subsection (1) (b) must include-

- (a) performance objectives and targets that must be met, and the time frames within which those performance objectives and targets must be met;
- (b) standards and procedures for evaluating performance and intervals for evaluation; and
- (c) the consequences of substandard performance.

## **Performance Agreements & Scorecards**

The individual scorecards of the Municipal Manager and Directors are an integral part of the performance management system, and do form the basis of their quarterly and annual performance appraisal. Legislation however places no obligation on municipalities to enter into such agreements.

Important to note, the municipality vets its performance using the “Top Layer” system, wherein each internal department has KPI’s set for the given financial year, and the reporting is undertaken on two aspects on whether, there has been an achievement or non-achievement of each KPI per KPA in each department.

## **OUTCOMES OF 2020 / 2021 PERFORMANCE**

The 2020/2021 outcomes were affected by the 2019/2020 outcomes, a high level of uncompleted projects of 2019/2020 infiltrated into 2020/2021, thus causing some resetting of targets into 2021/2022.

## **SERVICE DELIVERY HIGHLIGHTS:**

The service delivery was impacted by the implementation of covid-19 measures, as the municipality had to readjust its programme of service delivery to ensure that the regulations furnished by Cogta are achieved. An important factor to understand is that, most of the targets of the municipality were to be achieved in the fourth quarter of the financial year 2019/2020. Based on the realignment of the budget, the unachieved KPI’s were addressed and achieved in 2020/2021; the following are a summary of service delivery achievements in year under review:

## **Key Service Delivery Improvements**

Highlights of successfully implemented programmes with limited capacity and resources, through dedicated Council and administration team deserves recognition and appreciation even during this time of the covid epidemic. The following programmes were implemented during the year under review:

- Building of Municipal Offices close to completion
- Textile incubator infrastructure close to completion
- Maintenance of Access Rural Roads completed in ward 8
- Urban roads construction completed in ward 2
- Construction of Community Halls Wards 5 & 13
- Maintenance and Upgrade of Community Halls wards 6, 8 & 12
- Successful implementation of Water harvesting projects in wards 1, 4 & 6
- Construction of Sports Combos in wards 5 & 11
- Installation and Commissioning of High Mast Lights for wards 3, 5, 6, 7, 9, 10 & 12
- Provision of Mobile Child Care facilities (Park homes) in progress wards 10 & 11
- Construction of Child Care facility in progress in ward 1
- Provision of Grand Stands in Ward 6, 10 & 11
- Continuing construction of Access Roads throughout the Municipal Area

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- Implementation of the Electrification Infill Projects in wards 1, 3 & 9
- SMME's & Co-ops supported in local economic development
- The municipality created jobs for the local individuals through the Municipal LED & Community support related projects support (cleaning of road sides in CBD & those connecting residential areas and economic areas, cemeteries, parks, community halls, etc.)
- Supporting needy students to Tertiary Institutions
- Supporting Indigents Households through rebate system on rate, electrification and refuse removal services
- Successfully reducing stray animals (cattle, goats, and sheep) through implementation of the Animal Pound by law
- Implementation of the Internship Programmes through different programmes (FMG and Private Sector Initiatives).
- Supporting and implementing Social Cohesion Programmes through partnership with different stakeholders.

## Summary Challenges

The following were summary challenges experienced by the municipality in 2020/2021;

- High vacancy rate and capacity challenge
- High level of limited budget/financial resources to undertake all relevant projects required in wards
- High levels of covid 19 infections
- The high levels of support the municipality had to give to the community due to high levels of poverty
- Some projects delayed with regards to commencement as a result of the lockdown levels;
- Some meetings not undertaking due to high levels of covid infections amongst the staff
- Some public participation meetings not achieved due to covid gathering regulations

## HIGHLIGHTS PER KPA

### MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

Municipal Transformation & Institutional Development of Dannhauser contributes to the effective delivery of services and socio-economic development within the jurisdiction. The following were achieved;

#### *Performance highlights for 2020/21:*

- Increase in Job Creation Opportunities (Security Services and other administration and general services)
- Policies reviewed and implementation
- WSP reviewed and submitted to Department of Labour timeously

#### *Challenges:*

- KPI's Not Met and KPI's Met
- Sourcing a record keeping system has remained a challenge.
- Fast tracking filling of the critical vacant positions in the organisation.
- Disputes halted recruitment and selection process, which led to the high percentage of vacancy rate.

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- Shortage of office space for new positions.
- Protest action by the community made it cumbersome to deliver services expeditiously.
- National lockdown due to Corona Virus which affected service delivery

## ***Measures taken to improve performance:***

- Prioritisation for filling of vacant positions
- Fast tracking resolving dispute between the Municipality and Unions.
- Prioritisation for finalisation of the Records Management Policy and System
- Budget for Park-homes as a temporary structure for offices
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2020/21 financial period.

## **KPA - BASIC SERVICE DELIVERY & INFRASTRUCTURE SERVICES:**

The none achievement of some KPI's was mainly due to targets earmarked to be completed and reported by 30 June 2021, but could not due to covid measures; and further exacerbated by a lack in capacity of the municipality, including some municipal officials who had to be quarantined due to being infected by the epidemic. This was also made worsened by the delayed implementation by sector departments which then infiltrated into the lockdown period.

The following were deliverables in the 2020/2021 financial year: -

## ***Performance highlights for 2020/2021***

- Building of Municipal Offices close to completion
- Textile incubator infrastructure close to completion
- Maintenance of Access Rural Roads completed in ward 8
- Urban roads construction completed in ward 2
- Construction of Community Halls Wards 5 & 13
- Maintenance and Upgrade of Community Halls wards 6, 8 & 12
- Successful implementation of Water harvesting projects in wards 1, 4 & 6
- Construction of Sports Combos in wards 5 & 11
- Installation and Commissioning of High Mast Lights for wards 3, 5, 6, 7, 9, 10 & 12
- Provision of Mobile Child Care facilities (Park homes) in progress wards 10 & 11
- Construction of Child Care facility in progress in ward 1
- Provision of Grand Stands in Ward 6, 10 & 11
- Continuing construction of Access Roads throughout the Municipal Area
- Implementation of the Electrification Infill Projects in wards 1, 3 & 9

## ***Challenges:***

- High rates of critical vacant positions.
- Dependency on the Services Providers (Consultancy) for execution of the Project Management and other Service Delivery functions.
- Limited and old Plant Equipment for execution of the Service Delivery and Operational assignment.
- Limited Budget for execution of the Service Delivery Functions.
- Limited space for operations of the departments.
- Limited skilled personnel in the departments.
- Delay of SCM process which affects execution and implementation of service delivery.



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- Providing support on functions that are not part of the scope of the municipality.
- Protest action by the community made it cumbersome to deliver services expeditiously.
- National lockdown levels due to Corona Virus impeded service delivery.

## ***Measures taken to improve performance:***

- Fast track filling of the critical vacant positions.
- Improve capacity in terms of scarce skills in the departments.
- Develop bankable Business plan for sourcing funding for implementation of the Service Delivery Projects.
- Prioritise acquisition of Plant and Equipment for service delivery purposes.
- Rearrange the space department to effectively implement its mandate.
- Capacitate personnel in the department to reduce dependency on external service providers for monitoring, strengthening and implementation of the capital projects.
- Improve execution of SCM processes and adherence to approved procurement plan.
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2020/21 financial period.

## **KPA: ECONOMIC DEVELOPMENT**

The none achievement of some KPI's was mainly due to targets earmarked to be completed and reported by 30 June 2021, but could not due to covid measures; and further exacerbated by a lack in capacity of the municipality, including some municipal officials who had to be quarantined due to being infected by the epidemic. This was also made worsened by the delayed implementation by sector departments which then infiltrated into the lockdown period.

## ***Performance highlights for 2020/2021:***

- Implementation of the LED Programmes and Projects
- Implementation of the Partnership Programmes with Private Sector (Social Labour)

## ***Challenges:***

- Lack of leadership in the department (No HOD)
- Lack of development of the strategic sector plans
- High vacancy rates on critical positions
- Lack of coordination on activities involving stakeholders like Private and Public Sector
- Limited funding for strategic programmes or projects
- Lack of coordination and alignment within the departments
- High vacancy rates lead to strategic programmes not implemented (LED Strategy Review and Adoption, LED Forum Structure and LED Forum Terms of Reference not being implemented, etc.)
- National lockdown due to Corona Virus which impeded service delivery.

## ***Measures taken to improve performance:***

- Fast track filling of critical vacant positions
- Prioritisation development, adoption, and implementation of the strategic sector plans
- Fast track on the appointment of the HOD for Planning and Economic Development
- Prioritise funding for LED Projects and Programmes
- Improves and resuscitation of the IGR Structures and processes and Private Sector Involvement and engagement in the development programmes
- Improve, initiate and coordination within the departments

# Chapter 1

- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2020/21 financial period.

## **KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The none achievement of some KPI's was mainly due to targets earmarked to be completed and reported by 30 June 2021, but could not due to covid measures; and further exacerbated by a lack in capacity of the municipality. Council meetings were also suspended during the lockdown period, public participation through ward committee meetings could not be undertaken as per the regulations issued by Cogta and IGR meetings were further affected.

The municipality upheld its compliance levels with regards to guiding legislations and further incorporated the priority views of its community in all wards as required by the Municipal Systems Act, 32 of 2000, the following were achieved;

### ***Performance highlights for 2020/2021:***

- Some Effective Constituency Meetings Programmes conducted quarterly based on covid-19 gathering regulations
- Public Participation mechanism is working effectively to the interest of the citizens
- Effective and Functional Ward Committees Systems and Programme
- Effective Operation Sukuma Sakhe Initiatives
- Some Council, Executive Committee, and Portfolio Committees met, effectively and functionally although some were affected by covid-19
- Oversight Structures functionally and effectively (Audit Committee, MPAC, Internal Audit Unit, etc.) although some were affected by covid infections of members

### ***Challenges:***

- Technological communications advancement affecting the municipality in new forms of communication strategies
- Targets that the municipality has no control over due to sector departments and other stakeholders
- High vacancy rates contributed to the poor performance for the year under review
- Limited budget to execute Public Participation programmes and system
- Lack of coordination between government and private sector stakeholders
- Failure to coordinate quarterly performance assessments
- Protest action by the community made it cumbersome to deliver services
- National lockdown due to Corona Virus impeded service delivery and functioning of structures

### ***Measures taken to improve performance:***

- Improve technological communication software systems to aid in off-site public participation
- Enhance technological communication systems to enable councilors and committee members to meet off site.
- Engage relevant stakeholders to improve IGR and service delivery
- Fast track filling of critical vacant positions
- Increase budget for implementation of the Public Participation and Good Governance Programmes
- Initiate engagement and consultation process between Private and Public Sector Stakeholders
- Prioritise Quarterly Performance for Section 54/56 Managers

# Chapter 1

- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2020/21 financial period.

## **KPA: ENVIRONMENTAL AND SPATIAL MANAGEMENT**

The none achievement of some KPI's was mainly due to targets earmarked to be completed and reported by 30 June 2021, but could not due to covid measures; and further exacerbated by a lack in capacity of the municipality.

The municipality complied with Land Use Management legislations and guiding strategies and enhanced environmental management upkeep through the application of promulgated legislations and within the district, the following were achieved;

### ***Performance highlights for 2020/2021:***

- High rate of revenue collected through license department
- Land acquired for new cemetery development
- Maintenance of current cemeteries
- Current EIA being undertaken for the new land acquired for the new cemetery from Durnacol mine
- SPLUMA compliance and implementation
- Conducted school and community based environmental education and awareness (including plantation of indigenous trees in celebration of Arbor month), and capacity building workshops.
- Conducted clean-up campaigns
- By-Laws enforcement on waste management
- Grassing of Municipal property and maintenance
- Landfill design (for construction compliance with the license conditions)
- Landfill cell design underway
- By Laws gazette, suppression of Health and Nuisance By-Laws and Municipal By-law
- Environmental Awareness Campaigns in Ward 2 and in various schools

### ***Challenges:***

- High vacancy rates on critical positions
- More capacity required in the Environmental Department; Traffic Department; Driving Testing Centre;
- Bylaws published not being enforced due to lack of capacity
- Current workforce stressed due to work overloads and shortage of staff
- Some sector departments not integrating with the municipality to complete projects
- Limited budget for enforcing SPLUMA in the entire municipal area
- Lack of resources to roll out refuse removal services in the entire municipal area
- National lockdown due to Corona Virus which affected service delivery

### ***Measures taken to improve performance:***

- Regular engagement to Traditional Leadership and Landowners on the SPLUMA Compliance
- Fast tracking filling of vacant positions
- Prioritise budget for Town Planning Policies, Plans, and Infrastructure etc.

## **KPA: MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY**

The none achievement of some of the KPIs was mainly due to targets earmarked to be completed and

# Chapter 1

reported by 30 June 2022, but could not due to covid measures; and further exacerbated by a lack in capacity of the municipality. There were also delayed appointments of municipal published bids in the last quarter of the financial year as a result of the Cogta regulations, this was impacted on by emergency procurement measures that had to be undertaken as a result of the epidemic which infected some of the local community members and the municipal officials.

## ***Performance highlights for 2020/2021:***

- Compliance on MFMA processes in respect to budgeting and implementation thereof
- Effective implementation of the MSCOA Programme
- Adherence to budget and support departments in respect to implementation of the budget
- Regular implementation of the FMG Projects
- SCM adherence and effective and functional system
- Initiate process for funding mobilisation on the capital and development projects, and investor drive programme

## ***Challenges:***

- High vacancy rates on the critical vacant positions
- Limited working space
- Lack of capacity to Non-Financial Personnel
- Long or delayed process on SCM
- A lack of technological software to enable off-site working when necessary
- Protest action by the community which lead to poor performance
- National lockdown due to Corona Virus

## ***Measures taken to improve performance:***

- Fast track filling of the critical vacant positions
- Prioritise budget for temporary office space or structure
- Prioritise Capacity Building Programme for Non-Financial Personnel
- Strengthening adherence to MFMA implementation
- Effect Work Programme for Bid Committees

During 2020/2021 financial year the municipality faced several challenges, primarily, low economic growth, high unemployment, sub-optimal revenue collection and housing shortages, although the challenges were being addressed with a minimal budget by the municipality, based on their persistence over the years, the situation has been worsened by the outbreak of Covid-19 Pandemic which caused a regression in progress. The lockdown levels caused project implementing stakeholders and the municipality not to be able to undertake the set identified projects on time, some projects being shifted for later financial periods as a result of financial resources being reallocated to fighting and addressing the pandemic.

Important to note is the current constraint that is still being brought about by the operational municipal office space that is still too small to enable proper social distancing amongst the employees. As stated, prior, this has caused some employees to be quarantined due to the spreading of the virus in small confined places. As the current new municipal office building is still in progress of being constructed and progress leading to its completion being hampered by the lockdown levels; the municipality, implemented a rotational working system amongst the employees; this would enable employees to come



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to work based on a working schedule during the week and staying at their homes for other days. This effectively aided the municipality in reducing the number of employees being affected by the epidemic. The employee rotational system as caused a slow progress in the implementation of key projects and the achievement of set KPIs.

The administration is committed to addressing the existing challenges through the initiation of operational strategies that will impact positively on the goals set by Council in bringing positive results which will improve the lives of the very resilient residents of the municipality. With limited resources, a lot has been achieved during the year under review 2020/2021 with regards to the KPI's.

On an operational level and capacity, with regards to capital projects implementation within the municipal jurisdiction together with basic service delivery; the municipality's implementation of the Service Delivery Budget Implementation Plan for 2020/2021 was negatively impacted on; some capital project implementations were achieved while others were not achieved. The municipality strived to deliver basic services (i.e., refuse removal; water delivery; funerals & burials; community social support programmes; sanitization programmes; electrification infills to households; economic development; etc.) as these would aid in reducing or minimizing the impact of the covid-19 epidemic on the health of community. Although the municipality had placed and undertook all these initiatives, important to note, is that, the local communities had to also play a crucial part in adhering to covid regulations; this however proved to be difficult as many still did not practice social distancing.

The government continues to intervene to ease the disaster's impact on individuals and organisations. It adopted a multipronged approach, underpinned by a R500 billion stimulus package to support citizens and the country's economy. The National Government through the Department of Social Development introduced a R 350 per month facility to aid the poor during the time of covid. The grant commenced in May 2020 and ended in April 2021, within the financial period under review. Most rural community members did benefit from the grant, however not all. Although the citizens obtained this grant, still the municipality had to play its role towards the community through local social programmes support to households which had been assisted or who were destitute and the elderly. During this period the municipality's operations were ongoing and the public were allowed to approach the municipal offices to obtain various assistances to ensure that their matters of concern to social welfare were addressed.

In the year under review the municipality continued to undertaking its required, Management; Portfolio Committee; Exco and Council meetings. This was to ensure that all necessary governance matters are complied to. Attendance to the Intergovernmental Relations Meetings (IGRs) were also adhered to.

The compliance with the District Integrated Development Model (DIDM) as required by National Government. The municipality ensured that all required information to the DIDM was furnished through the IGR meetings. The following are the key angles of the model;

- **Development will be pursued through single and integrated plans per district.**

- ❑ The district-driven development model is directed at turning plans into action, and ensuring

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proper project management and tracking.

- ❑ District Development Model will be pursued through single and integrated plans per district which will be further synchronised with Integrated Development Plans in municipalities.
- ❑ The plans will elaborate the key transformation processes required to achieve long-term strategic goals and a desired future in each of the 44 districts and eight metros.
- ❑ Each district plan will outline the role of each sphere of government, prioritising the following:
  - ✓ Managing urbanisation, growth and development;
  - ✓ Supporting local economic drivers;
  - ✓ Accelerating land release and land development;
  - ✓ Investing in infrastructure for integrated human settlement, economic activity and the provision of basic services; and
  - ✓ Addressing service delivery in municipalities.

▪ **The plan is an inter and intra governmental society-wide Social Compact**

- ❑ The model prioritises social partnerships and collaboration with all sectors of society and communities in addressing service bottlenecks.
- ❑ The model aims to strengthen community participation and advocates for cohesive communities.
- ❑ The model places communities at the heart of service delivery and mobilising citizens and civil society to support the implementation of long-term plans that outline how best to improve the lives.
- ❑ It will have considerable impact if members of the community become active participants and make use of the available opportunity to do things differently with the new model.
- ❑ More importantly, citizens who have burning issues will be responded to immediately by municipalities.

▪ **A more efficient government is our priority**

The National Development Plan set course towards a developmental state motivated by 25 years of democracy experience. In realising vision 2030 we require collaboration between all sections of society and strong leadership by government.

- ❑ If we are to address the triple challenges of poverty, inequality and unemployment we need a state that is capable of playing a transformative and developmental role.
- ❑ This requires well run and effectively coordinated state institutions staffed by skilled public servants who are committed to the public good and capable of delivering consistently high-quality services for all South Africans.
- ❑ This model aims to overcome barriers to service delivery in government and create capacity to meet increasing expectations.
- ❑ It will help government reverse the decline in state capacity and restructure service delivery so it best serves our citizens.

▪ **The District Development Model will stimulate economic growth and benefit local entrepreneurs.**

- ❑ The District Development Model is expected to develop, support and promote local entrepreneurs through prioritising local procurement of services and goods.
- ❑ Municipalities will be assisted to create an enabling environment for economic development and provide regulatory certainty in line with Back to Basic pillar of LED.
- ❑ By providing policy and regulatory certainty, municipalities will build public and business confidence in municipalities as places to live, work and invest.

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In alluding to the above; we have set about building a municipality that serves the interest of its people with pride and central to this, is effort towards having a municipality staffed by a competent, professional and ethical public servants. To this end, the municipality resolved to assess and place staff according to their capabilities.

In terms of financial management, the year under review, reflected our dedication to fiscal discipline, and ensured the reduction in unnecessary and irregular public spending. The introduced austerity measures in municipal expenditure and optimization of municipal revenue streams through collection mechanisms further aided the municipality. The task of balancing tough economic times against the backlogs is a daunting one, but we thrived to provide balanced budgets and optimized efficiencies to better serve our residents. We strived to also ensure a sustainable model of financing of the municipal budget, to carefully balance our commitments supported by increased revenue collection and a stringent application of the municipality's debtor's credit control policy.

We are committed to improving the quality of basic services received by residents. We recognize that the municipality's key services in the delivery of social and economic infrastructure, roads (rural and urban) and waste removal are critical to people's quality of life. Our ability to create an environment that is safe and secure, and to address housing needs, social services, the environment, and the needs of our poorest citizens are part of our dedication to presenting a better municipality.

We believe that in applying the operational and good governance basics right, our municipality will function in a way expected by residents. To this end, we have initiated the process of an institutional review to improve the municipality's ability to respond to service delivery needs. We have developed KPIs that are geared towards the requirements of our community. Proper consultation through institutional mechanisms and political administrators has allowed us to put our people first and enabled us to allocate our limited resources through all 13 wards. The key fundamental principles of the "Back to Basics" campaign together with radical socio-economic transformation have been key to reaching all grass-root levels in all wards irrespective of distance.

We are determined that the municipality's poorest residents and their needs must be addressed. Our mission is to deliver quality services, create an enabling environment for businesses to flourish and become employers, to root out corruption and ensure that every cent of public money goes to those who need it the most, our residents.

Successfully achieving set goals as per Council mandate which was not an easy assignment to fulfil due to capacity constraints, however with the limited resources and support we have managed and remain committed.

Continuing coordinating role of the municipality, strategic sector departments and private sector for realisation of the attraction of investors and fulfilling the goal for the municipality to be a competitive destination for investment; a place where businesses choose to come and set up because of the ease of doing business and the reliability of services.

The municipality had successfully executed the following strategic programmes during the year under review (2020/2021) through limited capacity:

- Private Public Sector Initiatives (Mines and other Sector Partners)
- Fully execution of Council priorities in terms the Budget and IDP as approved by Council
- Fully executed and complied with the Good Governance and Public Participation Programmes and Systems
- Adoption and Implementation of the Strategic Policies and Sector Plans

# Chapter 1

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- Adherence to legislations and Policies that governs the sector
- Effective and Functional Council and Oversight Structures (Executive Committee, Portfolio Committees, MPAC, Audit Committee, Internal Audit and Budget Steering Committee)
- Maintaining Sound Financial Position for the municipality to fulfil its mandate
- Participation in the District IGR Structures for strengthening service delivery and improve coordination on services in general: and
- Effective and sound public participation model.

Residents have demanded a distinct break from the past and now it is time for 'business unusual'. We will engage in extensive public discussions on the municipality's Integrated Development Plan (IDP), listening to our communities to ensure that our spending will reflect the resident's needs and the change they desire. This IDP captures our commitment to building a municipality that advances freedom, fairness, and opportunity for all.

I would like to express my appreciation for the support received from the political leadership in Council, the Speaker, Mayor, Members of the Executive Committee and Portfolio Committees; as well as the municipality's advisory committees which encompasses the Audit Committee, the Finance Committee, Management Committee (MANCO) and Risk Management Committee.

I would like to thank Management and the entire administration staff of the municipality for their administrative support, National and provincial government departments. Collectively we remain committed to clean governance and an efficient professional government service.

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**MUNICIPAL MANAGER**

**WB NKOSI**

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**DATE**

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## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

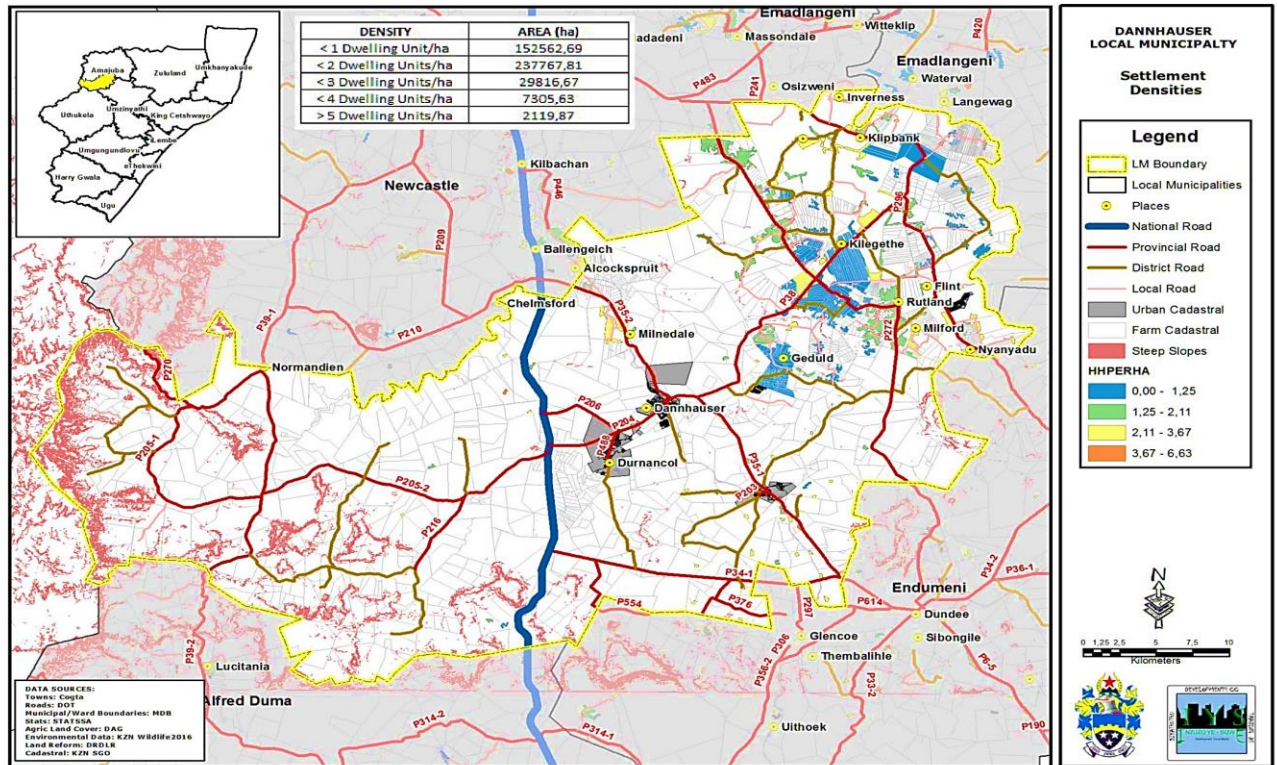
Dannhauser Local Municipality (LM) (KZN 254) is located north in the Kwa-Zulu Natal Province in Amajuba District with Newcastle Local Municipality and Emadlangeni Local Municipality as part of its family. It is the smallest of three local municipalities within the district; with area coverage of approximately 1516 square kilometers. Dannhauser LM is a predominantly rural municipality and classified as a “Class B” municipality by national government. Mining towns with some residential areas were established within the jurisdiction prior to the 1980’s as a result of the numerous mines situated within and around the municipal area. These include Dannhauser Town, Hattingspruit, and other main towns such as Inverness, Kilegethe, Klipbank, Milford, Normandien, Nyanyadu, Rutland, Tendeka, Witteklip.

The municipality in 2020/2021 constitutes thirteen (13) wards with a combined total of 58 settlement areas. Dannhauser Town is the main node within the municipal area and currently is currently surrounded by some of the largest coal producing mines in KwaZulu-Natal. The municipality is strategically positioned in a midway point along a main railway line that provides linkage between Durban and Johannesburg and is located approximately eight (8) kilometers off a national road (N11). The landscape of the local municipality is characterized by numerous rivers that flow through the municipal area, the Ngagane and uMzinyathi Rivers are amongst the largest of these rivers. The western portion of the municipality is endowed with scenic landscapes.



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**MAP 1: DANNHAUSER LOCALITY**



(Dannhauser: SDF 2018)

## 1.1.1 WARDS AND TRADITIONAL AUTHORITY

The north-eastern portion of the Dannhauser municipal area is largely land under the administration of traditional councils. It includes a portion of Ubuhlebonzinyathi Community Authority (that falls within Dannhauser Municipality), covering an area of approximately 13, 395 km<sup>2</sup> in extent and Nyanyadu Traditional Council area which accounts for about 1, 1190 km<sup>2</sup> of the total municipal area, the other Council Authorities are Ingwe, Emalangeni and Gule. Municipal Wards and Tribal Authority Boundaries





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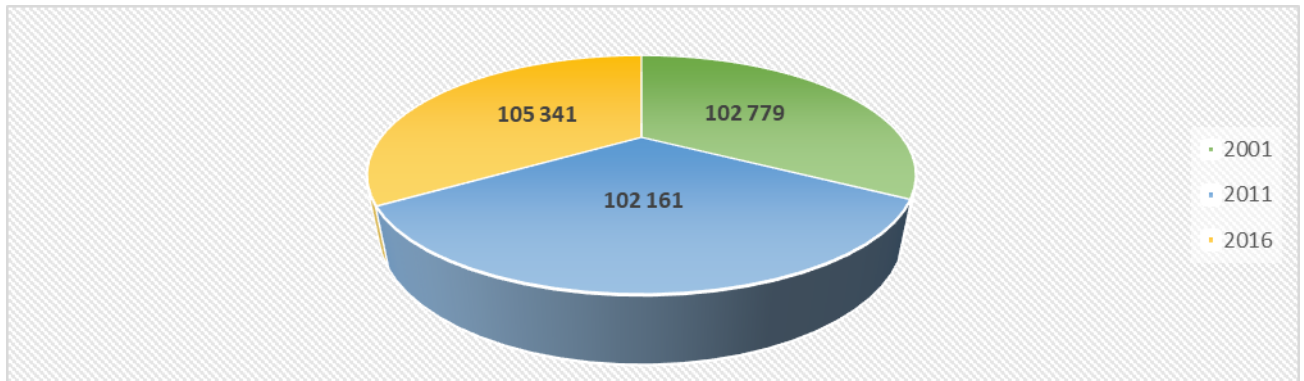
The population in the wards differed based on the addition of two wards from the initial 11 wards as at census 2011 to census 2016. Some of the population groups from the then existing 11 wards relocated into the two new wards, which are wards 12 and 13. The additional wards were based on the increase in demographics within the municipality as the population grew.

## 1.1.3 POPULATION GROWTH / DECLINE

Population densities are highest in the Traditional Council areas in the north-eastern portion of the municipal area and in Dannhauser Town. The town functions as a primary node (providing commercial service facilities, agricultural industries, industrial park, public social infrastructure, economic infrastructure and government services). The local economy is largely defined by the mining and agricultural sectors, these currently contribute to minimal employment within the jurisdiction. Local residents rely on the larger urban centres of Dundee and Newcastle for employment opportunities and higher order goods and services.

The population growth within the jurisdiction can be attributed to a number of issues including: receiving quality government services, immigration by residents moving from neighboring areas such as Newcastle, Emadlangeni and other municipalities, increased housing development by Human Settlements, availability of land for agricultural activities, etc. If the positive growth rate persists, it is likely to encourage development in the area. The situation therefore warrants interventional measures that could encourage people to remain within the municipality to the municipality.

**FIGURE 2: POPULATION GROWTH**



(Stats SA: Census 2016)

Education plays an important role in economic development. It provides skilled labour that is key in producing goods and services in an economy. In 2016, of the total population of 105 341, only 1.9% had obtained tertiary educational attainments and only 16.4% had matriculated. People with no schooling increased to 14.7% 2011. This can be attributed to a lower level of primary school enrolment that was experienced in the municipal area in 2016-2017. Only a handful of those who finish matric pursue further studies. It is important to address this challenge. There is a need to develop a program that will monitor or ensure that pupils that enroll in primary education are encouraged to complete secondary education and further their studies. Addressing this challenge is fundamental to creating a strong base that the municipality can use to stimulate economic growth and development.

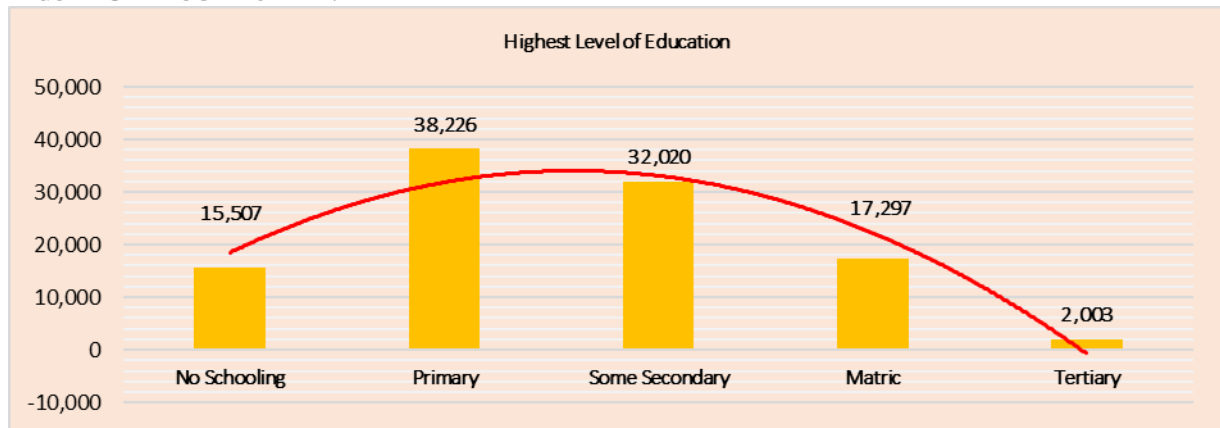
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## 1.1.4 EDUCATION LEVEL

Education plays an important role in economic development. It provides skilled labour that is key in producing goods and services in an economy. In 2016, of the total population of 105 341, only 1.9% had obtained tertiary educational attainments and only 16.4% had matriculated. People with no schooling increased to 14.7% 2011. This can be attributed to a lower level of primary school enrolment that was experienced in the municipal area in 2014-2015. Only a handful of those who finish matric pursue further studies.

If the population levels continue to rise, and education is not addressed, the jurisdiction may end up having a community that is highly uneducated thus increasing the levels of poverty and dependency. *It is important to address this challenge, through development of rural education facilities and support given to children who come from highly impoverished backgrounds. The NDP 2030 points out the need to develop rural communities to attain levels as those in urban areas. There is a need to develop a program that will monitor or ensure that pupils that enroll in primary education are encouraged to complete secondary education and further their studies. Figure.3 below indicates the population levels and their levels of qualifications within Dannhauser.*

FIGURE 3: EDUCATION LEVEL



(Stats SA: Census 2016)

## 1.1.5 MULTIPLE DEPRIVATIONS INDEX

The KwaZulu-Natal Provincial Index of Multiple Deprivation (PIMD) (2001) identifies poverty levels per municipality at a ward level. In terms of how it was determined, the PIMD (2001) was constructed by combining the five transformed domain scores with equal weights. The five domain indices are as follows:

- ✓ Income and Material Deprivation;
- ✓ Employment Deprivation;
- ✓ Health Deprivation;
- ✓ Education Deprivation; and
- ✓ Living Environment Deprivation.

TABLE 1: MULTIPLE DEPRIVATIONS INDEX (CENSUS 2016)

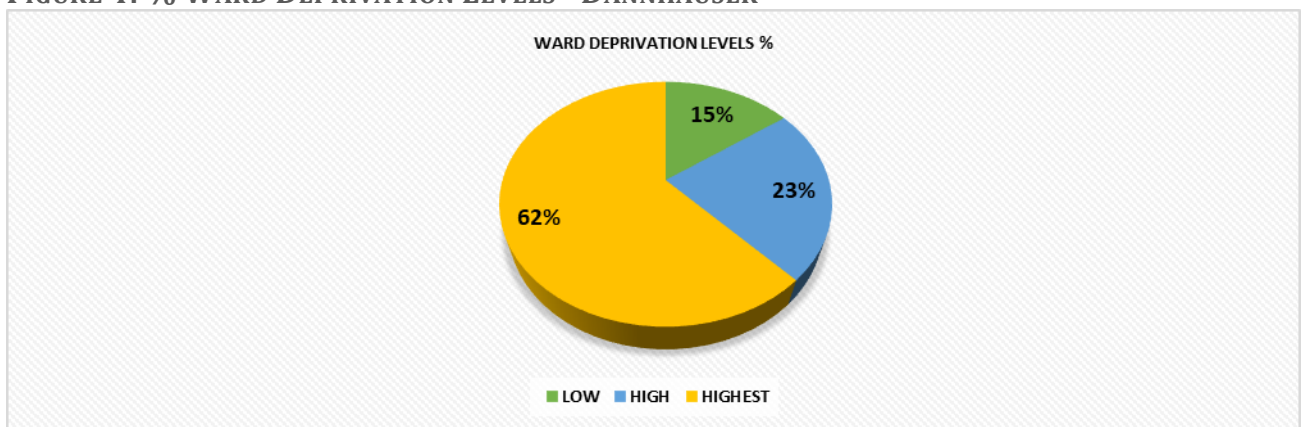
WARDS	LEVEL OF DEPRIVATION
Ward 1	High
Ward 2	Low
Ward 3	Most
Ward 4	Most

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Ward 5	Most
Ward 6	Most
Ward 7	High
Ward 8	Most
Ward 9	High
Ward 10	Most
Ward 11	Low
Ward 12	Most
Ward 13	Most

The table above indicates the high levels of pervert within the municipal jurisdiction as at 2020/2021

**FIGURE 4: % WARD DEPRIVATION LEVELS - DANNHAUSER**



(Stats SA: Census: 2016)

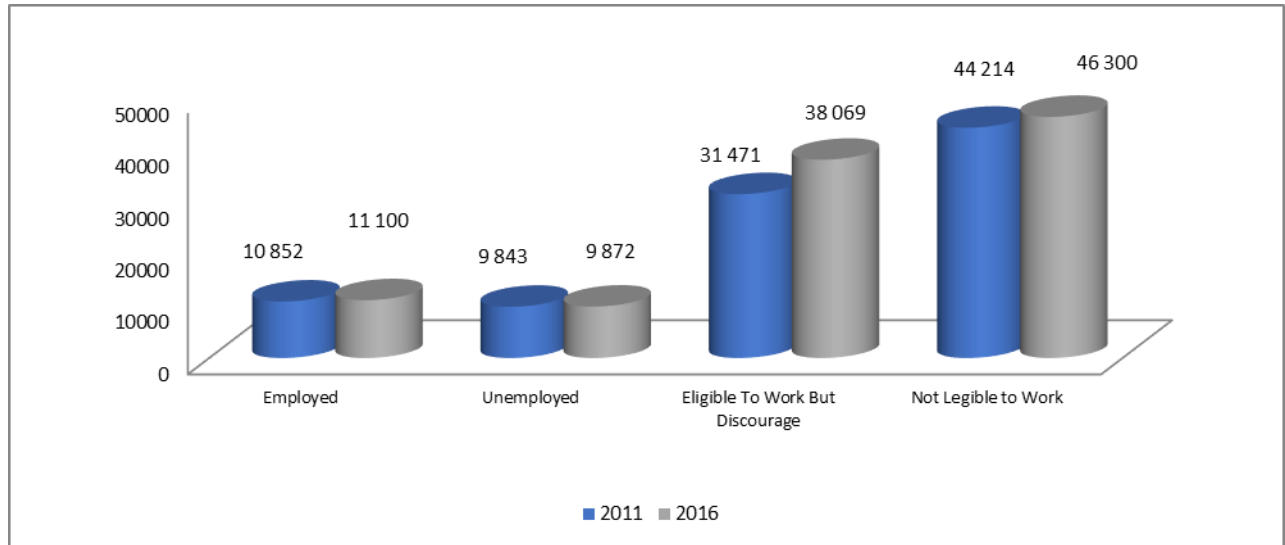
## 1.1.6 EMPLOYMENT / UNEMPLOYMENT RATE

The municipality experienced a slight increase in the number of people employed from 2011 to 2018, this is however offset by the large numbers of people who are eligible for employment but are not employed. This can be attributed to low education levels which compromise the employability of residents within the municipality and a lack of employment opportunities due to a lack of economic activities in the municipal area. High unemployment levels pose a number of challenges and are associated with a number of social ills, particularly for the youth.

The results of the above circumstances prone to engage in activities such as drug abuse, crime, alcohol abuse, etc. Efforts should be made to address these challenges. The figure below indicates the employment status of the municipality; The marked slight improvement of employment has been contributed by the local economic development programmes that the municipality is engaging in with sector departments and private stakeholders.

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**FIGURE 5: EMPLOYMENT STATUS**



## 1.1.7 HOUSEHOLD INCOME

**TABLE 2: HOUSEHOLD INCOME LEVELS**

HOUSEHOLD INCOME	
INCOME BRACKET	NUMBER OF HOUSEHOLD
No Income	3 544
R1 – R 4 800	1 124
R 4 801 – R 9 600	2 142
R 9 601 – R 19 200	4 979
R 19 201 – R 38 400	4 852
R 38 401 – R 76 800	2 427
R 76 801 – R 153 600	1 022
R 153 601 – R 307 200	458
R 307 201 – R 614 400	226
R 614 401 – R 1 228 800	32
R 1 228 801 – R 2 457 600	13
R 2 457 601 or More	18
Unspecified	1
Not Applicable	5
<b>GRAND TOTAL</b>	<b>20 844</b>

(Stats SA: Census 2016)

It is clear from the above data that there are more households living in poverty, this impacts negatively on the revenue generating stream of the municipality. It also serves as an indicator that more employment opportunities (job creating activities) must be implemented to reduce the poverty margins.

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## 1.1.8 GENERAL PERFORMANCE OF ECONOMIC SECTOR CONTRIBUTION - DANNHAUSER

**TABLE 3: GROSS VALUE ADDED NDH 2017 TO 2019**

<b>ECONOMIC STATUS – 2017 GROSS VALUE ADDED BY REGION (GVA-R)</b>					
<b>PRIMARY, SECONDARY &amp; TERTIARY SECTOR AGGREGATES &amp; SECTOR'S SHARE OF REGIONAL TOTAL (%)</b>					
		<b>PRIMARY SECTOR</b>	<b>SECONDARY SECTOR</b>	<b>TERTIARY SECTOR</b>	<b>TOTAL</b>
ATOT	National Total	10.6%	20.9%	68.6%	100.0%
<b>Provinces (2016 boundaries)</b>					
JP05	KwaZulu-Natal	5.5%	26.0%	68.5%	100.0%
<b>KwaZulu-Natal</b>					
JC25	DC25 Amajuba	16.6%	24.4%	59.0%	100.0%
<b>DC25 Amajuba (KZN)</b>					
J252	KZN252 Newcastle	7.9%	27.5%	64.6%	100.0%
J253	KZN253 Emadlangeni	39.9%	11.3%	48.7%	100.0%
<b>J254</b>	<b>KZN254 Dannhauser</b>	<b>50.4%</b>	<b>15.1%</b>	<b>34.5%</b>	<b>100.0%</b>

(Provincial Treasury-KZN: 2020)

As per Provincial Treasury KZN 2017, economic contribution analysis published Dannhauser's Gross Value-Added performance and contribution per economic sector combined to Kwazulu-Natal province was;

- Primary Sector contribution of 50.4% to Amajuba District combined of 16.6%, being higher than that of Emadlangeni and Newcastle Municipalities at 39.9% and 7.9% respectively;
- Secondary Sector contribution of 15.1% to Amajuba District combined of 24.4%, being the second highest to Newcastle and Emadlangeni at 27.5% and 11.3% respectively;
- Tertiary Sector contribution of 34.5% to Amajuba District combined of 59.0%, being less than that of Newcastle and Emadlangeni Municipalities at 64.6% and 48.7% respectively.
- In totality, Dannhauser ranks second within the district, but needs to strengthen its secondary and tertiary economic sectors.

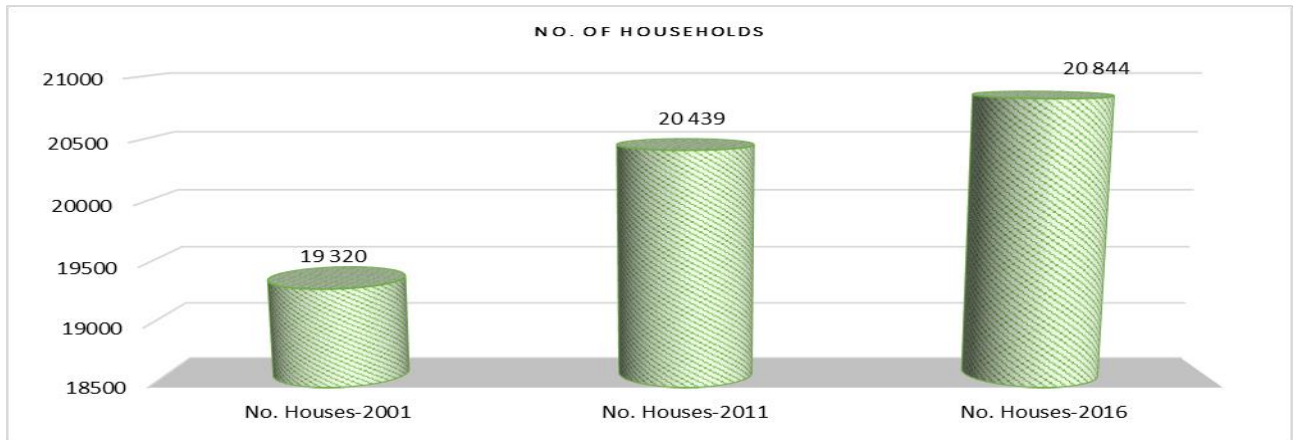


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## 1.1.9 CURRENT HOUSEHOLD STATUS

The number of households in the municipal area slightly increased from 20 439 in 2011 to 20 844 in 2017. These households are mostly located in rural settlements and are scattered in space in an inefficient manner. These scattered households pose a great challenge in terms of providing basic services such as water, roads, electricity.

**FIGURE 6: NO OF HOUSEHOLDS**



(Stats SA: Census 2016)

According to Statistics South Africa (Stats SA), the ELM had a population of approximately 34 442 people in 2011. The community survey that Stats SA released in 2016, the ELM population has increased to 36 869 people. This marks an increase of 1.37%. Households increased from 6252 to 6667 during the same period. There are The ELM has the smallest population size within the district as it accounts for only 6% of the district population. The ELM population is spread unevenly among the six electoral wards with 10% residing in in urban areas. The majority of the population resides in rural settlements and in commercial farmlands.

**TABLE 4: KEY DEMOGRAPHIC STATISTICS**

	2011				2016			
<b>Population size</b>	34442				36869			
<b>Population Growth</b>	0.65%				1.37%			
<b>Households</b>	6252				6667			
<b>Males per 100 females</b>	103				93			
<b>Dependency Ratio per 100 (15-64)</b>	74				69			
<b>Age</b>	>14	15-34	35-64	65<	>14	15-34	35-64	65<
	35.85%	35.06%	24.02%	5.07%	38.59%	35.79%	19.37%	6.25%

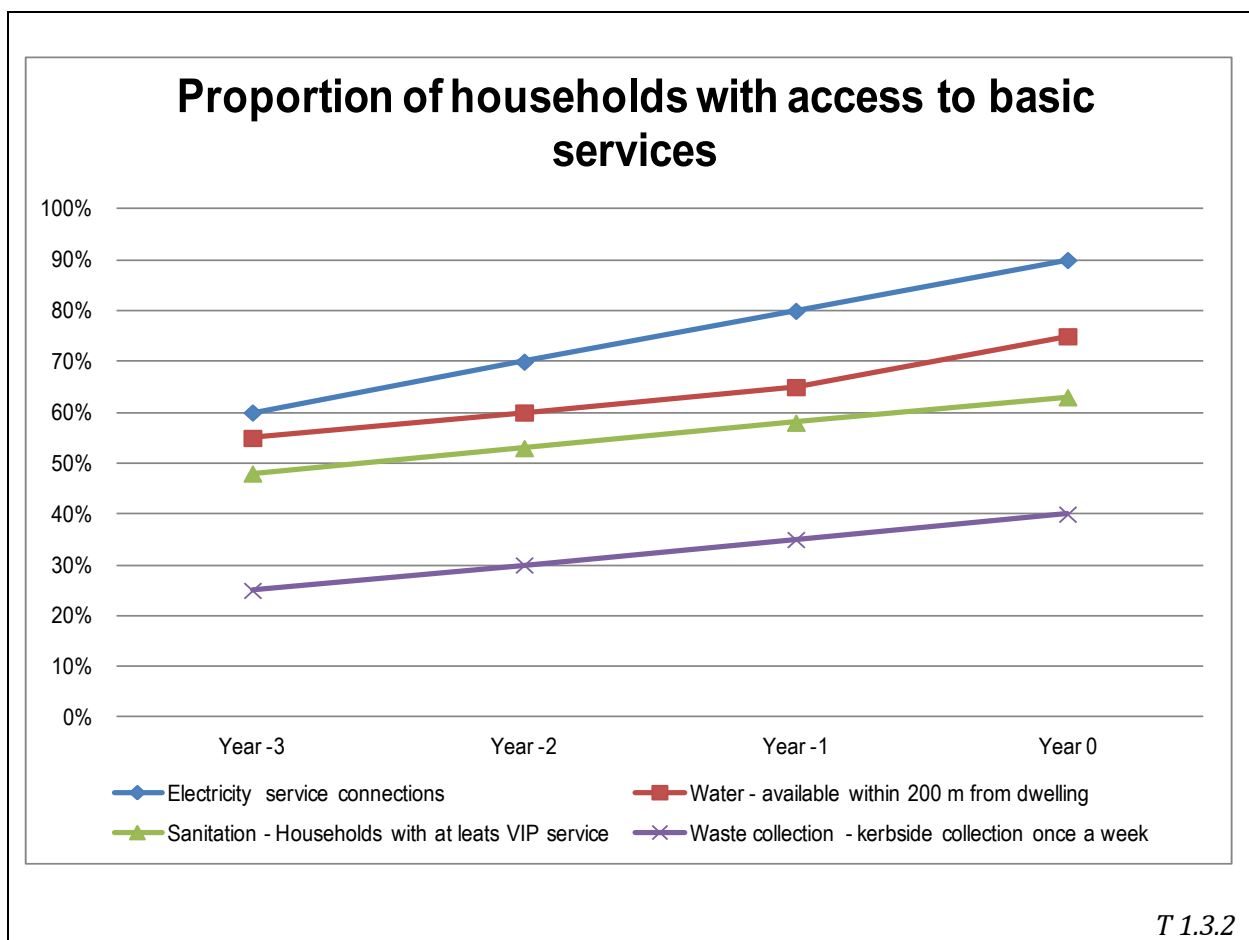
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Source: Statistics South Africa, Census 2011 & Community Survey 2016

According to the 2016 Community Survey, the ELM comprises of a predominantly young population with approximately 74.38% being below 35 years of age. This marks an increase of 3.47% from 2011. Children make accounts for 8.48% of the population while the economically active age cohort contributes 55.16% to the population. This indicates a loss of 3.91% of the working age population and is attributable to out-migration to other areas (such as Newcastle) in search of employment opportunities and better access to urban services. The elderly segment of the population increased from 5.07% in 2011 to 6.25% in 2016. The ratio of males to females is 93 males for every 100 females.

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION T 1.3.1



## 1.4 FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

During the 2021 Financial year the municipality has experienced both positive and negative financial health outcomes mostly attributed to the corona virus pandemic that has resulted in Job losses and economic downturn. The above situation has led to increase in debtors' payment period from 153 in 2020/2019 to 260 2021/2020 days which amounts to **70%** increase in number of days it takes to settle municipal debts. The surplus for the year has shown a positive

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increase from R 6181 in 2019/2020 to R 11 308 2021/2020 which amounts to 82% increase in current year surplus. The current year net cashflow also presented a positive increase of 25% (2020/21: R 53 944;2019/2020: R 43 203)

Financial Overview: Year 2020/2021			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	102,262,000.00	118,244,000.00	128,214,001.00
Taxes, Levies and tariffs	29,083,000.00	26,113,000.00	21,084,219.00
Other	18,797,000.00	16,567,000.00	7,375,094.00
Sub Total	150,142,000.00	160,924,000.00	156,673,314.00
Less: Expenditure	149,143,000.00	149,100,000.00	147,855,177.00
Net Total	999,000.00	11,824,000.00	8,818,137.00

Operating Ratios	
Detail	%
Employee Cost	22%
Repairs & Maintenance	15%
Finance Charges & Impairment	3%

## COMMENT ON OPERATING RATIOS:

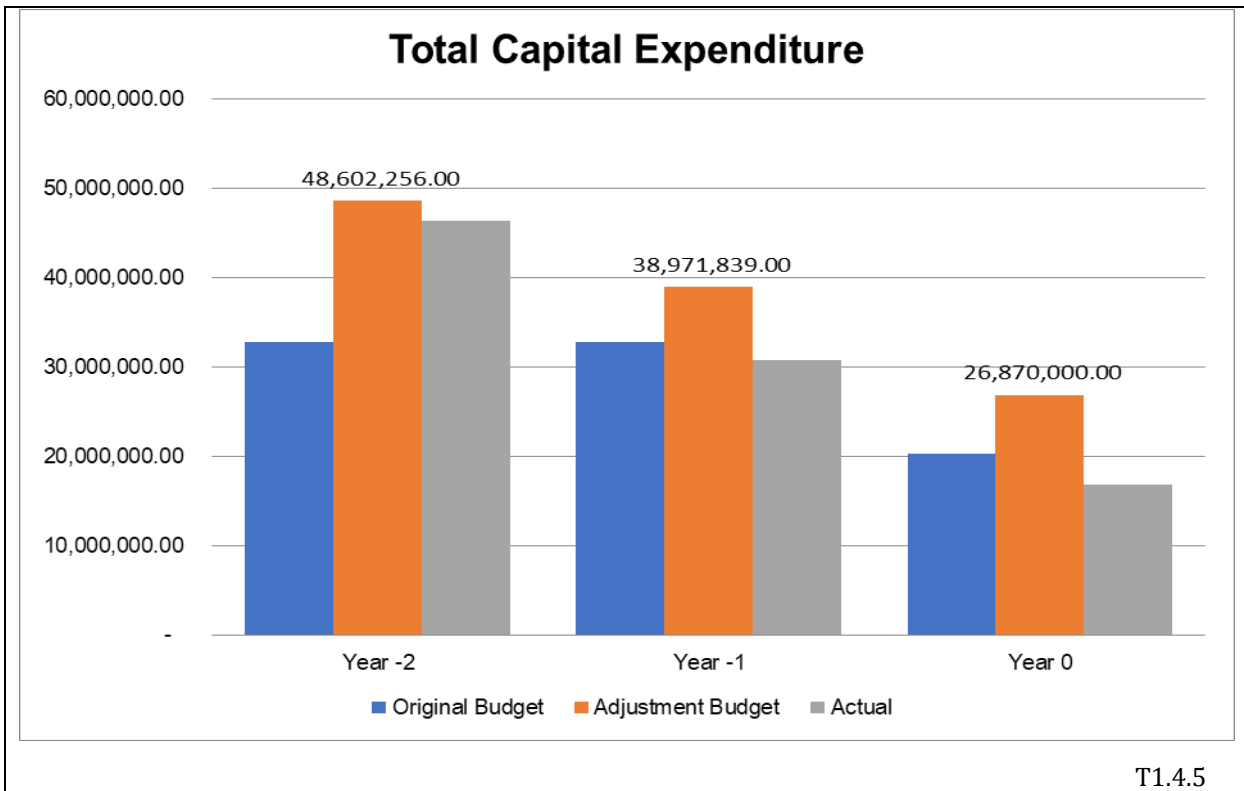
Employee Costs expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Depreciation 10%.

T1.4.3.

Total Capital Expenditure: Year 2019 to Year 2021			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	32,830,785.00	32,829,028.00	20,300,000.00
Adjustment Budget	48,602,256.00	38,971,839.00	26,870,000.00
Actual	46,444,673.00	30,829,850.00	16,864,391.40

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## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality's administrative and departmental organizational structures which were approved and adopted by the council.

## 1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 08/09				
2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Unqualified Opinion	Qualified opinion	Qualified opinion	Qualified opinion	Qualified opinion
The municipality's audit opinion has remained the same in the past years however great improvement has been made in reducing the basis of a qualification as expressed in the audit reports. The municipality is currently having one paragraph as a basis for a qualification, measures are in place and action plan will be drafted to ensure that the audit opinion improves.				

# Chapter 1

## 1.7 STATUTORY ANNUAL REPORT PROCESS

No .	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft 20/21 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
		T1.7.1

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

During the 1 of November 2021 the country has engaged in local government elections this has led to the changes in the council party compositions and changes to Executive Mayors. Dannhauser Municipality have 25 Councillors which are participating in the municipal area service delivery. Within the Municipality; councillors are given the opportunity to learn more as a part of capacitating them.

The Councillors attended Induction Training on Roles and Responsibilities of Councillors and Political Structures, Municipal Public Accounts Training, Collective Agreement, Local Labour Guidelines, Service Charter, Environmental Management, Waste Management and Climate Change workshops. Continuous development of Councillors' skills will definitely enhance service delivery. Dannhauser Local Municipality made extra efforts to include the Ward Committees and Councillors in the maximum of administrative functions and outputs possible at all levels. Any inputs or comments from the committees are reflected or accommodated in the reports pertaining to Council matters. Ward Committees are also involved in commenting on reports, in order to be kept abreast of (and in turn, to inform the community) changes and developments within the municipality. This ensures a high level of public participation and promotes the principle of accountability. A report has to follow a lengthy process to ensure all role-players are aware and supportive of the recommendations before included in the Council agenda.

Reports are forwarded from the meeting of the Municipal Manager with the Heads of Department to the relevant Ward Councillors and Committees, and if applicable, they may then comment as indicated above. Thereafter reports are submitted to the relevant Section 80-Portfolio Committee, where the full-time Councillors (MMC) chairs the meeting, in consultation with part-time Councillors, who also serve on the relevant Portfolio Committees. After a report has been noted and commented on by the Section 80-Committee, it is then forwarded to the Mayoral Committee for resolution or recommendation to Council, according to the delegated powers.

After final resolution by either the Mayoral Committee or Council, resolutions are captured in the Resolution Register, which is regularly updated. The notification for implementation is sent to the relevant role-player, responsible for execution, and it is continuously followed-up. Feedback of the final resolution to the Ward Committee is the final phase of this process of community participation.

#### **Division of Legislative and Executive Functions**

In terms of Chapter 7 of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested in its Municipal Council. Following the introduction of an Executive Mayoral System, Dannhauser Local Municipality initiated the process of splitting the executive and legislative functions by delegating certain executive powers to its Executive Mayor.

With the introduction of the Municipal Public Accounts Committee (MPAC) and its implied oversight role, there has been a further implied split between the two functions. MPAC as a structure of the legislative function, Council, is expected to assist with oversight over the executive function, Executive Mayor. The principle of good governance requires that the legislative and oversight



# Chapter 2

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function, that is to be exercised by a municipal council, should be independent of the executive function that has been delegated to the Executive Mayor.

This is to avoid undue influence and pressure being exerted by one function upon another and to allow each function the opportunity to operate freely within its delegations. It is in pursuance of the notion of having sound checks and balances in place in the governance model.

## **The Legislative Function of Council**

The legislative and oversight function of Council is vested in the full Council with the Speaker as Chairperson. The adoption of by-laws, approval of the annual budget, policies on functions retained by Council and frameworks within which delegated powers must be exercised, remain the function of the full Council, except where specific delegations have been made.

The Speaker is also responsible for the Whippery, Councillor training and capacitation, Junior Council, specific mentorship programmes (e.g., women's mentorship programme), and Ward Committees, amongst others.

## **Section 79: Ethics and Disciplinary Committee**

The Section 79-Ethics & Disciplinary Committee was established, to assist the Speaker with the performance of the delegated functions relating to investigating misconduct of Councillors, enforcing the Code of Conduct for Councillors and the Standing Orders of Council.

## **Section 79: Municipal Public Accounts Committee (MPAC), Petitions Committee and Public Place Naming Committee**

The Section 79-Municipal Public Accounts Committee (MPAC) was established with specific terms of reference to assist Council with its oversight function. The Municipal Public Accounts Committee (MPAC) functions as the Oversight Committee of Council in respect of the Annual Report, and its Oversight Report is submitted and published in accordance with the MFMA requirements and guidance. MPAC consists of members of the majority and opposition parties and is chaired by a member of the opposition.

The Section 79-Petitions Committee has been established reporting directly to Council in terms of Council's Petitions Policy. The Section 79-Public Place Naming Committee considers and advises Council on the names for public places (such as streets, parks, etc.) or the changing of any such names.

## **Powers of and Delegations to Executive Mayor**

Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (the Municipal Systems Act, the Municipal Finance Management Act, and other relevant legislation), the executive function of the Council is delegated to the Executive Mayor as the appointed head of the executive function insofar as the Constitution and practicalities allow. The Executive Mayor exercises political oversight over the administration, except for the administrative unit known as "The Office of the Speaker" In executing and performing the executive functions of Council and the Municipality, the Executive Mayor is assisted by five Members of the Mayoral Committee each with a particular portfolio. The Section 80 Committees contemplated in Annexure A constitute these specific portfolios.

## **Whippery**

# Chapter 2

The Council does not have a separate Whippership however it comprises of Whips of the opposition parties represented in Council. The Whippership mainly deals with inter-party relations, party discipline and issues of mutual interest.

## Specific Programmes

Certain projects are championed by the political offices directly, examples are the public participation processes to engage residents in formal structures (e.g., Ward Committees, State of the Municipality Address (SOMA), **Attendance of Meetings** - The attendance of meetings is reflected in Appendix A.

## Political Decision-Making

Political decisions are taken in formal Council meetings where all participating political parties have opportunity to deliberate items as per the agenda, after which resolutions are adopted. If consensus cannot be reached, items are, after debate, put to vote. The Standing Orders of Council, formally adopted and duly promulgated, governs the process.

## THE NEW COUNCIL 2021-2026



### Back row Left to right:

Cllr Mkhumane M.S, Cllr Ndlela W.S, Cllr Khumalo L.N, Cllr Mathebula M.P, Cllr, Cllr Khanye K.B, Cllr Buthelezi E.N, Cllr Simelane F.R, Cllr Sikhakhane B.S, Cllr Mthembu M.S, Cllr Mthembu N, Cllr Mabaso M.T, Cllr Nkabinde M.J, Cllr Kunene S.M, Cllr Kunene M

### Seated Front row Left to right:

Cllr Langa R.S, Cllr Myaka S.E, Cllr Radebe B.A, Cllr Made R.N, Cllr Langa B.T.D, Cllr Nkosi X.M, Cllr Kunene S.E.C, Cllr Nzusa S, Cllr Ngcane G.V, Cllr Kunene S.E, Cllr Dhlamini M.S

# Chapter 2

## OUTGOING COUNCIL 2016-2021



### BACK ROW STANDING

Cllr Ngidi M.A, Cllr Mkhize M.S, Cllr Kumalo N.P, Cllr Dube N.S, Cllr Sibisi S.S, Cllr Manyathi N.G.J, Cllr Hlatshwayo N.S, Cllr Dubazana X.M, Cllr Mfusi E.S, Cllr Mathlaba M.N, Cllr Dlamini S.D, Cllr Ndaba V.M, Cllr Nair P.G, Cllr Kunene M, Cllr Mkhumane M.S, Cllr Radebe A.N, Cllr Buthelezi M.A, Cllr Hlatshwayo V.R, Cllr Mazibuko R.N.

### SEATED FROM LEFT

Cllr Nene P.P, Cllr Sithole S.G, Cllr Msibi S.D, Nkosi W.B, Cllr Phakathi J.P, Cllr Ngubeni Z.S, Cllr Ndlovu S.N

## 2.2 ADMINISTRATIVE GOVERNANCE

According to Section 60(b) of the Municipal Finance Management Act, Act 56 of 2003, the Municipal Manager of a municipality is the Accounting Officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipality approved the organizational structure which is aligned to the IDP, in order to improve its operational capacity. The revised structure contributed positively to the organization in terms of services delivery. During the year under review, the Municipality had a staff compliment of 116 Distributed as follows:

This reflects that the Municipality has an in balance in gender and ethnic equality however strategies have been put in place to address these matters.

Dannhauser Municipality comprises 6 Departments; one of which is an Executive Office (Municipal Manager's) and four (5) report directly to the Municipal Manager, who is the Administrative Head. They are as follows:

# Chapter 2

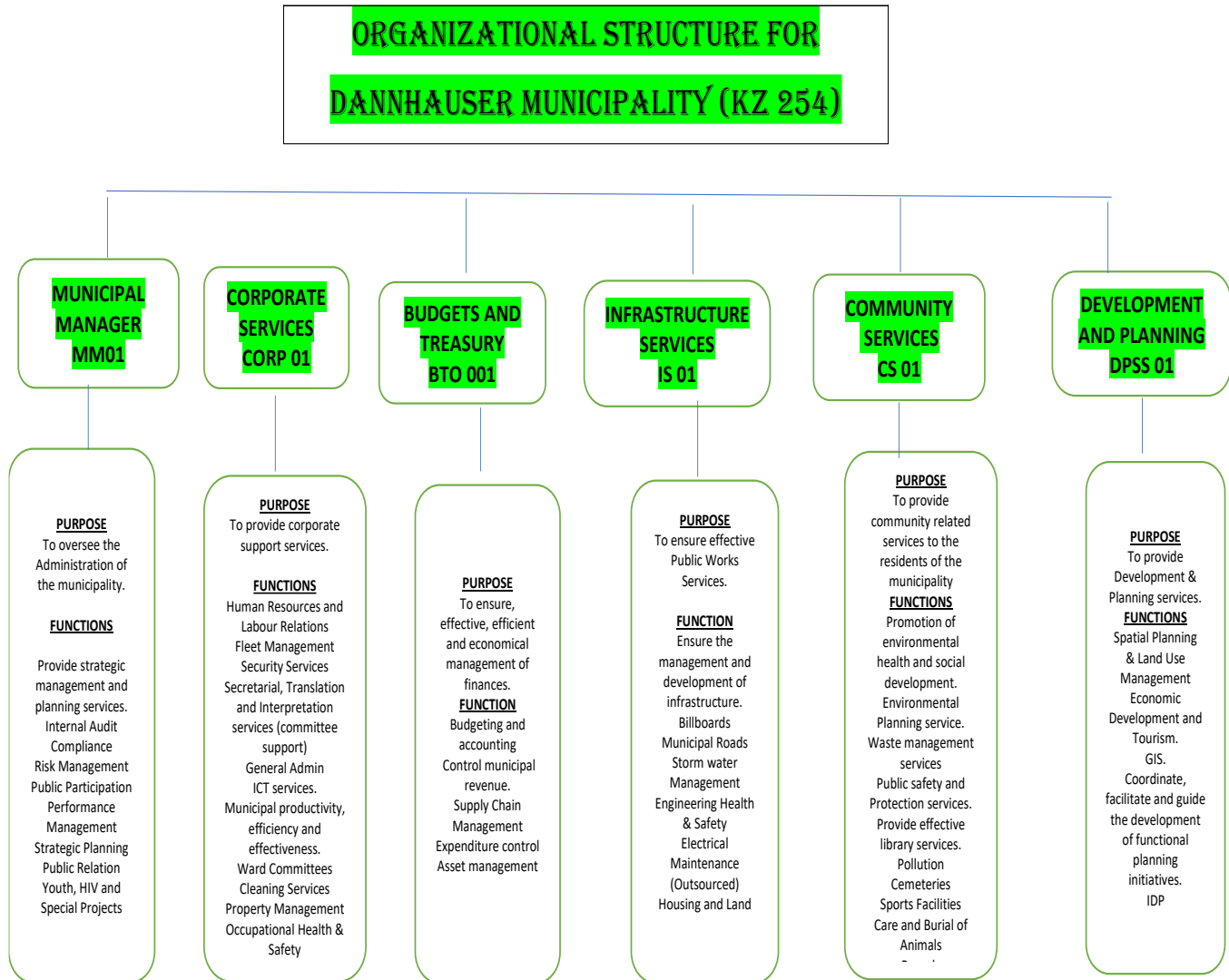
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- Executive Office/Municipal Manager's Office;
- Finance & Budget Services;
- Corporate Services;
- Planning & Local Economic Development;
- Technical Services and
- Community Services.

Dannhauser Municipality employees report to the Heads of Department (HODs) - who are Directors of different Departments. The HODs sit in Portfolio Committee meetings and discuss matters pertaining to their respective areas of operation. The relevant Portfolio Committee advises the HODs regarding solutions on how departmental programmes and projects, for service delivery to the community, should be tackled. When the issues have been analysed, the Management Committee, consisting of Municipal employees at management level, assembles and finalizes the individual Portfolio Committee's outcomes to form one report which will be tabled to Council for Resolutions to be taken.

# Chapter 2

THE ORGANISATIONAL STRUCTURE CAN BE SUMMARISED AS FOLLOWS



# Chapter 2

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## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Dannhauser Local municipality is located in the Amajuba district. The municipality differentiates itself by being the municipality with a Game Park. Dannhauser Local Municipality is actively involved in national and Provincial activities. In the year ended 30 June 2019 the municipality participated in national SALGA games organised by SALGA and the district municipality; the annual cultural event also takes place in the local municipality with the event being organised by all local municipalities under the Amajuba District.

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

Dannhauser Local municipality strongly supports the National objectives and hence the municipality has aligned its IDP with the national key point's objective 9. Further the following National Programmes are embedded in the municipal IDP.

- Women's forum focusing on issues that affect women and children forum.
- Men's forum focusing on matters affecting men in the society
- Local Aids Council focusing mainly on Matters affecting HIV and Aids
- IDP

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

During the Year ended 2020/21 the Dannhauser local municipality participated in the following provincial programme that ensured the sustainability and strengthening of inter-governmental relationships

- Monthly reporting to Provincial and National Treasury on spending of the municipal funds
- Monthly reporting to COGTA
- Provincial Public Participation forums
- Local Government Communicators forum

### DISTRICT INTERGOVERNMENTAL STRUCTURES

The Amajuba district Municipality has various programmes that encourage all the local municipalities to participate in activities that are interrelated between the municipalities. Dannhauser local municipality is part of the District Public Participation forum that focuses mainly on IDP and public participation programmes that the local economy can benefit from. The municipality is also part of the district communication forum that focuses mainly on communications matters in the district.



# Chapter 3

The table below describes the IGR that the municipality is engaged in.

## DANNHAUSER IGR STRUCTURES

NO.	NAME/DESCRIPTION	PURPOSE	STATUS QUO
1.	<b>MAYOR'S FORUM</b>	To discuss governance issues in the district	Actively participating in the District Mayor's Forum, and attending all planned and scheduled meetings
2.	<b>MUNICIPAL MANAGER'S FORUM</b>	To discuss administrative issues in the district	Actively participating
3.	<b>CFO'S FORUM</b>	To discuss the financial matters in the district	Actively participating
4.	<b>COOPERATE SERVICES FORUM</b>	To discuss the IGR, Governance and other administrative strategic issues	The committee meets quarterly and the municipality is actively participating in the forum
5.	<b>COMMUNITY SERVICES FORUM</b>	To discuss Community Services related issues in the district, and to ensure cooperation and alignment	The committee meets quarterly and the municipality is actively participating in the forum
6.	<b>TECHNICAL SERVICES FORUM</b>	To discuss all Technical Services related issues, Service Delivery, Planning for support and alignment	The committee is meeting quarterly and the municipality is actively participating in the forum
7.	<b>PLANNERS FORUM</b>	For coordination of the Planning matters	The committee is meeting quarterly and the municipality is actively participating in the forum
8.	<b>IDP DISTRICT FORUM</b>	For planning and alignment on issues concerning the municipalities in the district	The committee is meeting quarterly and the municipality is actively participating in the forum
9.	<b>AFLED</b>	Forum for coordination and alignment on LED	The committee is meeting quarterly and the municipality is actively participating in the forum
10.	<b>DTAC</b>	Forum PMS, which is coordinated by the District Municipality and COGTA KZN, PMS Section	The committee is meeting quarterly and the municipality is actively participating in the forum.
11.	<b>INTERNAL AND AUDIT COMMITTEE</b>	Forum for Internal Audit and Audit Committee coordinated by the District Municipality	Forum meets quarterly
12.	<b>DISASTER MANAGEMENT ADVISORY FORUM</b>	For coordination and management on the Disaster Management issues and alignment	The municipality is actively participating in the District Advisory Forum, and meetings are coordinated by the District Municipality

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

#### OVERVIEW

Dannhauser actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability.

In summary on the overview of public accountability and participation, Dannhauser embarks extensively on ensuring public participation at its ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, the People's Assembly, Petitions Committee and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee (MPAC) is operational and measures are in place to protect personal information.

#### T 2.4.0

#### PUBLIC MEETINGS

##### COMMUNICATION, PARTICIPATION AND FORUMS

All documents to be made public are placed on the municipal website. Public meetings are also advertised on the website. This includes Council meetings, Ward Committee Meetings, Budget and IDP meetings,

The Council interacts with its stakeholders at Ward Committee, Budget and IDP meetings, the People's Assembly and many other meetings and gatherings. These engagements are ongoing throughout the year. Most meetings are well attended, resulting in meaningful engagement.

#### T 2.4.1

#### WARD COMMITTEES

Ward Committees have been established in all thirteen wards and all the ward committees are functional and meet according to the year planner. There are 130 Ward Committee Members within the Municipality (10 per Ward). With the secretaries receiving a stipend of R1200 per month and ordinary members receiving R 1400.00 per month.

Dannhauser Local Municipality also ensured that public engagements are taken into account to align with relevant legislations, ward based planning is a priority in this Municipality to ensure inclusive governance.

Integrated Development Plan plays a major role in addressing the programmes and projects to be undertaken by the spheres of government and sector departments. The participation of the internal and the external bodies were scheduled and held as follows:

WARDS	NUMBER OF MEETINGS	VENUES
1	5	KOPPIE ALLEN HALL
2	1	EMAFUSINI HALL
3	5	VERDRIET HALL
4	5	CUSHIAN CHURCH

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5	3	NEW STAND CRECHE
6	3	GULE TRIBAL COURT
7	5	ANNIEVILLE HALL
8	4	MULTIPURPOSE CENTRE
9	5	DOROTHY NYEMBE HALL
10	3	42 HALL
11	3	THUSONG CENTRE
12	4	MGIDAZE HALL
13	4	MOOI HALL

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

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## COMPONENT D: CORPORATE GOVERNANCE

### 2.6 RISK MANAGEMENT

Risk Management forms a critical part of Dannhauser Local Municipality strategic management. It is the process whereby the Dannhauser Local Municipality both methodically and intuitively addresses the risks attached to the strategic objectives and Operational activities of the municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity across the portfolio of activities.

Risk management is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as a good practice applicable to the public and private sector. The accounting officer and the heads of the departments are responsible for ensuring that operational activities are undertaken legally.

The Risk Management Committee is governed by a Risk Management Committee Charter. The Risk Management Committee is a sub-committee of the Audit Committee. Risk Management is a standing item in the Audit Committee Agenda meetings, and the Audit Committee report to Exco on quarterly basis include Risk Management. All reports on Risk Management are also presented to all Portfolio Committees & MPAC

#### **Objectives of Risk Management**

The purpose of Risk Management at Dannhauser Local Municipality is to, among others provide the following:

- Advance the development and implantation of modern management practices and to support innovation through the Dannhauser Local Municipality.
- Contribute in building a risk smart workforce and environment that allows for innovation and responsible risk taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.
- Provide a comprehensive approach to better integrate risk management into strategic decision making.
- To provide guidance to Accounting Officer, Executives Authorities, Management and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the content of the district.

# Chapter 3

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The municipality has a risk management framework and policy in place. It also has established the risk management committee to oversee risk management process. The risks that were identified have been monitored on a monthly basis throughout the year. The risk committee also considered all the risks in the risk profile of the municipality and the action plans that have been put in place to ensure that those risks do not materialise.

**The objectives of Risk Committee are:**

Assist the Municipal Manager in discharging his or her accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices and procedures, and providing recommendations for improvement.

Review the risk management policy and strategy, and recommend for approval by the Accounting Officer;

Review and assess the integrity of the risk control systems and ensure that the risk policies and strategies are effectively managed;

Set out the nature, role, responsibility and authority of the risk management / risk officer function within the institution and outline the scope of risk management work;

Monitor the management of significant risks to the municipality, including emerging and prospective impacts;

Review any legal matters, together with the legal advisor, that could have a significant impact on the institution;

Review management and internal audit reports detailing the adequacy and overall effectiveness of the Municipality's risk management function as well as its implementation by management, reports on internal control and any recommendations, and confirm that appropriate action has been taken.

**In the year 2020/21 the Top 5 risks as per the risk register were;**

1. Inadequate information communication technology (ICT)
2. Lack of Proper Maintenance of Municipal Infrastructure
3. Loss of Critical Information
4. Inability to collect refuse on time/illegal dumping.
5. Inability to enhance and maximize revenue activities.

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**In mitigating these risks, the following actions were undertaken.**

1. Investments in information technology infrastructure
2. Municipal Roads were maintained and resurfaced.
3. Municipal documents/plans were scanned to avoid loss of critical information
4. Environment awareness campaigns.
5. Increase the revenue streams and collection ratio of the municipality.

## 2.7 ANTI-CORRUPTION AND FRAUD

In terms of Section 83 (c) of the Municipal Systems Act (MSA) Act 32 of 2000, if a municipality decides to provide a municipal service through service delivery agreement with a person referred to in section 80 (1) (b), it must select the service provider through selection processes which minimize the possibility of fraud and corruption.

Dannhauser Local Municipality has the following strategies in place to prevent corruption, fraud and theft:

### • Risk Management Policy.

Municipality's performance with regards to Risk Management, Fraud Prevention and Corruption.

The Anti-Corruption Strategy and Fraud Prevention Plan have been developed and it is still in draft and as a result of the expressed commitment of Government to fight corruption. It complements the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

The Draft Policy is also established to give effect to the various legislative instruments relating to fraud and corruption. In addition, the Policy provides guidelines as to how to respond should instances of fraud and corruption be identified.

Fraud and corruption manifest itself in a number of ways and varying degrees of intensity. These include, but are not limited to:

- unauthorised private use of municipal assets, including vehicles;
- falsifying travel and subsistence claims;
- conspiring unfairly with others to obtain a tender;



# Chapter 3

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- disclosing proprietary information relating to a tender to outside parties;
- accepting inappropriate gifts from suppliers;
- employing family members or close friends;
- operating a private business during working hours;
- stealing equipment or supplies from work;
- accepting bribes or favors to process requests;
- accepting bribes or favors for turning a blind eye to a service provider who does not provide an appropriate service;
- submitting or processing false invoices from contractors or other service providers;
- misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers;
- misappropriation of Municipal funds;
- falsifying accounting records or documents
- falsifying consumer debtors accounts or amending such accounts without authority;

Fraud represents a significant potential risk to the Municipality's assets and reputation. The Municipality is committed to protecting its funds and other assets. It is the policy of the Municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature is not to be tolerated. Such activities will be investigated, where required, and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution of recoveries where applicable. This Policy includes prevention, detection, response and investigative strategies.

## 2.8 SUPPLY CHAIN MANAGEMENT

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Head of SCM as well as the SCM Manager complies with the MFMA minimum competency levels.

# Chapter 3

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Approximately 70% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

The SCM Policy was again reviewed during the 2020/2021 financial year and was tabled at Council on. To further strengthen controls, the policy dealing with the acceptance of grants, donations and sponsorships was again reviewed during the year

The Annual Report on the implementation of the SCM Policy was submitted to Council on 25 July 2019 as per Regulation 6(2)(a)(i). The report covers the SCM Unit Organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials. The structure caters for all elements of SCM with a number of 15 officials within the unit and 4 vacancies. 3 Training sessions were attended by SCM delegated officials on Quiddity Filing, Advanced Excel as well as SEIFSA.

## 2.9 BY-LAWS

MUNICIPAL BY-LAWS	STATUS
Outdoor Advertising Municipal By-Laws	Adopted and gazetted
Animal Pound By-Laws	Adopted and gazetted
Health a nuisance By-Laws	Adopted and gazetted
Cemeteries, Cremation and Undertakers Municipal By-Laws	Adopted and gazetted
Municipal Public Transport Municipal By-Laws	Adopted and gazetted
Dannhauser Spatial Planning and land use Management By-Laws	Adopted and gazetted
	Adopted and gazetted

## 2.10 WEBSITES

The importance of the Website is outlined in MFMA regarding documents which should be published on the Website. It is monitored by National Treasury as part of compliance. Municipal Website is updated regularly to ensure that all information required by the Municipal Finance Management Act and other legislation are promptly and appropriately displayed on the Website.

Dannhauser Local municipality Website is one of a variety of communication tools available in the Municipality. Municipal website fulfils one or more of the following functions:

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**2.10.1 Publishing tool.** Following are the compliance documents that were published in 2020/21 Financial Year:

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Required to be on website</b>	<b>Publishing Date</b>
Performance Contracts	Yes	Annually
Annual Budget	Yes	Annually
Adjusted Budget	Yes	Annually
Service Delivery and Budget Implementation Plan	Yes	Annually
IDP Reviewed Document	Yes	Annually
SDF Reviewed Document	Yes	Annually
Annual Reports	Yes	Annually
Budget related policies	Yes	Annually
Vacancies and Careers	Yes	Annually
Adverts (Tenders)	Yes	Annually
Supplier database registration	Yes	Annually
Annual Financial Statements	Yes	Annually
Annual Performance Report	Yes	Annually
Intention to award	Yes	Annually
Rates and Tariffs	Yes	Annually
By-Laws and Policies	Yes	Annually
Council resolutions	Yes	Annually
MFMA Section 52 (d) Reports	Yes	Annually

**2.10.2 Marketing tool.** The website is also used as a marketing tool to communicate events and news to the surrounding communities. The municipality has an active social media platform which enables ease access to municipal information.

**2.10.3. Transactional tool.** It allows the community to exchange all the information necessary to support a transaction of any kind e.g., Rates, Tariffs, supplier database registration etc. Municipal website is updated on on-going basis by IT Unit.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality did not conduct public satisfaction on municipal services in 2020/21, however the municipality is in a process of establishing the team to verify the public satisfaction to ensure that this area is undertaken and the municipality is aware of the needs of the communities.

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## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

The 2020/2021 was a challenging year to the municipality and to the country as a whole as the national global corona virus pandemic continue to affect the normal day to day operations of the economy and normal lives, these has led to numerous underachievement's of planned service delivery priorities' core to the local government. The overall score for the KPA on a year-on-year basis expressed as a percentage is an increase to 93% 2020/2021 up from 77% in 2019/2020. The Basic services delivery initiatives that the municipality offers includes:

- **Clean drinking water and sanitation,**

Amajuba District Municipality is the Water services Authority over Dannhauser Local Municipality, whereby this Water Services Authority was empowered to perform the functions and exercise the powers referred to in Section 84(1) (b) & (d) of the Municipal Structures Act (117 of 1998) which provides for the provision of potable water supply and domestic wastewater & sewage disposal systems sanitation systems. In terms of Section 11 of the Water Services Act (108 of 1997), every Water Services Authority is obligated to ensure the adequate sustainable access to water and sanitation to all consumers within their area of jurisdiction. The authority of the District Municipality is further enshrined in the Constitution 108 of 1996, Section 156 & 229, and read in line with the Municipal Structures Act (117 of 1998) section (83) (3).

Dannhauser Local Municipality integrates with the District Municipality through the Intergovernmental Relations Act, through the obligations to be fulfilled by the District in the Structures Act, Section (83)(3) (a) to (d), but Dannhauser has no authority to undertake any implementation of water & liquid sanitation services to households, businesses, and the rest of the community. All licensing of water and liquid sanitation related activities for Dannhauser are undertaken by the district.

- **Electricity,**

Dannhauser Municipality is not a licensed electricity generator, transmitter or distributor. It does not own electrical infrastructure, nor does it generate any income from the sale of electricity. Eskom is the sole service provider which undertakes these functions on behalf of the municipality. No customer accounts are held by the municipality on behalf of Eskom apart from the account that the municipality buys its own electricity for its own usage. Eskom has a mandate to provide electricity and electrical infrastructure based on the recent legislation which includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

As the municipality does not purchase and sell electricity on behalf of Eskom, Eskom has electricity sales outlets through various shop outlets within the Dannhauser CBD and also through small spazza shops / tuck shops within rural areas outside the CBD but within the municipal jurisdiction. The Eskom Electricity Unit substation supplies electricity to the CBD, Industrial Area and households.

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Dannhauser Municipality became the first municipality in the country to electrify all households within its area of jurisdiction. About 80.7% of the population within the municipal area uses electricity for lighting, cooking and heating purposes. Coal is still used substantially for cooking and heating purposes. A shift away from this resource is needed due to its unsustainable nature.

- **Waste removal**

Solid waste collection is undertaken within the urban areas of the municipality, which are Dannhauser Town, Durnacoal, Hattingspruit and the extension of waste collection to the KwaMdakane, Koppjie Alleen and in rural residential areas situated in Tribal Councils of Ubuhlebmzinyathi, Nyanyandu, Ingwe, Emalangeneni and Gule is currently executed with limited resources. The municipality is currently sourcing funding to have centralized landfill site in the rural areas. In 2020/2021 the municipality undertook the following;

- ✓ Project manager appointed for construction of the landfill cell in compliance with license conditions;
- ✓ Purchase of a Hydraulic Refuse Truck;
- ✓ The municipality has completed the IWMP and the council has adopted the plan, it is due for review and endorsement by the MEC.

- **Roads - are basic human rights,**

The Roads section continues to address the backlog of gravel roads. An attempt is made every year to upgrade 10 to 20 km of gravel roads, primarily funded by the Municipal Infrastructure Grant transferred from Cogta-Kzn. This is due to a larger population density situated in the rural areas of the municipality and thus enabling ease of access to and from these areas. Although there are tarred roads within the urban areas (CBD and some residential areas), the municipality tries to address a minimum of 2 km per financial year, but the low revenue generating activities and low equitable share allocation grant component pose a huge major challenge. Department of Transport does have its own roads within the jurisdiction and does rehabilitate them on a yearly basis, and while district owned roads do exist, the district has not upgraded or maintained any roads.

In 2020/2021, the municipality undertook the following:

- ✓ Patching of potholes and resealing of cracked tarred roads by Department of Transport R621;
- ✓ No District roads maintenance by Amajuba District Municipality;
- ✓ Urban roads upgrades in 2019/20 were undertaken, phase 1 was completed in 2018/2019 financial year Phase 2 which commenced in 2018/2019 financial year was completed in the first quarter of 2019/2020 financial year.
- ✓ 16 km of Rural Roads upgraded in Wards 2, 3, 4, 6, 7, 8, 10 & 12 by the municipality, R 24 750 000.00 was utilised.

The Roads (urban and gravel) are maintained and upgraded through a five (5) years plan that is in place, and in 2019/2020, the municipality reviewed its Operations & Infrastructure Assets Management Plan (incorporating Roads & Stormwater Systems) for the next 5 years and has started implementing the plan. This is in a bid to enhance the economic life span of all its infrastructure assets utilizing a proactive and preventative program.

# Chapter 3

## PERFORMANCE HIGHLIGHTS FOR 2020/2021 FINANCIAL YEAR

- Building of Municipal Offices close to completion
- Textile incubator infrastructure close to completion
- Maintenance of Access Rural Roads completed in ward 8
- Urban roads construction completed in ward 2
- Construction of Community Halls Wards 5 & 13
- Maintenance and Upgrade of Community Halls wards 6, 8 & 12
- Successful implementation of Water harvesting projects in wards 1, 4 & 6
- Construction of Sports Combos in wards 5 & 11
- Installation and Commissioning of High Mast Lights for wards 3, 5, 6, 7, 9, 10 & 12
- Provision of Mobile Child Care facilities (Park homes) in progress wards 10 & 11
- Construction of Child Care facility in progress in ward 1
- Provision of Grand Stands in Ward 6, 10 & 11
- Implementation of the Electrification Infill Projects in wards 1, 3 & 9

## IMPLEMENTATION OF THE ELECTRIFICATION INFILL PROJECTS IN WARDS 1, 3 & 9





# Chapter 3

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## CONSTRUCTION OF MUNICIPAL BUILDINGS



## TEXTILE INCUBATOR INFRASTRUCTURE





# Chapter 3

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## URBAN ROADS CONSTRUCTION COMPLETED IN WARSD 2



## CONSTRUCTION OF COMMUNITY HALLS WARDS 5 & 13



# Chapter 3

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## CONSTRUCTION OF SPORTS COMBOS IN WARDS 5 & 11



## INSTALLATION AND COMMISSIONING OF HIGH MAST LIGHTS





# Chapter 3

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## CONSTRUCTION OF CHILD CARE FACILITY IN PROGRESS IN WARD 1



## PROVISION OF GRAND STANDS IN WARD 6, 10 & 11



# Chapter 3

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## MAINTENANCE OF ACCESS RURAL ROADS COMPLETED IN WARD 8



### CHALLENGES

- High rates of critical vacant positions.
- Dependency on the Services Providers (Consultancy) for execution of the Project Management and other Service Delivery functions.
- Limited and old Plant Equipment for execution of the Service Delivery and Operational assignment.
- Limited Budget for execution of the Service Delivery Functions.
- Limited space for operations of the departments.
- Limited skilled personnel in the departments.



# Chapter 3

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- Delay of SCM process which affects execution and implementation of service delivery.
- Providing support on functions that are not part of the scope of the municipality.
- Protest action by the community made it cumbersome to deliver services expeditiously.
- National lockdown levels due to Corona Virus impeded service delivery.

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## MEASURES TAKEN TO IMPROVE PERFORMANCE

- Fast track filling of the critical vacant positions.
- Improve capacity in terms of scarce skills in the departments.
- Develop bankable Business plan for sourcing funding for implementation of the Service Delivery Projects.
- Prioritise acquisition of Plant and Equipment for service delivery purposes.
- Rearrange the space department to effectively implement its mandate.
- Capacitate personnel in the department to reduce dependency on external service providers for monitoring, strengthening and implementation of the capital projects.
- Improve execution of SCM processes and adherence to approved procurement plan.
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2021/22 financial period.

## COMPONENT B: PLANNING AND DEVELOPMENT

### 3.2 PLANNING AND HOUSING

#### **3.2.1 Spatial Development Framework**

Cross Cutting is one of the six (6) Key Performance Areas in South Africa. This KPA is former known as Spatial Planning and Environment. It was the KPA that only exist in the KwaZulu-Natal province and was later adopted nationally and became Cross Cutting. This KPA include human settlements, disaster management and spatial planning. The overall performance of this KPA has improved tremendously in this financial year. Section 26(e) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) requires all municipalities to compile Spatial Development Frameworks (SDF) as a core component of Integrated Development Plans (IDP). The SDF was reviewed in-house with the assistance of GOGTA and Amajuba District. A number of sections were included to the SDF i.e., Disaster Section, agriculture and stats data.

In the revue of the SDF the municipality focused on Section 21 of SPLUMA. The SDF was drafted and adopted by Council and subsequently submitted to COGTA as a requirement the draft received a great review from COGTA. The municipality ensured that the community was involved through conducting public participation meetings through izimbizo. This Municipality's Spatial Development Framework (MSDF) must be viewed as first step towards guiding future spatial



# Chapter 3

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development in Dannhauser to achieve a more sustainable urban/rural structure, which can lead economic and social development in KwaZulu-Natal.

Dannhauser Municipality's Spatial Development Framework (DMSDF) was done against the legislative backdrop of the local government Municipal Systems Act (MSA), 32 of 2000 and the Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013. Policies that guided this planning process indicate inter alia the National Development Plan (NDP), the KZN Employment, Growth and Development Strategy, the Ten Pillar Programme, the KZN Spatial Development Strategy and the Amajuba District Growth and Development Strategy. The normative principles as described in the NDP encompass the spirit within which this plan was prepared and, in this vein, can be described as the guiding principles for the compilation of the DMSDF. These principles are:

- Spatial Justice.
- Spatial Sustainability.
- Spatial Resilience.
- Spatial Quality.
- Spatial Efficiency

## **3.2.4 Environment**

The Principle of Environmental Planning (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas. (Dannhauser is achieving this through its Land Use Management Schemes for both urban and rural designated areas department seconded an environmental coordinator to assist the municipality with all its environmental functions.

The Principle of Sustainable Communities promotes the building of places where people want to live and work. Again, the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities. (Dannhauser has a vast majority of its residents residing on traditional authority owned land, the Amakhosi's and Chiefs to those tribal lands have been engaged by the municipality to assist in allowing their residents to undertake sustainable projects that sustain their livelihoods. The communities are assisted by government sector departments and the municipality.

During the financial year ended 2020/2021 the various environmental initiatives were conducted by the municipality this has led to sustainable and clean environment as required by the environmental regulations.

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## 3.3.1. PERFORMANCE HIGHLIGHTS 2020/21

- SPLUMA compliance and implementation
- Conducted school and community based environmental education and awareness (including plantation of indigenous trees in celebration of Arbor month), and capacity building workshops.
- Conducted clean-up campaigns in conjunction with Thuma Mina-Good Green Deed Participants.
- By-Laws enforcement on waste management
- Plantation of 50 Indigenous trees and 50 fruits donated to Early childhood centres
- Grassing of Municipal property, Road reserve and Emafusini open space totaling 2000 square meters
- Landfill design (for construction compliance with the license conditions)
- By Laws gazetted, suppression of Health and Nuisance By-Laws and Municipal By-law
  - Environmental Awareness Campaigns in Ward 2 and in various schools

# Chapter 3

DISASTER MANAGEMENT PLAN PRESENTATION IN THE MEETING ORGANISED BY THE DEPARTMENT OF COMMUNITY SAFETY AND LIAISON ON THE 10<sup>TH</sup> OF DECEMBER 2021.



ENVIRONMENTAL EDUCATION PROGRAMME (SEEP) WORKSHOP ORGANISED BY EDTEA IN DANNHAUSER PRIMARY SCHOOL ON THE 3RD OF SEPTEMBER 2021.



## WASTE MANAGEMENT CAPACITY BUILDING WORKSHOP *"A journey towards circular economy still continues"*

Department of Forestry, Fisheries and Environment in collaboration with Dannhauser Local Municipality and EDTEA will be conducting the Waste Management Workshop. Different Government Departments and Agencies and local small businesses have been invited. The workshop will also address other issues faced by the youth. It is through such workshops where we gain **"a feeling of we are in something common together"**, and its improve collaboration. This is also a way to build relationships with the communities we are called to serve.

**Stakeholders:** Dannhauser CHC, DSD, SAPS, SEDA, Mpielenhle and Zitha Recycling.

*Reducing the stigma associated with waste-related work*

### MEETING VENUE:

Emfundweni Community Hall  
Wednesday (18 August) at 10 am

CELEBRATING WOMAN'S MOER  
ACKNOWLEDGING  
AND ENCOURAGING  
WOMAN'S ROLE IN  
WASTE  
MANAGEMENT

All Covid-19 protocols will be observed

For more information contact: Mr. M. Fakude @ 071 607 0590





# Chapter 3

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## CLEAN UP CAMPAIGNS



### 3.3.2 CHALLENGES

- High vacancy rates on critical positions
- Limited budget for enforcing SPLUMA in the entire municipal area
- Lack of resources to roll out refuse removal services in the entire municipal area
- Protest action by the community made it cumbersome to deliver services
- National lockdown due to Corona Virus which affected service delivery

# Chapter 3

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## 3.3.3. MEASURES TAKEN TO IMPROVE PERFORMANCE

- Regular engagement to Traditional Leadership and Landowners on the SPLUMA Compliance
- Fast tracking filling of vacant positions
- Prioritise budget for Town Planning Policies, Plans, and Infrastructure etc.
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2021/22 financial period.

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## 3.2.1.1 HOUSING

### 3.2.1.1.1 BUHLEBOMZINYATI AND DISTASTER HOUSING PROJECT

The Constitution of the Republic of South Africa (Act 108 of 1996) is the supreme law of the country. The Constitution recognizes housing as a right and identifies it as a concurrent function between national and provincial spheres of government. The housing delivery programme of the municipality is therefore intended to give effect to the right to housing as enshrined in the Constitution. The programme is implemented mostly in the form of state funded, low-income housing projects whereby the municipality serves as the developer. The provincial Department of Human Settlements provides funding, monitors progress and assures quality.

The municipality together with the department of human settlements embarked on a project of to build 100 houses in the following wards 5, 9 and 10 by 30 June 2021. Significant progress has been made.

Apart from these houses the municipality as and when required build houses for victims of disaster, either through fire, storms or any other natural disasters' the 2020/2021 financial year the municipality facilitated the Provision of Disaster Houses Project for individuals who disaster victims & lost their houses (wards 3, 5, 7, 8 &



# Chapter 3

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2. Hlonishiwe Hadebe  
BEFORE

AFTER



# Chapter 3

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1. Thulani Senzo Gule – Ward 10

**BEFORE**

**AFTER**



2. Busisiwe Elsie Ngwenya – Ward 10

**BEFORE**

**AFTER**



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## 3.3.2 CHALLENGES

- . National lockdown due to Corona Virus which affected service delivery
- List of incidents not fully reported
- Beneficiaries not available for projects

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## 3.3.3. MEASURES TAKEN TO IMPROVE PERFORMANCE

- Centralize the point of contact to locate and deliver services to victims of disaster
- Conduct disaster awareness campaigns
- Encourage victims of disasters to report incidents timeous

# Chapter 3

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## 3.3 LOCAL ECONOMIC AND SOCIAL SERVICES

. In taking into consideration the local economic development of the municipality, the impact of the epidemic (COVID-19), has caused a major downturn within the jurisdiction as with globally. The municipality now has to undertake and implement a turnaround strategy that will enable the recovery of the economy. Besides the situation the overall score for the KPA on a year-on-year basis expressed as a percentage is an increase to 45% 2020/2021 up from 36% in 2019/2020. with the aim of stimulating job creation and economic recovery. The municipality still progresses with interventions which will enable the recovery strategy to be achieved.

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### 3.3.1. PERFORMANCE HIGHLIGHTS 2020/21

- Implementation of the LED Programmes and Projects as follows
  - o Izabelle Programme (EPWP)
  - o Support to SMMEs and co operatives
  - o Farming Support
  - o Cleaning of roads Signs
  - o Cleaning of cemeteries
  - o Community Halls
- Implementation of the Partnership Programmes with Private Sector (Social Labour)
  - o Internship programmes with local mines



# Chapter 3

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PICTURE: FARMING PROJECT-



# Chapter 3

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## 3.3.2 CHALLENGES

- Lack of leadership in the department (No HOD)
- Lack of development of the strategic sector plans
- High vacancy rates on critical positions
- Lack of coordination on activities involving stakeholders like Private and Public Sector
- Limited funding for strategic programmes or projects
- Lack of coordination and alignment within the departments
- High vacancy rates lead to strategic programmes not implemented
- Protest action by the community made it cumbersome to deliver expedite service.
- National lockdown due to Corona Virus which impeded service delivery.

## 3.3.3. MEASURES TAKEN TO IMPROVE PERFORMANCE

- Fast track filling of critical vacant positions
- Prioritisation development, adoption, and implementation of the strategic sector plans
- Fast track on the appointment of the HOD for Planning and Economic Development
- Prioritise funding for LED Projects and Programmes
- Improves and resuscitation of the IGR Structures and processes and Private Sector Involvement and engagement in the development programmes
- Improve, initiate and coordination within the departments
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2021/22 financial period.

# Chapter 3

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## **COMPONENT C: SECURITY AND SAFETY**

Dannhauser local municipality is located in the northern parts of KZN where it is normal for natural disasters to strike the municipality is not only subjected to natural disasters, other man-made factors such as crime and drug abuse also affect the safety and security of its citizens. The dominant crimes are assault, burglar in residential premises, theft (including stock theft) and malicious damage to property.

The Municipality conducted training in basic fire to organs of state to raise disaster risk awareness, disaster risk reduction, volunteerism and preparedness. Sixty-six (66) people participated in basic fire education. The workshop focused on legislation; overview of disaster management; components of fire; ways of extinguishing fire; classes of fire; fire extinguishers; how to use fire extinguishers; top causes of fire; what to do in a fire; evacuation procedures; and fire safety tips. The participants demonstrated on how to use a fire extinguisher as taught in a workshop.

A high number of people have been affected by crime in the 2020/2021 financial year however the level of crime is decreasing due to the increased presence of the police as it is now a concerted joint effort of the municipality, police and the community working together. The municipality benefited through the programme initiated by Department of Community Safety and Liaison which introduced a volunteer programme viz. Volunteer Safety and Community Programme (VSCP), and also the Community Policing Forum. These are all present within the municipality, although they are not well-supported with the necessary resources. Some of the challenges being experienced are;

- There are only a few police patrolling the inner CBD and rural settlements within close proximity to the CBD;
- The police vehicles constantly breakdown and require regular repairs and maintenance;
- Some areas where crimes are committed in deep rural setting are not easily accessible due to a lack of roads and or bad terrain;
- There are some dark spots at night in the CBD and other urban and rural residential areas thus causing criminals not to be apprehended after committing a crime, this is due to a lack of street lights;
- Some of the equipment used by the police is old and requires replacement; and
- Sometimes the response time to get to a place where a crime has been committed is too long.



# Chapter 3

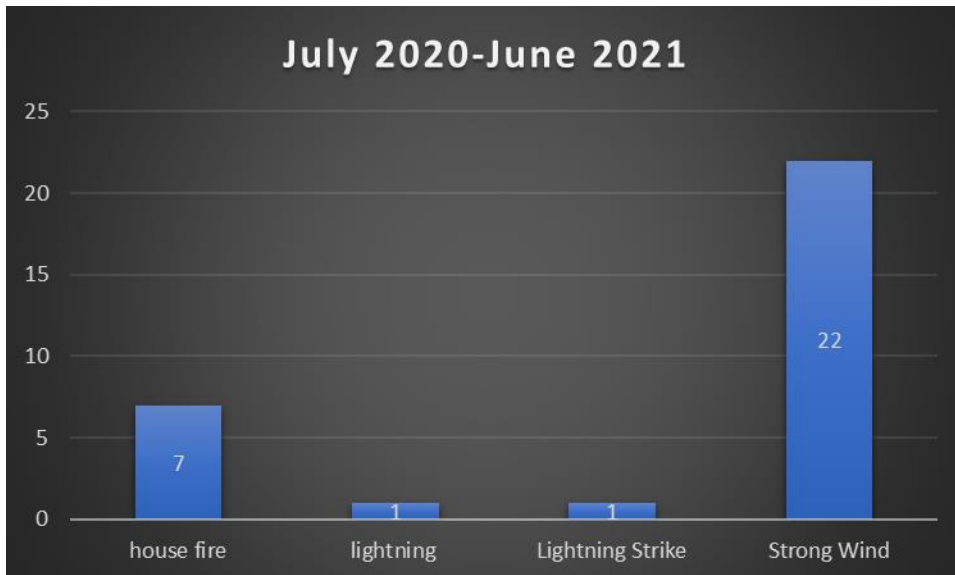
**Table 1: Summary statistics of the incidents which occurred in July 2018 – June 2019 is as follows:**

Ward	Name of Area/Location (House No./Isigodi)	Type of Incident	Cause of Incident	No. of People Affected	No. of injuries	No. of Fatalities
13	Febreeze Farm	house fire	Structural fire	5	0	0
2	Mafusini Area	house fire	structural failure	5	0	0
6	Rutland Farm	house fire	structural failure	4	0	0
11	Kilkeel Farm	house fire	structural failure	1	0	0
13	Emfundweni Area	house fire	structural failure	3	0	0
7	Hiltop Area	House Fire	Structural Failure	6	0	0
7	Hudula Area	House Fire	Structural Failure	4	0	0
7	Moon Farm Area	lightning	lightning	6	0	0
10	East Borne Farm	lightning	lightning	9	0	0
7	Hiltop Area	strong wind	Strong Wind	6	0	0
10	Ntendeka Area	strong wind	strong wind and heavy rains	8	0	0
7	CameHooek Farm	strong wind	Strong wind	1	0	0
3	Emagesini	Strong wind	Strong wind	14	0	0
3	Emagesini	Strong wind	Strong wind	3	0	0
3	Emagesini	Strong wind	Strong wind	5	0	0
3	Hattingspruit	Strong wind	Strong wind	12	0	0
3	Ramaphosa Area	Strong wind	Strong wind	15	0	0
3	Ramaphosa Area	Strong wind	Strong wind	9	0	0
3	Ramaphosa Area	Strong wind	Strong wind	3	0	0
3	Ramaphosa Area	Strong wind	Strong wind	4	0	0
3	Emagesini	Strong wind	Strong wind	4	0	0
3	Biskop Area	Strong wind	Strong wind	7	0	0
3	Biskop Area	Strong wind	Strong wind	7	0	0
3	Emagesini	Strong wind	Strong wind	8	0	0
3	Emagesini	Strong wind	Strong wind	6	0	0
3	Emagesini	Strong wind	Strong wind	2	0	0
3	Emagesini	Strong wind	Strong wind	13	0	0
3	Emagesini	Strong wind	Strong wind	19	0	0
3	Biskop Area	Strong wind	Strong wind	13	0	0
3	Biskop Area	Strong wind	Strong wind	1	0	0
3	Ramaphosa Area	Strong wind	Strong wind	1	0	0

# Chapter 3

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**Figure 1: Distribution of incidents**



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### 3.3.1. PERFORMANCE HIGHLIGHTS 2020/21

- Appointment of chief traffic officer
- Completed roadblocks
- Completed a disaster management forum
- Drafted the disaster management plan for the financial year
- Grant availability in the disaster section

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### 3.3.1. CHALLENGES 2020/21

- Staff Vacant posts
- Size of the municipality affect specializations
- Lack of Municipal wide Disaster management awareness
- Budget Constraints to Prioritise Budgets
- Grant availability in the disaster section

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### 3.3.3. MEASURES TAKEN TO IMPROVE PERFORMANCE

- Restructure the organogram in the departments in Order to:
  - Cater for specialist units
  - Fill in vacant posts
- Reduce the time taken to respond to incidents
- Alignment of district and local budgets

# Chapter 3

## ROADBLOCKS SAFETY AWARENESS



**Dannhauser Local Municipality**

1 minute ago · 🌐



The Law Enforcement Team from the Dannhauser Municipality is visible and on high alert during the festive season in ensuring that road safety is maintained. Ungajabuli kuze kweqele emgwaqweni.



# Chapter 3

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## 3.4 PUBLIC PARTICIPATION

The performance in this Key Performance Area has improved as all departments which are responsible for this KPA are fully fledged and has a capacity to execute all programmes as per Service Delivery Budget and Implementation Plan. As a consultative and participatory local government, the municipality has endeavoured to afford all citizens with the avenues for open and meaningful participation. Transparency and communication of information was provided through newspapers, website, ward committee member and public notices at various strategic locations. The Ward Committee members and Public Participation Unit form the basis for ensuring effective interaction and communication between the Municipality and the people.

This KPA aims at reporting the activities that were undertaken by the ward committee members and the Public Participation Unit for the year as well as the functionality of the ward committee members in each ward. The following was the process that was executed to ensure that the bottom-up approach is utilized as stipulated in terms of Chapter 4 of Municipal Systems Act 2000.

- The municipality is responsible for ensuring that the communication between stakeholders, municipality, civil society and communities at large is effective. This function is delegated to the municipal Public Participation Practitioner who is dedicated and ensures that all the ward committee members functionality assessment elements are met
- The Public Participation Practitioner ensures that ward committee members attend the quarterly ward committee meetings for debriefing, so that they will be able to serve their communities better.
- Ward Committee schedules for meetings, war room meetings and public meetings are made available to all ward committee members and ward councillors. This assist the municipality to ensure that the needs of the communities are taken into account as the municipality does not plan for public but plans with the public.
- Ward Based Plans and Ward Committee Operational Plans were compiled and adopted by Council. This is a very crucial and vital process as the integration of the IDP is informed by a proper consultation process
- Ward Committee members were inducted on Code of Conduct, Roles and Responsibilities and ward committee functionality assessment process

# Chapter 3

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The Municipality of Dannhauser a participant in the Back-to-Basics Program. To that end the information in terms of all wards as at the end of the financial year is readily available and may be provided upon request by the Performance Management System Manager. All wards are fully functional and 130 ward committee members are given a stipend of R1 400 for secretaries and R 1200 for ordinary members per month on condition that sectoral reports are submitted and ward committee meetings as well as war room meetings are attended.

In 2021 public participation through ward committee meetings could not be undertaken as per the regulations issued by Cogta and IGR meetings were further affected.

The municipality has the below public participation toll that assists in good governance.

ACTIVITY	OBJECTIVE	TIME FRAME	RESPONSIBLE OFFICIAL OR PERSONNEL
Ward Constituency Meetings	Ward Councillor and the Mayor report to their respective Wards on the progress made	Quarterly	Office of The Speaker and Public Participation Officer
Ward Committee Meetings	For the Ward Councillor to engage with the Ward Committee Members on issues affecting the ward	Monthly	Ward Councillor and Ward Committee Members
Mayoral Roadshows	Reporting to the stakeholders on the implementation of the Budget/IDP/PMS, process for participation on the compilation of the draft IDP/Budget/PMS, and tabling of the draft Budget/IDP/PMS to communities and stakeholders	As Per Approved Process Plan	Municipal Manager and Mayor
Ward Public Meetings	Quarterly public meetings for reporting by the Ward Councillor to the public	Quarterly	Ward Councillor and The Speaker

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## 3.4.1 PERFORMANCE HIGHLIGHTS FOR 2020/21

- Some Effective Constituency Meetings Programmes conducted quarterly based on covid-19 gathering regulations
- Public Participation mechanism is working effectively to the interest of the citizens
- Effective and Functional Ward Committees Systems and Programme
- Effective Operation Sukuma Sakhe Initiatives



# Chapter 3

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- Some Council, Executive Committee, and Portfolio Committees met, effectively and functionally although some were affected by covid-19
- Oversight Structures functionally and effectively (Audit Committee, MPAC, Internal Audit Unit, etc.) although some were affected by covid infections of members

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## 3.4.1 CHALLENGES

- Technological communications advancement affecting the municipality in new forms of communication strategies
- Targets that the municipality has no control over due to sector departments and other stakeholders
- High vacancy rates contributed to the poor performance for the year under review
- Limited budget to execute Public Participation programmes and system
- Lack of coordination between government and private sector stakeholders
- Failure to coordinate quarterly performance assessments
- Protest action by the community made it cumbersome to deliver services
- National lockdown due to Corona Virus impeded service delivery and functioning of structures

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## 3.11.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Improve technological communication software systems to aid in off-site public participation
- Enhance technological communication systems to enable councilors and committee members to meet off site.
- Engage relevant stakeholders to improve IGR and service delivery
- Fast track filling of critical vacant positions
- Increase budget for implementation of the Public Participation and Good Governance Programmes
- Initiate engagement and consultation process between Private and Public Sector Stakeholders
- Prioritise Quarterly Performance for Section 54/56 Managers
- Review KPI's and develop systems in line with COVID-19 guidelines to ensure targets are met in the 2020/21 financial period.



# Chapter 3

## IDP Road shows:

### DATES OF IDPRF AND CONSULTATION MEETINGS FOR 2021/2022 IDP

NATURE OF MEETING / ACTIVITY	ACTION DATE	OUTCOMES
<ul style="list-style-type: none"> <li>➤ Ward Committees, CDW's, Business chamber, Special programs, Traditional leadership structure and Land owners</li> <li>➤ IDPRF Meetings</li> </ul>	<ul style="list-style-type: none"> <li>➤ 31 July 2020 Wednesday</li> <li>➤ 12 September 2020 Thursday</li> </ul>	<ul style="list-style-type: none"> <li>➤ The provision of feedback on the status quo and strategic framework components of the IDP; (Process Plan)</li> <li>➤ Presentation of the Sector Plans;</li> <li>➤ Status Quo and review of the Spatial Development Framework and SPLUMA introduction.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Ward Public Constituency Meetings (Ward1-13).</li> </ul>	<ul style="list-style-type: none"> <li>➤ 7-13 October 2020 Monday - Sunday</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ward Councillors reporting to their Constituencies for the 1<sup>st</sup> Quarter of 2019/19 Financial Year, to their respective Wards.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Ward Committees, CDW's, Business chamber, Special programs, Traditional leadership structure and Land owners</li> <li>➤ Budget/IDP Road-shows Meeting for all 13 Wards</li> </ul>	<ul style="list-style-type: none"> <li>➤ 14 November 2020 Thursday</li> <li>➤ 16 November 2020 Saturday</li> </ul>	<ul style="list-style-type: none"> <li>➤ The provision of feedback on the status quo and strategic framework components of the IDP;</li> <li>➤ Submission of Capital Projects and Report on; and First Quarter Report.</li> </ul>
<ul style="list-style-type: none"> <li>➤ IDPRF Meeting</li> </ul>	<ul style="list-style-type: none"> <li>➤ 24 March 2021 Tuesday</li> </ul>	<ul style="list-style-type: none"> <li>➤ Presentation of the draft IDP and Budget ahead of the public participation process;</li> <li>➤ Presentation of the PMS quarterly report;</li> <li>➤ Sector Plans and SPLUMA compliance report as per SDF.</li> </ul>
<ul style="list-style-type: none"> <li>➤ IDP/Budget Road shows</li> </ul>	<ul style="list-style-type: none"> <li>➤ 9-11 April 2021 Thursday - Saturday</li> </ul>	<ul style="list-style-type: none"> <li>➤ For all stakeholders as prescribed by the legislation (Communities, Ward Committees, Business Representatives, and other structures.</li> </ul>
<ul style="list-style-type: none"> <li>➤ IDPRF MEETING</li> </ul>	<ul style="list-style-type: none"> <li>➤ 21 May 2021 Thursday</li> </ul>	<ul style="list-style-type: none"> <li>➤ Feedback on comments received during the 21-day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues.</li> <li>➤ Recommendation by the IDP RF for the adoption of the IDP by Council.</li> </ul>

# Chapter 3

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## 3.5 HUMAN RESOURCE SERVICES

A Human Resource Strategy is in place and was developed for the period 2016/17 until 2021/21, it has been reviewed within the 2020/20 financial year 3<sup>rd</sup> quarter for adoption by Council before 30 June 2021 financial year. It has been developed with a view of ensuring that the municipality's necessary human resources capacities are aligned to the development and transformation of the municipality. It is integrated with the IDP and addresses challenges and areas that have been brought about by new service delivery initiatives of local government.

The Human Resources Strategy further details the roles and responsibilities of all key municipal departments and how they should perform their duties to achieve the desired goals and objectives of the municipality. To enhance Human Resource capacity and development for institutional transformation and effective service delivery, the following HR Objectives endorsed in the municipal HR Strategy have been predetermined

Municipality had adopted the organogram with positions, there are 126 filled positions and 28 vacant positions. Some of the vacant positions were advertised and processes had commenced to fill the positions. Thus make the Municipality to have a 18.2% vacancy rate. During the financial year, there were movement of staff personnel as follows.:

### 3.5.1 PERFORMANCE HIGHLIGHTS

- provided temporary jobs for 60 people as caretakers for all the municipal halls for a period of 9 months
- 2021/2022 WSP approved and submitted to LGSETA by date
- Employees and Councillors Trained per Quarter
- 2020/2021 EE Plan submitted to Dept of Labour by date
- filling of vacant posts 2020/2021 (scarce and Specialised posts)

### 3.5.2 CHALLENGES

- KPI's Not Met and KPI's Met
- capacity issues
- vacant positions not filled

### 3.5.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- vacant positions to be filled ASAP
- more people to be employed in corporate services

# Chapter 3

## COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

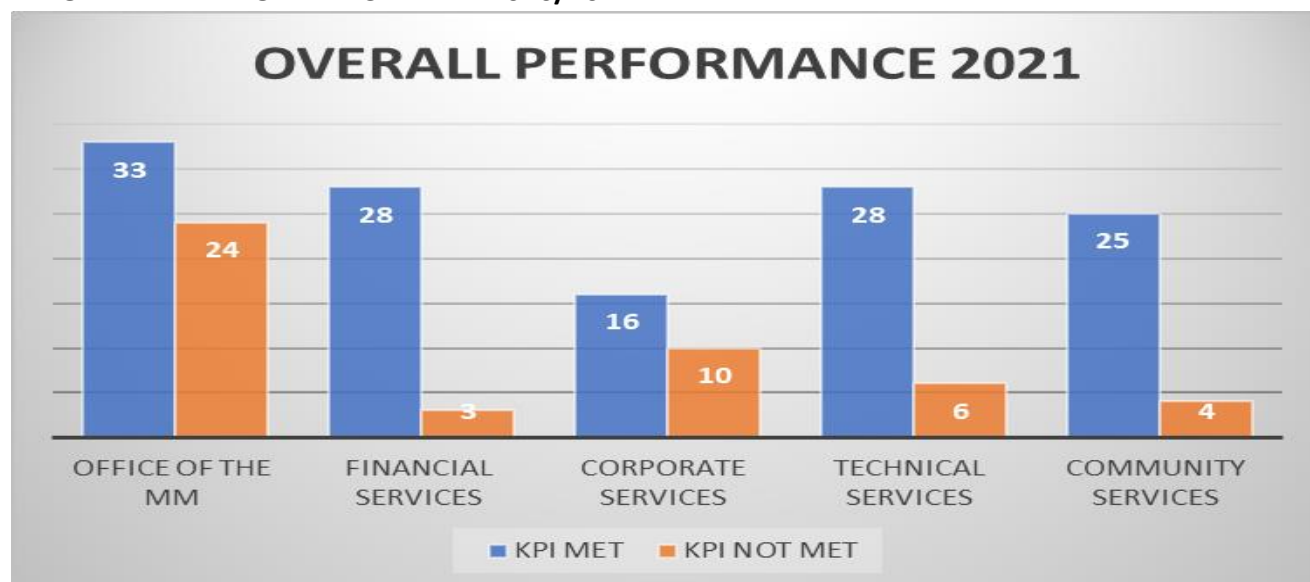
For the year under review (2020/2021) the municipality had an increase of 2 in the number of KPI's totaling 177 compared to the 2019/2020 financial year of 175. An increase in the number of KPI's by 1% from 2019/2020 to 2020/2021 financial year. An increase in the number of KPI's achieved from 65% from 2019/2020 to 74% for 2020/2021 financial year.

The performance was mostly affected capacity constraints, limited resources and the National lockdown due to Corona virus (Covid-19). Furthermore, there were no KPI's that were not measured for the year under review (2020/2021). The comparison of annual performance for the past three years is provided in the following pages through graphs and tables.

### TOTAL NUMBER OF KPIs PER DEPARTMENT AND PER KPA

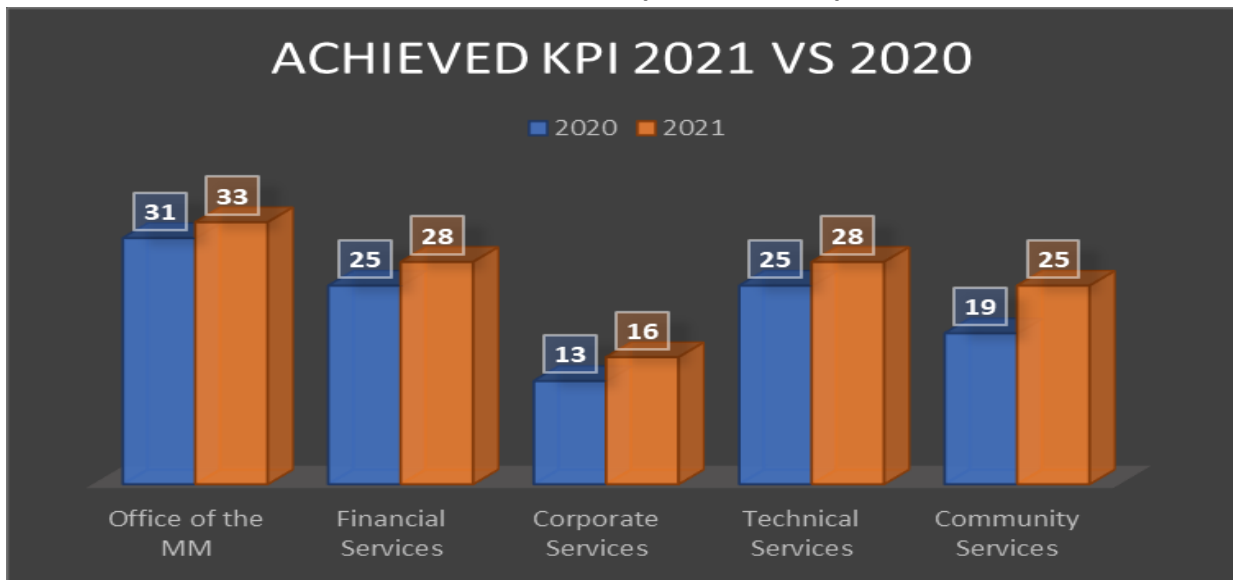
KEY PERFORMANCE AREAS(KPA)	MUNICIPAL MANAGER	FINANCE	CORPORATE SERVICES	TECHNICAL SERVICES	COMMUNITY SERVICES	TOTAL
Municipal Transformation and Institutional Development	6	2	12	2	2	24
Basic Service Delivery	1	0	0	23	3	27
Local Economic Development	11	0	0	0	0	11
Good Governance and Public Participation	34	15	12	5	8	74
Environmental and Spatial Management	2	0	0	0	10	12
Municipal Financial Viability and Management	3	14	2	4	6	29
<b>Total</b>	<b>57</b>	<b>31</b>	<b>26</b>	<b>34</b>	<b>29</b>	<b>177</b>

### OVERALL PERFORMANCE TABLE 2020/2021

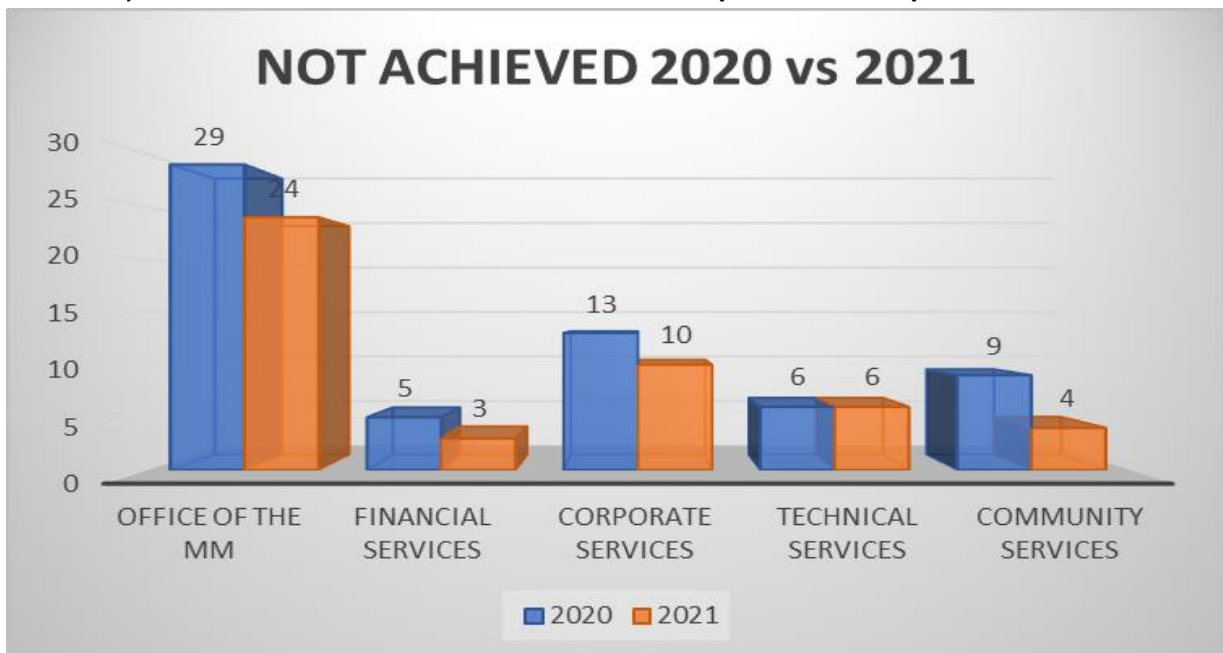


# Chapter 3

OVERALL ACHIEVED PERFORMANCE TABLE 2019/2020 VS 2020/2021



OVERALL, NOT-ACHIEVED PERFORMANCE TABLE 2019/2020 VS 2020/2021



# Chapter 3

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## IMPROVING PERFORMANCE

The progress and performance made in respect of meeting organizational and operational targets is commended. Although above the 70% mark, the municipality has more room to improve. It should be noted that, internal human capacity constraints caused staff members to address basic service delivery projects that the community had requested for a long time, while some projects will only be finalised in the 2021/2022 financial year. Some of the KPIs were impacted negatively due to the current situation that some projects or programmes are the responsibility of other sector departments and district municipality. In general, critical KPIs were addressed amidst such major challenges.

## RECOMMENDATIONS FOR IMPROVEMENT

That additional performance monitoring and evaluation at a departmental level on at least a monthly basis be made compulsory to encourage adherence to planned programmes particularly the capital projects. The head of each department and responsible managers are to conduct monthly meetings to monitor compliance with all targets and reporting requirements.

- ✓ That internal co-ordination systems and processes be reviewed to ensure improved co-ordination.
- ✓ That alignment of the financial system to the PMS is further enhanced.
- ✓ That quarterly performance reviews must be conducted timeously as indicated in the PMS Policy review of 2020/2021; and the head of each department ensure that the performance information and the portfolio of evidence are submitted timeously. This will in turn ensure support of internal auditing processes so that they are value adding to the performance management process.
- ✓ That evidence submitted is signed off to ensure accountability, validity, reliability and accuracy of performance submitted information.
- ✓ That where applicable, the department communicates with the responsible department to merge certain Key Performance Indicators and provide information corresponding to each other for alignment purposes.
- ✓ That performance management capacity be increased organization-wide to improve accountability.
- ✓ That performance management is cascaded below managers in signing performance agreements.
- ✓ That project task teams be established for all projects where co-ordination and integration is required. This project task team is to develop a project management system for monitoring and evaluation of projects and this system will in turn ensure performance monitoring and evaluation of each service provider.
- ✓ That a baseline study be conducted on basic services to ensure alignment with internal statistics, Stats-SA, and other sources.

## Deteriorating Performance

In terms of the Performance classified overall it was LED and Basic Service Delivery, this has been common through the past two financial years, a fundamental factor that makes situation not to improve it was the high vacancy rates in both Technical and Planning and Economic Departments and also lack of leadership in the LED department, however the process to finalise appointment of the Director Planning and Economic Development is been prioritised in the 2021/2022 financial year, and the filling of the critical vacant positions is also been prioritised.

Majority of the Strategic Sector affecting LED were not reviewed and adopted by Council

The municipality is committed to improve the situation through fast tracking filling of vacant positions in the department and other departments. Basic Service Delivery KPA has been affected through monitoring and coordination within the departments also the matter of High Vacancy Rate in the critical positions was area of concern.

# Chapter 3

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Furthermore, situations or new experiences caught the institution off-guard, which led to the performance being disrupted. The National Lockdown declaration due to COVID-19 deteriorated the situation which goes beyond the financial year, some projects which were part of the service delivery were not completed, and motivation had to be made to Council and COGTA for condonation on the projects that are funded with internal funding mainly capital projects. The lockdown also disrupted the effectiveness and functionality of the administration and governance.

However, there is commitment from the existing capacity within this KPA

## **LESSONS LEARNT AND WAY FORWARD**

- ✓ The municipality has a good culture for adherence and observing the legislations that governs the sector, and outreach programmes which makes great impact to the residents.
- ✓ The municipality is holding the standard values on the Compliance and Good Conduct in terms of Regular Reporting and instill culture of accountability.
- ✓ Governance structures and coordination amongst the key stakeholders yield positive results in terms of Service Delivery and accountability
- ✓ Regular engagement and reporting in terms of the Public Participation issues of development

Spending public funds effectively in line with value for money in respect to goods delivered and service delivery



# Chapter 4

This component includes: Annual Performance Scorecard Report for the current year.

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Descriptions	Year -2020	Year 2021			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water					
Electricity	8	8	8	–	0%
Waste Management	7	10	7	3	30%
Roads	7	22	8	14	64%
Planning	3	4	3	1	25%
Local Economic Development	1	1	1	–	0%
Planning (Strategic & Regulatory)	2	2	1	1	50%
Community & Social Services	2	2	2	–	0%
Environmental Protection	1	1	1	–	0%
Corporate Policy Offices and Other	5	65	50	15	23%
<b>Totals</b>	<b>84</b>	<b>117</b>	<b>83</b>	<b>34</b>	<b>29%</b>

##### 4.1.1 VACANCIES RATES

Vacancy rates 2021			
Designation(department)	Total approved lists	Vacancy	%
Municipal Manager	10	4	40%
CFO	24	8	33%
Others 57 Mangers	6	1	17%
Others 57 Mangers finance	0	0	0%
Senior managers EX finance	0	0	0%
Senior managers Finance	3	2	67%
Supervisors Excluding Finance	1	1	100%
Supervisors Finance	0	0	0%

# Chapter 4

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## 4.2 POLICIES

HR Policies and Plans			
#	Name of Policy	Completed %	Date adopted by council or comment on failure to adopt
1	Code of Conduct	Currently being implemented	2010
2	HIV/AIDS Policy	In process for compilation	2010
3	HIV/AIDS Strategy	Currently being implemented	2007
4	Sexual Harassment Policy	Currently being implemented	2010
5	Smoking Policy	Currently being implemented	2010
6	Recruitment Policy	Currently being implemented	2009
7	Subsistence and Travelling Allowance Policy	New Policy Adopted on Feb 2014	2014
8	Overtime Policy	Currently being implemented	2010
9	Skills Development Policy	Currently being implemented	2010
10	Mayoral Vehicle Policy	Currently being implemented	2010
11	Supply Chain Management Policy	Currently being implemented	2011
12	Employment Equity Policy	Currently being implemented	2007
13	Property Rates Policy	Currently being implemented	2009/2010
14	Indigent Policy	Currently being implemented	2011

# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 4.3.1 SICKNESS

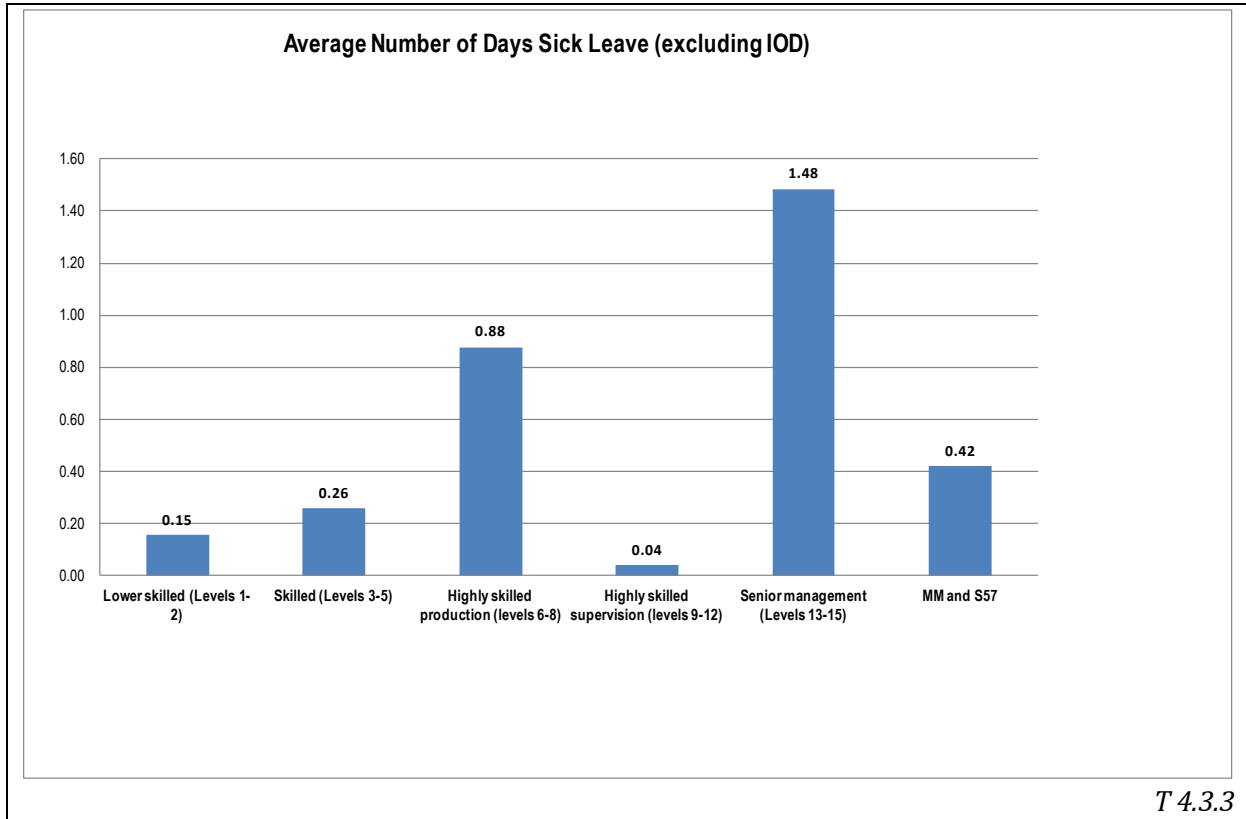
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
<b>Total</b>	<b>501</b>	<b>93%</b>	<b>12</b>	<b>155</b>	<b>3.23</b>	<b>61</b>

\* - Number of employees in post at the beginning of the year

\*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

# Chapter 4



## 4.3.3 SUSPENSIONS

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Public Participations & communications officer	Gross insubordination and Misconduct	2020.02.01	Matter waiting hearing dates to sit	2021
Cyber Cadet	Gross insubordination and Misconduct	2020.02.01	Matter waiting hearing dates to sit	2021

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None	None	None	0

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 2021				
	Original Budget	Budget Adjustments (into. s28 and s31 of the MFMA)	Final adjustments budget	Actual Outcome	Unauthorised expenditure
<b>Revenue from exchange transactions</b>					
Service charges	1,383,000.00	(137,000.00)	<b>1,246,000.00</b>	1,245,785.00	<b>(215.00)</b>
Rental of facilities and equipment	96,000.00	(76,000.00)	<b>20,000.00</b>	13,635.00	<b>(6,365.00)</b>
Rendering of services	1,911,000.00	(238,000.00)	<b>1,673,000.00</b>	530,932.00	<b>(1,142,068.00)</b>
Licences and permits	216,000.00	-	<b>216,000.00</b>	1,629,941.00	<b>1,413,941.00</b>
Other income	12,757,000.00	(2,980,000.00)	<b>9,777,000.00</b>	837,768.00	<b>(8,939,232.00)</b>
Fair value adjustments	-	-	-	8,815.00	<b>8,815.00</b>
Landfill site asset valuation	-	-	-	1,877,950.00	<b>1,877,950.00</b>
Interest received - investment	2,434,000.00	1,201,000.00	<b>3,635,000.00</b>	1,018,542.00	<b>(2,616,458.00)</b>
<b>Total revenue from exchange transactions</b>	<b>18,797,000.00</b>	<b>(2,230,000.00)</b>	<b>16,567,000.00</b>	<b>7,163,368.00</b>	<b>(9,403,632.00)</b>
<b>Revenue from non-exchange transactions</b>					
<b>Taxation revenue</b>					
Property rates	29,083,000.00	(2,970,000.00)	<b>26,113,000.00</b>	21,084,219.00	<b>(5,028,781.00)</b>
<b>Transfer revenue</b>					
Government grants & subsidies	102,262,000.00	15,982,000.00	<b>118,244,000.00</b>	128,214,001.00	<b>9,970,001.00</b>



# Chapter 5

Fines, Penalties and Forfeits	-	-	-	211,081.00	211,081.00
<b>Total revenue from non-exchange transactions</b>	<b>131,345,000.00</b>	<b>13,012,000.00</b>	<b>144,357,000.00</b>	<b>149,509,301.00</b>	<b>5,152,301.00</b>
<b>Total revenue 1</b>	<b>150,142,000.00</b>	<b>10,782,000.00</b>	<b>160,924,000.00</b>	<b>156,672,669.00</b>	<b>(4,251,331.00)</b>
<b>Expenditure</b>					
Employee Related Costs	(40,048,000.00)	14,145,000.00	<b>(25,903,000.00)</b>	(31,854,036.00)	<b>(5,951,036.00)</b>
Remuneration of councillors	(20,464,000.00)	9,210,000.00	<b>(11,254,000.00)</b>	(9,468,583.00)	<b>1,785,417.00</b>
Transfer/donation - Electrification - infills	-	-	-	(7,079,679.00)	<b>(7,079,679.00)</b>
Depreciation and amortisation	(19,000,000.00)				
		(2,000,000.00)	<b>(21,000,000.00)</b>	(34,998,365.00)	<b>(13,998,365.00)</b>
Impairment loss	-	-	-	(3,622,976.00)	<b>(3,622,976.00)</b>
Finance costs	(1,254,000.00)	(2,839,000.00)	<b>(4,093,000.00)</b>	(4,542,532.00)	<b>(449,532.00)</b>
Contracted Services	(37,897,000.00)	(17,652,000.00)	<b>(55,549,000.00)</b>	(34,862,765.00)	<b>20,686,235.00</b>
General Expenses	(30,480,000.00)	(821,000.00)	<b>(31,301,000.00)</b>	(21,008,241.00)	<b>10,292,759.00</b>
<b>Total expenditure</b>	<b>(149,143,000.00)</b>	<b>43,000.00</b>	<b>(149,100,000.00)</b>	<b>(147,437,177.00)</b>	<b>1,662,823.00</b>
<b>Operating surplus</b>	<b>999,000.00</b>	<b>10,825,000.00</b>	<b>11,824,000.00</b>	<b>9,235,492.00</b>	<b>(2,588,508.00)</b>
Fair value adjustments	-	-	-	(418,000.00)	<b>(418,000.00)</b>
<b>Surplus before taxation</b>	<b>999,000.00</b>	<b>10,825,000.00</b>	<b>11,824,000.00</b>	<b>8,817,492.00</b>	<b>(3,006,508.00)</b>

The variances above 10% were mainly due to under budgeting.

T5.1.3

# Chapter 5

## 5.2 GRANTS

Grant Performance						
R' 000						
Description	Year 2020	Year 2021			Year 2021 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b><u>Operating Transfers and Grants</u></b>						
<b>National Government:</b>	<b>113,680,075.00</b>	<b>139,647,000.00</b>	<b>139,647,000.00</b>	<b>127,988,001.00</b>	-8%	-100%
Equitable share	91,758,000.00	114,213,000.00	114,213,000.00	110,538,000.00	-3%	-100%
Expanded Public Works Program (EPWP)	1,021,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0%	-100%
Sports and recreation	20,530.00			-	0%	0%
Financial Management Grant (FMG)	1,900,000.00	1,900,000.00	1,900,000.00	1,900,000.00	0%	-100%
Library provincialisation	889,000.00	889,000.00	889,000.00	905,000.00	2%	-100%
Municipal Infrastructure Grant	18,091,545.00	21,645,000.00	21,645,000.00	13,645,001.00	-37%	-100%
<b>Provincial Government:</b>	<b>1,134,251.00</b>	<b>242,000.00</b>	<b>242,000.00</b>	<b>226,000.00</b>	-7%	-100%
Small town rehabilitation	197,251.00	0	0	-	0%	0%
Covid 19 Grant	735,000.00	0	0	-	0%	0%
<i>Cyber Cadet Grant</i>	202,000.00	242,000.00	242,000.00	226,000.00	-7%	-100%
<b>District Municipality:</b>	-	-	-	-	0%	0%
<b>Other grant providers:</b>	-	0	-	0	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>114,814,326.00</b>	<b>139,889,000.00</b>	<b>139,889,000.00</b>	<b>128,214,001.00</b>	<b>(0.15)</b>	<b>(2.00)</b>

*The above Grants received by the municipality were spent on projects that were requested by the communities through the IDP engagements.*

# Chapter 5

## 5.3 ASSET MANAGEMENT

### In Overview of Asset Management

The Asset Management policy is developed to comply with all relevant legislative requirements and complies with the standards specified by the Accounting Standards Board. Asset management within the municipality is overseen by the Executive Director Financial Services.

### Financial Asset Register

The chief financial officer established and maintained an asset register containing key financial data on each item of property, plant or equipment that satisfies the criterion for recognition.

### Organizing Asset Management, Staff involved and delegations

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and appropriately maintained. The Asset Manager as the Chief Financial Officer must ensure that appropriate physical management processes and control systems are established and maintained for all assets in the municipality.

All directorates and employees in the municipality are therefore required to ensure that the processes in place are adhered to in ensuring that the assets and other municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. The asset champions must assist the asset manager in performing his/her functions and duties in terms of asset management.

The asset management has a structure which is currently not fully occupied by qualified officials due to positions in the unit not Funded. Segregation of duties within the unit still a challenge due to staff compliment.

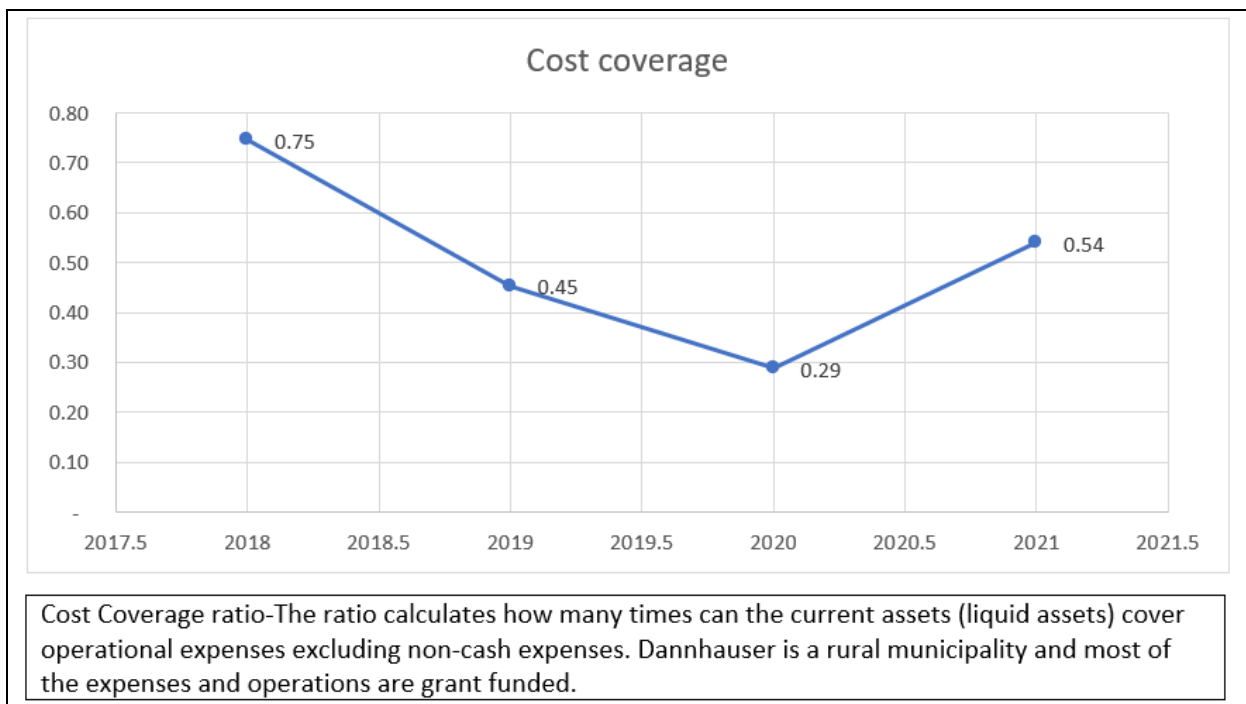
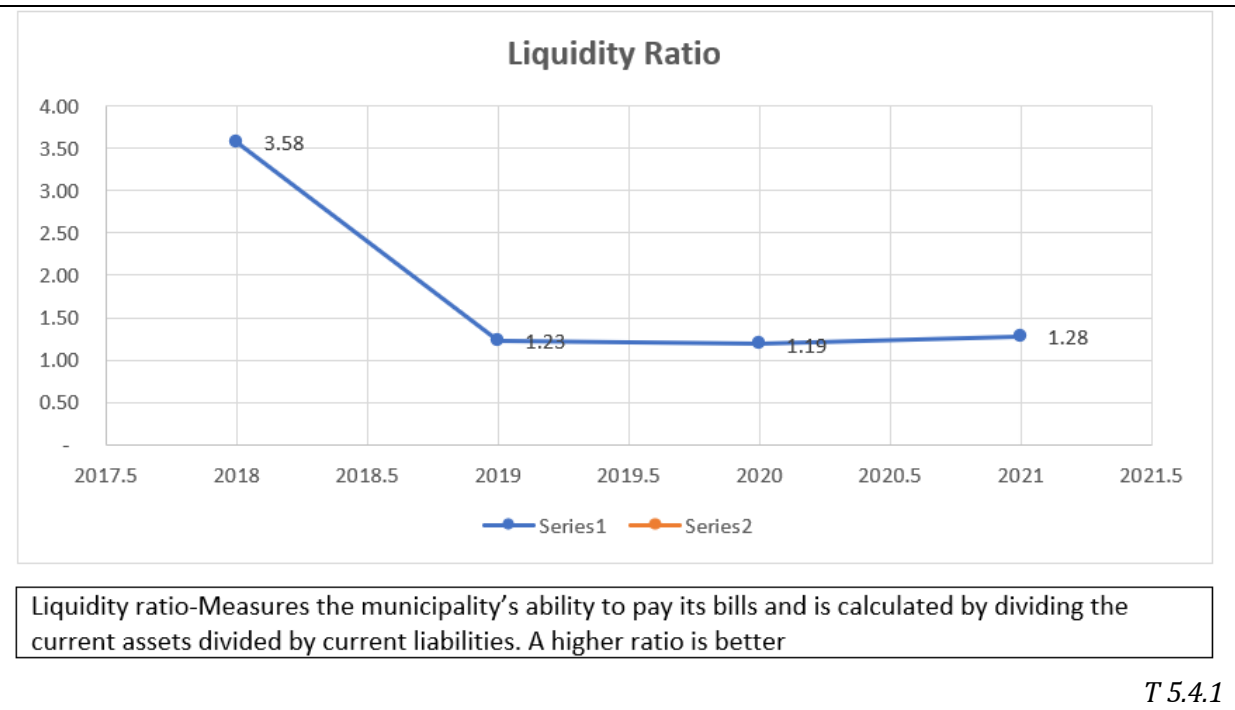
The municipal asset base shown increase from the financial year end 2019/2020 R 515 359 732 to R 531 583 909 in 2020/2021 representing a 3% growth
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### 5.3.1 REPAIRS AD MAINTANACE

Repairs and maintainance 2021				
Descriptions	Original Budget	Budget Adjustments	Actual Outcome	Budget Variance
Repairs and maintainance Expenditure	11,900,000.00	17,900,000.00	13,462,592.00	-25%

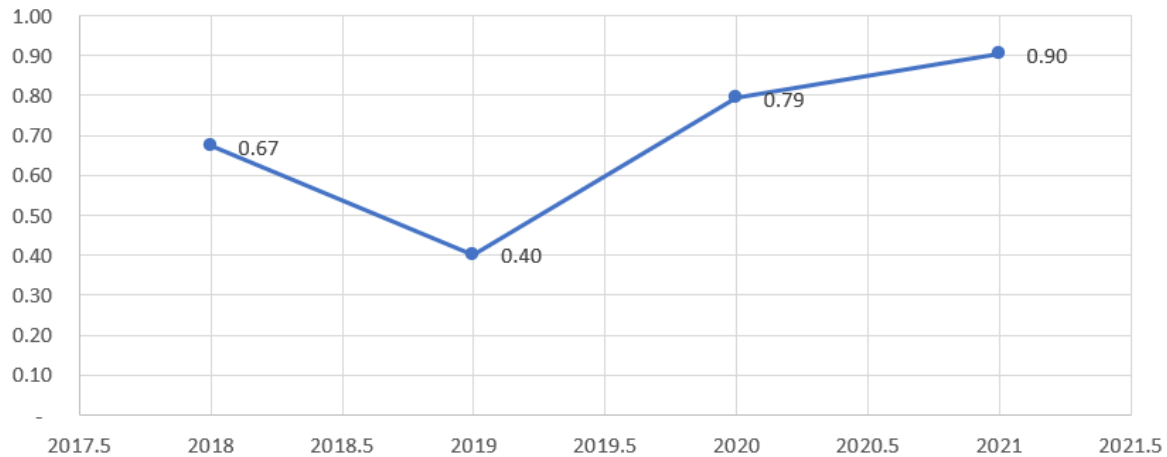
# Chapter 5

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



# Chapter 5

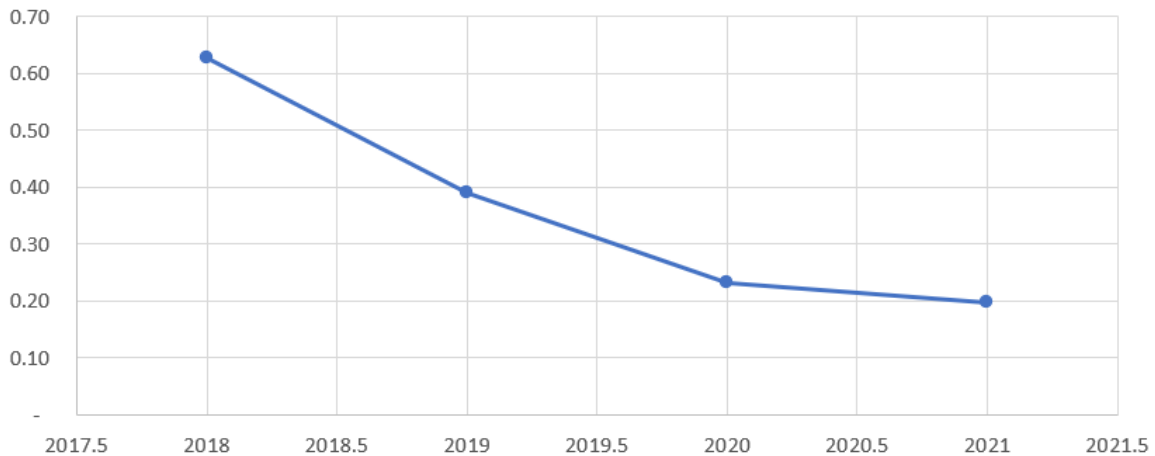
Debt Coverage



Debt Coverage-The number of times the generated revenue can cover the debt of the municipality. This in turn represent the ease which debt payments can be accommodated. A Higher ratio represents a better status

*T 5.4.4*

Creditors System Efficiency



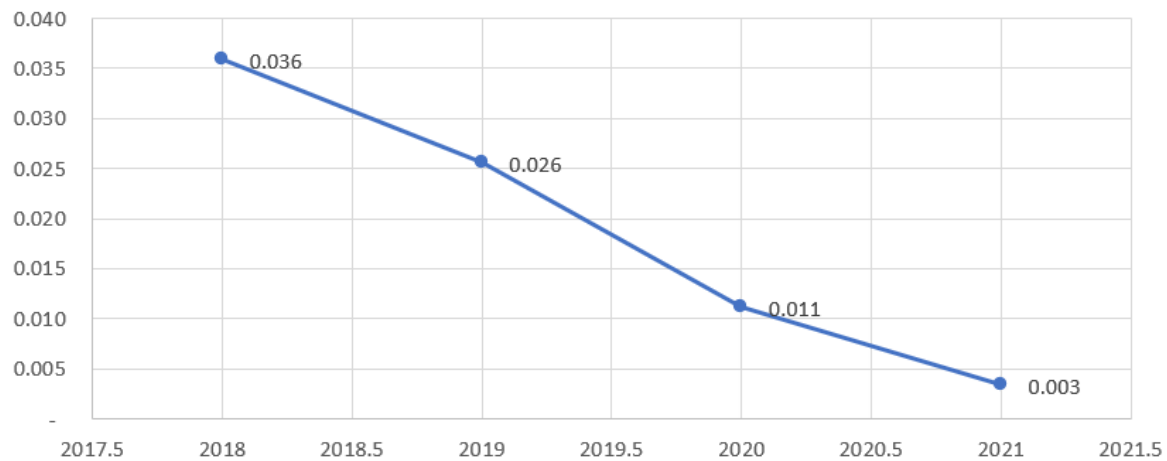
Creditors System efficiency the proportion of creditors that are paid within 30 days. This ratio is calculated by dividing trade payables by credit purchases.

*T 5.4.5*



# Chapter 5

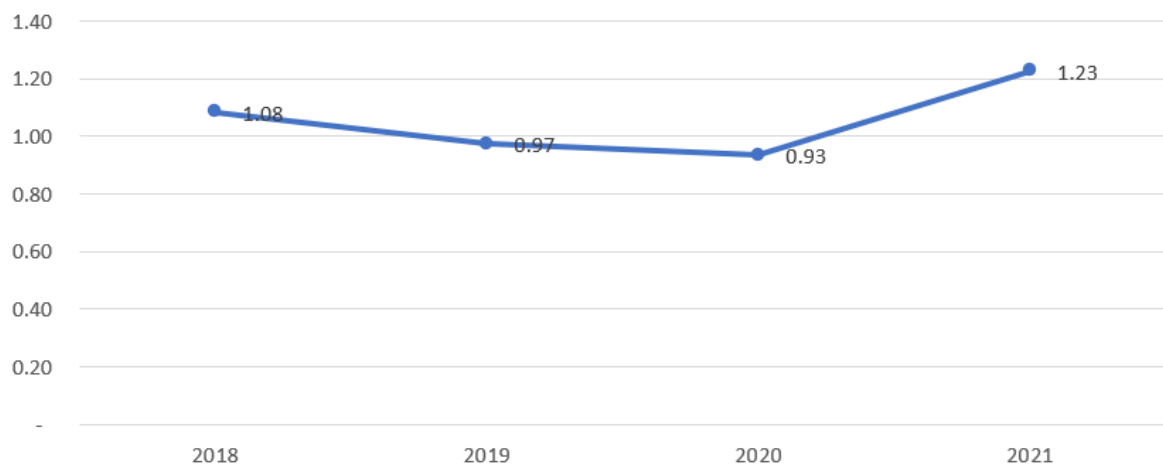
**Capital Changes to Operating Expenditure**



Capital Changes to operating Expenditure ratio is calculated by dividing the total interest by the total operating expenditure

*T 5.4.6*

**Employee Cost**

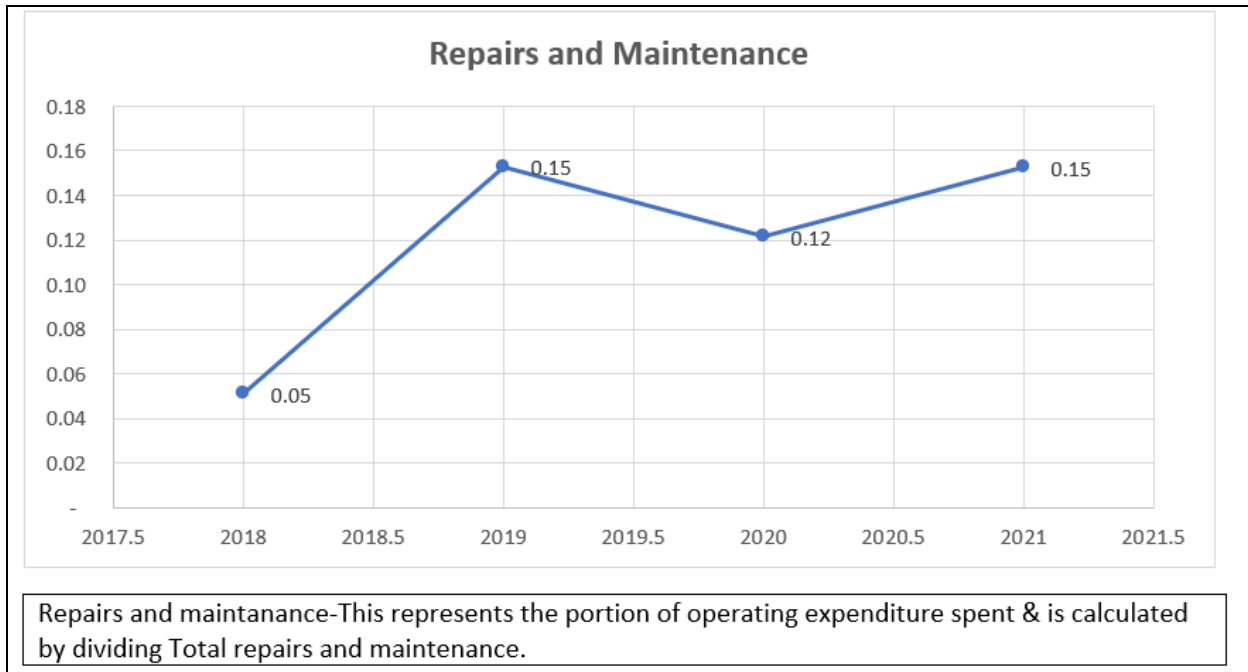


Employee costs-measure the portion of revenues spent on employee costs. It is calculated by dividing the total employee costs by the revenue generated excluding grants.

*It should be noted that Dannhauser is a rural municipality and it is therefore grant dependent.*

*T 5.4.7*

# Chapter 5



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

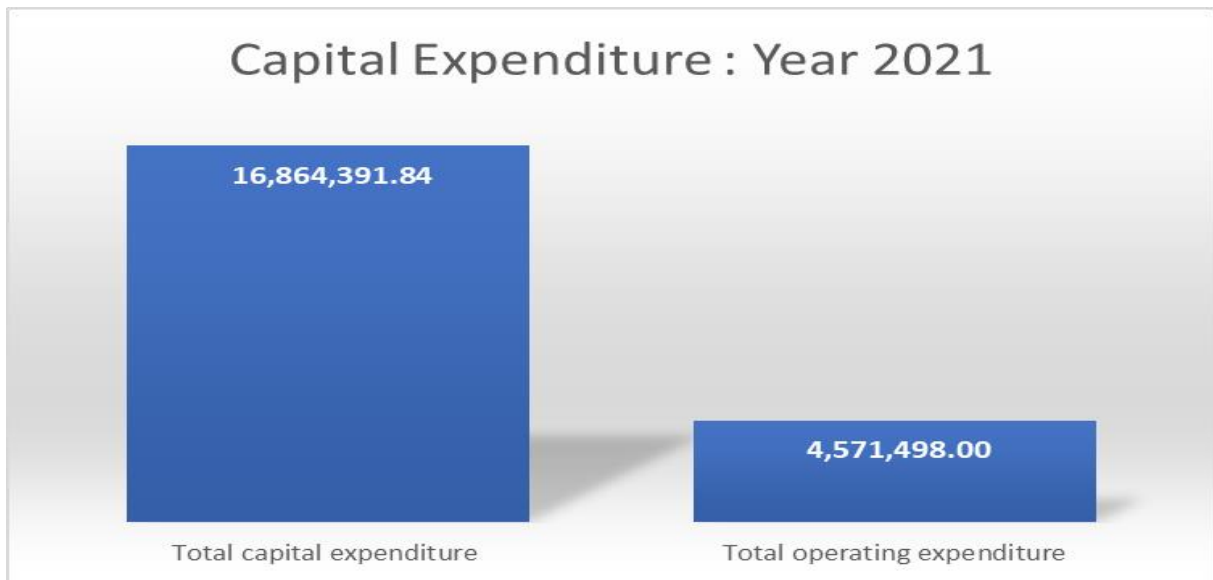
### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent

# Chapter 5

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## 5.5 CAPITAL EXPENDITURE



The capital spending Graph above depicts the amounts spent on capital project by source. It can be seen that 17.28 of the municipal own revenue is used in capital projects. The r 83.72 is funded from Grants. The operating expenses excludes funds spent on repairs and maintainance of these assets of R 13 462 592.00

# Chapter 5

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2020 to Year 2021							
R' 000							
Details		Year 2020	Year 2021				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	5,195,528.00	26,887,084.00	26,887,084.00	5,195,528.00	0%	-418%
	Grants and subsidies	114,814,326.00	102,262,224.00	118,243,999.00	128,214,001.00	-16%	20%
	Other	-	-	-			
Total		120,009,854.00	129,149,308.00	145,131,083.00	133,409,529.00	#DIV/0!	#VALUE!
Percentage of finance							
	External loans	4%	21%	19%	4%	11%	-435%
	Public contributions and donations	0%	0%	0%	0%	0%	0%
	Grants and subsidies	96%	79%	81%	96%	-3%	18%
Capital expenditure							
	Water and sanitation		1,300,000.00	500,000.00	-	62%	0%
	Electricity	0	8,000,000.00	5,000,000.00	2,359,860.00	38%	-239%
	Housing	0	-	-	-	0%	0%
	Roads and storm water	0	1,300,000.00	500,000.00	-	62%	0%
	Other-Halls	0	3,000,000.00	1,000,000.00	662,710.00	39,17%	4,94%
Total		0	13,600,000.00	7,000,000.00	3,022,570.00	1.61	(2.39)
Percentage of expenditure							
	Water and sanitation	0	0%	0%	0%	0%	0%
	Electricity	0	59%	71%	78%	-21%	25%
	Housing	0	0%	0%	0%	0%	0%
	Roads and storm water	0	10%	7%	0%	25%	0%
	Other-Halls	.	22%	14%	22%	0	0

# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital spending on 5 largest projects					
Name	Original budget	Adjustment budget	actual expenditure	Original variance	adjustment variance
A-New offices	8,000,000.00	20,370,000.00	13,841,820.52	5,841,820.52	6,528,179.48
B-Hall planning design & construction	3,000,000.00	1,000,000.00	662,710.78	(2,337,289.22)	337,289.22
C-Electrification	8,000,000.00	5,000,000.00	235,860.54	(7,764,139.46)	4,764,139.46
D-Storm water design & construction	1,300,000.00	500,000.00	-	(1,300,000.00)	500,000.00

PROJECTS WITH HIGHEST EXPENDITURE 2020/21	
NAME OF PROJECT	A-New offices
Objective	New offices for the municipality
Delays	Delayed due to covid 19
Future Challenges	None the funds are allocated
Anticipated citizens benefit	Yes
NAME OF PROJECT	B-Hall planning design & construction
Objective	Construct community halls for the public in general
Delays	Delayed due to covid 19
Future Challenges	None the funds are allocated
Anticipated citizens benefit	Yes
NAME OF PROJECT	D-Storm water design & construction
Objective	Construct storm water drainage for various wards
Delays	None the funds are allocated
Future Challenges	None the funds are allocated
Anticipated citizens benefit	Yes
NAME OF PROJECT	C-Electrification



# Chapter 5

Objective	Electrifications of various Wards in the Municipality
Delays	None the funds are allocated
Future Challenges	None the funds are allocated
anticipated citizens benefit	Yes

## COMMENT ON CAPITAL PROJECTS:

**The municipality has engaged in various projects that are service delivery related most of them are still in progress and they have not been made available to the communities**

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow management forms an essential and integral part of the municipality, during the financial year ended 30 June 2021 the municipality was able to maintain a positive cash flow status with the results of the activities depicted below.

### 5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year 2020	Current: Year 2021		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>	<b>140,094,425.00</b>	<b>118,107,510.00</b>	<b>140,546,580.00</b>	<b>160,446,924.00</b>
Ratepayers and other	17,142,723.00	(18,392,010.00)	1,303,440.00	1,245,785.00
Government -	118,271,000.00	127,266,312.00	129,824,364.00	128,214,001.00
Interest	1,925,835.00	3,812,268.00	3,888,900.00	1,018,542.00
Other	2,754,867.00	5,420,940.00	5,529,876.00	29,968,596.00
<b>Payments</b>	<b>(96,890,936.00)</b>	<b>(41,037,141.00)</b>	<b>(104,044,500.00)</b>	<b>(106,503,356.00)</b>
Employees & Suppliers	(82,204,956.00)	(39,837,141.00)	(102,820,380.00)	(92,291,028.00)
Finance charges	(3,981,487.00)	(1,200,000.00)	(1,224,120.00)	(4,743,745.00)
Other	(10,704,493.00)			(9,468,583.00)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>43,203,489.00</b>	<b>77,070,369.00</b>	<b>36,502,080.00</b>	<b>53,943,568.00</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>	(54,966,947.00)	(90,561,000.00)	(92,381,316.00)	(66,794,806.00)
Proceeds on disposal of PPE	439,637.00			-
Disposal of assets	73,130.00			
Purchase of PPE	(55,479,714.00)	(90,561,000.00)	(92,381,316.00)	(66,794,806.00)
<b>Payments</b>				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(54,966,947.00)</b>	<b>(90,561,000.00)</b>	<b>(92,381,316.00)</b>	<b>(66,794,806.00)</b>
<b>CASH FLOWS FROM</b>				

# Chapter 5

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<b>FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Loans	20,432,488.00	39,814,494.00	249,972.00	
<b>Payments</b>				
Repayment of borrowing				(4,104,368.00)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>20,432,488.00</b>	<b>39,814,494.00</b>	<b>249,972.00</b>	<b>(4,104,368.00)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>8,669,030.00</b>	<b>26,323,863.00</b>	<b>(55,629,264.00)</b>	<b>(16,955,606.00)</b>
Cash/cash equivalents at the year begin:	20,553,029.00	54,384,116.00	(28,207,284.00)	29,222,059.00
Cash/cash equivalents at the yearend:	29,222,059.00	80,707,979.00	(83,836,548.00)	12,266,453.00

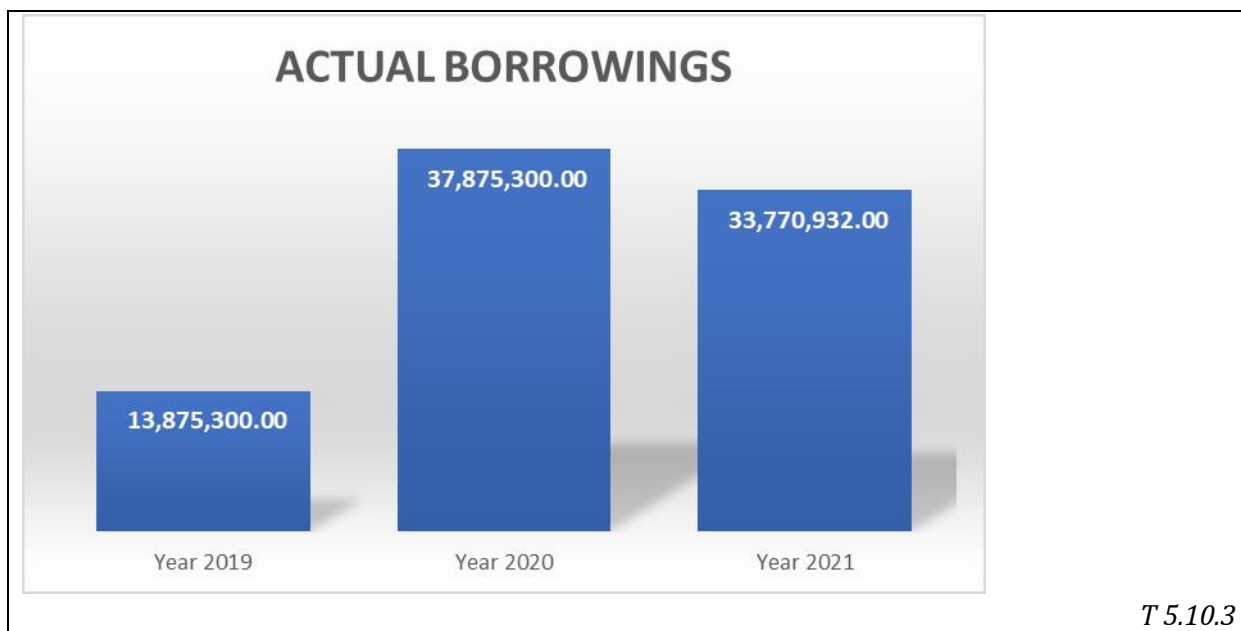
# Chapter 5

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

The borrowings that the municipality engaged on are long term loans from DBSA. The municipality acquired a loan from the Development Bank of Southern Africa (DBSA) to fund the construction of municipal main offices. The term of the loan is 20 years. Interest charged is 10.685% per annum payable every half yearly.

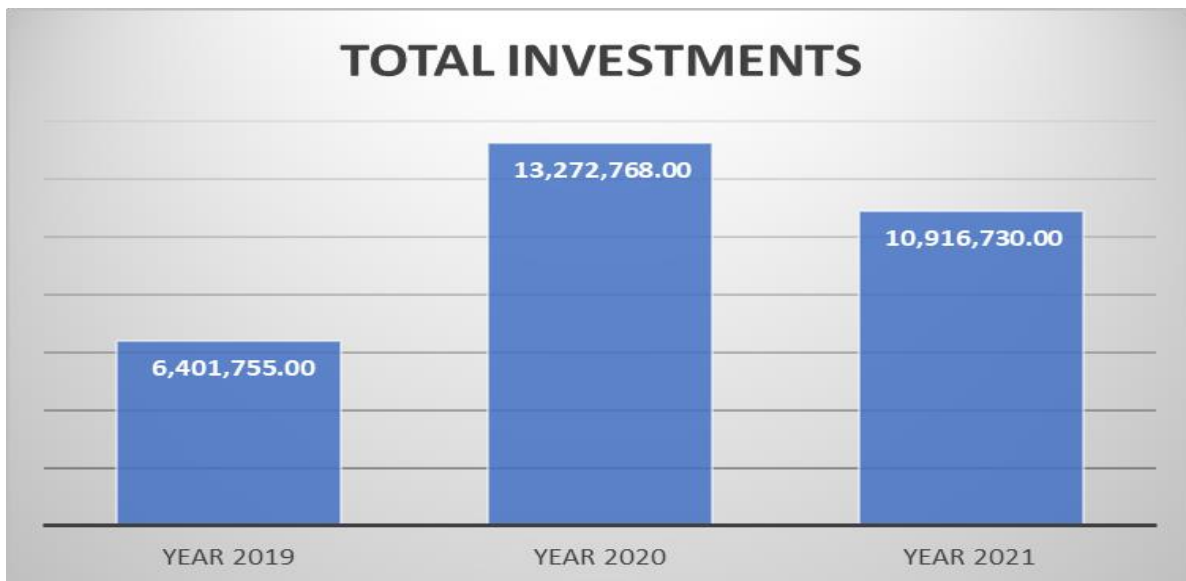
Actual Borrowings: Year 2019 to Year 2021			
Instrument	Year 2019	Year 2020	Year 2021
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	13 875 300	37 875 300	33 770 932
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities	-	-	-
Finance Granted by Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Municipality Total</b>	<b>13 875 300</b>	<b>37 875 300</b>	<b>33 770 932</b>



# Chapter 5

The Investments that the municipality engaged on are short term in nature with low risks and low returns. The municipality has the various call accounts with interest ranging from 1-5% call accounts.

Actual Investments: Year 2019 to Year 2021			
Instrument	Year 2019	Year 2020	Year 2021
<b><u>Municipality</u></b>			
Securities National			
Listed Corporate Bonds	-	-	-
Deposits Bank	6,401,755.00	13,272,768.00	10,916,730.00
Deposits Public Investment Corporation	-	-	-
Bankers accepted certificates	-	-	-
Negotiable certificates of deposits	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Purchase agreements (Banks)	-	-	-
Municipal Bonds	-	-	-
Other Securities	-	-	-
<b>Municipality Total</b>	<b>6,401,755.00</b>	<b>13,272,768.00</b>	<b>10,916,730.00</b>



# Chapter 5

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## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

Due to the size and the budget of the municipality, the position of the SCM manager is vacant. The SCM unit is current being manned by the SCM officer, SCM clerk and a finance intern is also allocated to the unit to alleviate the pressure. Poor planning by departments creates challenges for the SCM unit in complying with the legislation.

Dannhauser Local Municipality has functioning Bid committees in place established in line with regulations 26-29 of the Municipal Finance Management Act No.56 of 2003's Supply chain management regulations. The committee system for competitive bids is made up of the following:

- A. Bid specifications committee (BSC)
- B. Bid evaluation committee (BEC)
- C. Bid adjudication committee (BAC)

The municipal manager appoints members of the bid committees.

### 5.13 GRAP COMPLIANCE

The deadline for the implementation of the mSCOA was 1 July 2017 for all municipalities. The objective of mSCOA is to secure a sound and sustainable management of budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting

And reporting processes. The budget for 2018/2019 financial year was prepared on mSCOA basis which requires that all transactions reflect seven segments.

The municipality was able to transact on mSCOA on the 1 July 2017 as per the National Treasury requirement. The Annual Financial Statements for 2018/2019 financial year were prepared in compliance with GRAP standards and also the opening balances were restated and



# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1

#### 6.1 AUDITOR GENERAL REPORTS Year -1 (Previous year)

<b>Auditor-General Report on Financial Performance: Year -2019/2020</b>	
<b>Audit Report Status*:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1. Expenditure Management	1. Management was to ensure the adherence with supply chain regulations management to avoid UIFW 1.2 Management was to ensure that monies owed are paid within 30 days, in case of non-compliance reasonable justification would be provided" 1.3 All documentations for expenditure incurred relating to projects are kept in a separate file for ease of verifications.
2. Procurement and Contract Management	2. Management had monitored the supplier's database to ensure that all bidders have declared their interest. Also issued an advert on the newspapers to invite all suppliers to update their MBD Forms. 2.2 All contracts that signed by the municipality are in line with SCM regulations
3. Asset management	3. Management must ensure that all the supporting documentations for assets is kept. 3.2 a Full asset verification is conducted and supported
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
<i>T 6.1.1</i>	

<b>Auditor-General Report on Service Delivery Performance: Year -2019/2020</b>	
<b>Audit Report Status:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1. Reported targets was not consistent when compared with planned targets	1. Management must ensure an alignment is done between the planned and reported targets
2. Performance indicators were not well defined	2. Management Must ensure that the indicators are well defined in accordance to the performance framework.
3. There was no technical description indicator that clearly defines the progress reports and business units	3. Management should ensure that all the indicators that are reported on have technical indicator descriptions that is well defined in accordance to the performance framework.

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 2020/2021

<b>Auditor-General Report on Financial Performance Year 2020/2021*</b>	
<b>Status of audit report:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1. Expenditure Management	1.1 Management was to ensure the adherence with supply chain regulations management to avoid UIFW 1.2 Management was to ensure that monies owed are paid within 30 days, in case of non-compliance reasonable justification would be provided" 1.3 All documentations for expenditure incurred relating to projects are kept in a separate file for ease of verifications.
2. Procurement and Contract Management	2.1 Management had monitored the supplier's database to ensure that all bidders have declared their interest. Also issued an advert on the newspapers to invite all suppliers to update their MBD Forms. 2.2 All contracts that signed by the municipality are in line with SCM regulations
3. Asset management	3.1 Management must ensure that all the supporting documentations for assets is kept. 3.2 a Full asset verification is conducted and supported

<b>Auditor-General Report on Service Delivery Performance: Year 2020/2021*</b>	
<b>Status of audit report**:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1. Performance indicators were not well defined	1. Management Must ensure that the indicators are well defined in accordance to the performance framework.
2. There was no technical description indicator that clearly defines the progress reports and business units	2. Management should ensure that all the indicators that are reported on have technical indicator descriptions that is well defined in accordance to the performance framework.
3. No Key Performance Indicators were set in respect of the provision of basic water and solid waste removal services	3. Management must ensure that the SDBIP is aligned to national, provincial and district outcomes.

#### COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer) ..... Dated

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> .
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are <i>“what we use to do the work”</i> . They include finances,

# GLOSSARY

	personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

# GLOSSARY

<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>



# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Name of the Member of Council	ORGANISATION	WARD	Committees Allocated	Meeting in the year	Meetings attended	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
NGUBENI ZAKHELE. S	ANC-Full time	5	EX-OFFICIO	9	9	100%	NA
PHAKATHI JABU P.	ANC(PR)	2	EX-OFFICIO	9	6	67%	33%
MSIBI SAKHILE. D	ANC-Full time	12		9	1	11%	89%
MKHUMANE MTHUNZI.S	ANC-Full time	1	Planning & local Economic Development	9	8	89%	11%
KUNENE MXOLISI	ANC-Full time	2	Corporate services Portfolio Committee	9	7	78%	22%
NDABA VINCENT.M	ANC-Full time	3	Technical Services Portfolio committee	9	6	67%	33%
MANYATHI N.G. J	IFP-Full time	4	COMMUNITY SERVICES PORTFOLIO COMMITTEE	9	7	78%	22%
NDLOVU SIZAKELE. N	IFP-Full time	6		9	5	56%	44%
DUBAZANA XOLILE. M	ANC-Full time	7	Technical Services Portfolio committee	9	9	100%	0%
MFUSI EMMANUEL. S	ANC-Full time	8	Planning & local Economic Development	9	7	78%	22%
HLATHSWAYO N. S	ANC-Full time	9	COMMUNITY SERVICES PORTFOLIO COMMITTEE	9	5	56%	44%
NGIDI MTHETHELELI. A	ANC-Full time	10	COMMUNITY SERVICES PORTFOLIO COMMITTEE	9	6	67%	33%

# VOLUME II

SIBISI SURPRISE. S	IFP-Full time	11	Technical Services Portfolio committee	9	7	78%	22%
DLAMINI SELBY. D	ANC-Full time	13	Corporate services Portfolio Committee	9	8	89%	11%
MATLABA MIRRIAM.N	ANC (PR)	7	COMMUNITY SERVICES PORTFOLIO COMMITTEE	9	9	100%	0%
Khumalo NOMUSA. P	ANC (PR)	8	Corporate services Portfolio Committee	9	9	100%	0%
SITHOLE SINDISIWE. G	ANC (PR)	1	Planning & local Economic Development	9	8	89%	11%
DUBE NOSIPHO. S REPLACED BY CLLR KUNENE ES	DA (PR)	13	COMMUNITY SERVICES PORTFOLIO COMMITTEE	9	7	78%	22%
MKHIZE MAVIS. SONTU	EFF (PR)	2	Technical Services Portfolio committee	9	4	44%	56%
RADEBE ABIGAIL. N	IFP (PR)	7	Corporate services Portfolio Committee	9	8	89%	11%
NENE PHINDILE. P	IFP (PR)	9	Corporate services Portfolio Committee	9	9	100%	0%
NAIR PRAVIN GOPAUL	IFP (PR)	2	Planning & local Economic Development	9	7	78%	22%
BUTHELEZI M. A	IFP (PR)	9	Corporate services Portfolio Committee	9	6	67%	33%
HLATSHWAYO V.R. REPLACED BY CLLR MADE RN	IFP (PR)	13	Technical Services Portfolio committee	9	6	67%	33%
MAZIBUKO RICHARD. N	ROYAL PROGRESS (PR)	7	Planning & local Economic Development	9	7	78%	22%

# VOLUME II

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
MPAC	The Municipal Public Accounts Committee (MPAC) has been established by Council in terms of Section 79 of the Municipal Structures Act, Act 117 of 1998. The purpose of the Committee is to perform an oversight function on behalf of the Council over the executive functionaries of the Council to the extent set out herein
Portfolio Committee	The Portfolio committee has been established by Council in terms of Section 80 of the Municipal Structures Act, Act 117 of 1998. The purpose of the Committee is to perform an oversight function on behalf of the Council over the executive functionaries of the Council to the extent set out herein
Audit Committee	The committee must review and assess the qualitative aspects of financial reporting, the municipality's processes to manage business and financial risk, governance processes and compliance with applicable legal, ethical and regulatory requirements.
EXCO	The Executive committee is the management or principal committee of the municipality. It receives reports from other committees of council and must forward these reports together with its recommendations to the full council.
MANCO	The Management Committee carries out a vital role within the Municipality. Their role is not necessarily about doing, it is about ensuring things are done. Usually, the day-to-day management of the Municipality will be delegated by the Municipal Manager

# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
MM	Mr. WB Nkosi
Infrastructure & Planning Development	Mr. M Nene
Budget and Treasury Office	Mrs. DM Mohapi
Corporate Services	Mrs. S Northam
Community Services	Mr. S Naidoo
Planning and Development	Vacant

# VOLUME II

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	yes	yes
Building regulations	yes	yes
Child care facilities	yes	yes
Electricity and gas reticulation	yes	yes
Firefighting services	yes	yes
Local tourism	yes	yes
Municipal airports		
Municipal planning	yes	yes
Municipal health services		
Stormwater management systems in built-up areas	yes	yes
Trading regulations		
Billboards and the display of advertisements in public places	yes	yes
Cemeteries, funeral parlors and crematoria	yes	yes
Cleansing	yes	yes
Fencing and fences	yes	yes
Licensing of dogs		
Licensing and control of undertakings that sell food to the public	yes	yes
Municipal abattoirs	yes	yes
Municipal parks and recreation	yes	yes
Municipal roads	yes	yes
Noise pollution	yes	yes
Pounds	yes	yes
Public places	yes	yes
Refuse removal, refuse dumps and solid waste disposal	yes	yes
Street trading	yes	yes
Street lighting	yes	yes
Traffic and parking	yes	yes
<i>* If municipality: indicate (yes or no); * If entity: Provide name of entity</i>		<i>T D</i>

# VOLUME II

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## APPENDIX E – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	10	yes	05	05	02
Ward 02	10	yes	01	01	01
Ward 03	10	yes	05	05	02
Ward 04	10	yes	06	06	02
Ward 05	10	yes	03	03	01
Ward 06	10	yes	03	03	01
Ward 07	10	yes	06	06	02
Ward 08	10	yes	04	04	02
Ward 09	10	yes	06	06	02
Ward 10	10	yes	03	03	01
Ward 11	10	yes	03	03	01
Ward 12	10	yes	04	04	02
Ward 13	10	yes	04	04	02



# APPENDICES

## ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDER

The Service Providers has been assessed as per the Service Level Agreement; the following are the companies that were appointed by the municipality to undertake municipal programmes as per the needs and desirability of the organization The end user department provides monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

Id Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	2019/2020		2020/2021		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
19/03/2020	Bangs Trading and Projects	10/06/2020	Fencing and Supply of Grandstands for Sport Combo in Ward 5	R1 375 020.00	N/A	N/A	Fencing and Supply of Grandstands for Sport Combo in Ward 5	Service provider fully provided as per SLA signed.			
09/09/2019	Jaha The Great Trading and Projects	21/07/2020	Rural Road Rehabilitation in Ward 3	R2 319 672.00	N/A	N/A	Rural Road Rehabilitation in Ward 3	Service provider fully provided as per SLA signed.			

# VOLUME II

10/09/2019	HGI Investment	25/05/2020	Rural Road Rehabilitation in Ward 10	R2 424 037.28	N/A	N/A	Rural Road Rehabilitation in Ward 10	Service provider fully provided as per SLA signed.			
11/09/2019	Masioela Construction	25/05/2020	Rural Road Rehabilitation in Ward 12	R2 854 271.11	N/A	N/A	Rural Road Rehabilitation in Ward 12	Service provider fully provided as per SLA signed.			
24/02/2020	Mela Okuhle Trading Enterprise	09/06/2020	Construction of Community Hall in Ward 4		N/A	N/A	Designs & Project management of Ward 4 & 5 Community Halls	Service provider appointed and serving as per signed SLA.			
25/02/2020	Tswqakelo JV Mafesane Trading	25/05/2020	Construction of Community Hall in Ward 5	R7 485 823.80	N/A	N/A	Supply and delivery of Mobile Creche Structures for Ward 3 & 5	Service provider appointed and serving as per signed SLA.			
11/02/2020	Infrachamps Consulting	07/07/2020	Road Link Designs and Project Management in Ward 2	7%	N/A	N/A	Expression of Interest for Professional Civil Engineering	Service provider appointed and providing service as per signed SLA.			
10/02/2020	RBCA and Associates Inc	21/07/2020	Performance, Audit Readiness and Assets Management	R1 207 500.00	N/A	N/A	Performance, Audit Readiness and Assets Management	Service provider appointed and providing service as per signed SLA.			

# VOLUME II

05/03/2020	Easy Pay	29/07/2020	Bill Payment Solution	R4.50 each	N/A	N/A		Service provider appointed and providing service as per signed SLA.			
06/03/2020	Fast Moving Trading	29/07/2020	Debtors Data Integrity, Profiling & Collections Software	R 290,000.00	N/A	N/A	Debtors Data Integrity, Profiling & Collections Software	Service provider appointed and providing service as per signed SLA.			
04/03/2020	Amanquhe Data Doctors Analysis	29/07/2020	Data Cleansing & Compilation of Indigent Register	R 414,929.86	N/A	N/A	Data Cleansing & Compilation of Indigent Register	Service provider appointed and providing service as per signed SLA.			
10/06/2019	ELB Equipment Holdings	18/11/2020	Supply and Delivery of a new (4x4) Tractor Loader Backhore (TLB)	R 999,925.00	N/A	N/A	Supply and Delivery of a new (4x4) Tractor Loader Backhore (TLB)	Service provider fully provided as per SLA signed.			
10/06/2020	OWZA Trading and Projects	18/11/2020	Project Manager for the Construction of Landfill Cell	R 585,650.00	N/A	N/A	Project Manager for the Construction of Landfill Cell	Service provider appointed and providing service as per signed SLA.			
20/08/2020	Siyathuthu Development	19/11/2020	Review Dannhauser	R 387,500.00	N/A	N/A	Review Dannhauser	Service provider fully			

# VOLUME II

	t/a Inzuzo Ye-sizwe Development Consultants		Municipality Spatial Development Framework (SDF) 2019-20 FY				Municipality Spatial Development Framework (SDF) 2019-20 FY	provided as per SLA signed.			
24/07/2020	Hloniphane Trading Enterprise	19/11/2020	Rural Road Rehabilitation in Ward 8	R 2,885,783.78	N/A	N/A	Rural Road Rehabilitation in Ward 8	Service provider fully provided as per SLA signed.			
21/08/2020	Newcastle Office Shop	19/11/2020	Supply and delivery of 2 x Printers on Rental on a 3 years contract for Expenditure section and MM office	R825.00 per month	N/A	N/A	Supply and delivery of 2 x Printers on Rental on a 3 years contract for Expenditure section and MM office	Service provider appointed and providing service as per signed SLA.			
23/07/2020	ROMH Consulting	24/11/2020	Expression of Interest for Designs and Project Management of Ward 2 Urban Road and Emafusini Roads	6%	N/A	N/A	Expression of Interest for Designs and Project Management of Ward 2 Urban Road and Emafusini Roads	Service provider appointed and providing service as per signed SLA.			
11/06/2020	Dlamini's Trading and Construction	24/11/2020	Fencing of Landfill Site	R 391,000.00	N/A	N/A	Fencing of Landfill Site	Service provider fully provided as per SLA signed			

# VOLUME II

22/10/2020	CFAO Motors	03/12/2020	Supply and Delivery of 2 x Vehicles for Community Services (New)	R 1,433,923.60	N/A	N/A	Supply and Delivery of 2 x Vehicles for Community Services (New)	Service provider fully provided as per SLA signed			
22/07/2020	Jaihind Works	03/12/2020	Supply and Delivery of Spectator Grandstands for Sportfield in Ward 6, 10 and 11	R 193,500.00	N/A	N/A	Supply and Delivery of Spectator Grandstands for Sportfield in Ward 6, 10 and 11	Service provider fully provided as per SLA signed			
21/07/2020	Awasheng Consulting JV Striving Mind Trading	04/12/2020	Supply and Installation of Mast lights in Ward 3, 5, 6, 7, 9, 10 and 12	R 1,973,975.00	N/A	N/A	Supply and Installation of Mast lights in Ward 3, 5, 6, 7, 9, 10 and 12	Service provider fully provided as per SLA signed			
27/08/2020	Sivest SA	15/12/2020	Cemetery Environment Impact Assessment	R 310,385.00	N/A	N/A	Cemetery Environment Impact Assessment	Service provider fully provided as per SLA signed			
12/02/2020	Vumesa	22/09/2020	Expression of Interest for Road Over Rail Bridge Designs and Project Management in Ward 2	12%	N/A	N/A	Expression of Interest for Road Over Rail Bridge Designs and Project Management in Ward 2	Service provider appointed and providing service as per signed SLA.			

# VOLUME II

01/10/2020	ENK Works	02/12/2020	Landscaping of Durnacol Park	R 397,900.00	N/A	N/A	Landscaping of Durnacol Park	Service provider fully provided as per SLA signed			
15/01/2020	Abacwaningi Business Solution	29/05/2020	Provision of Internal Audit Services for the Period of 3 years	R 1,650,000.00	N/A	N/A	Provision of Internal Audit Services for the Period of 3 years	Service provider appointed and providing service as per signed SLA.			
19/08/2020	Indalo Development Consultant	05/10/2020	Review and Extension of Dannhauser Land Use Management Scheme	R 248,400.00	N/A	N/A	Review and Extension of Dannhauser Land Use Management Scheme	Service provider fully provided as per SLA signed			
20/03/2020	Hloniphani Trading Enterprise	19/11/2020	Lease Grazing Land - Tweededale Farm Part 1	R353 840.00 per annum	N/A	N/A	Lease Grazing Land - Tweededale Farm Part 1	Service provider appointed and providing service as per signed SLA.			
20/03/2020	Hloniphani Trading Enterprise	19/11/2020	Lease Grazing Land - Tweededale Farm Part 2	R87 680.00 per annum	N/A	N/A	Lease Grazing Land - Tweededale Farm Part 2	Service provider appointed and providing service as per signed SLA.			
20/03/2020	Hloniphani Trading Enterprise	19/11/2020	Lease Grazing Land - Rocyspruit Farm	R144 000.00 per annum	N/A	N/A	Lease Grazing Land - Rocyspruit Farm	Service provider appointed and providing service as per			



# VOLUME II

								signed SLA.			
20/03/2020	Hloniphani Trading Enterprise	19/11/2020	Lease Grazing Land - Land at Klipkluil Farm	R269 440.00 per annum	N/A	N/A	Lease Grazing Land - Land at Klipkluil Farm	Service provider appointed and providing service as per signed SLA.			
01/02/2021	Klus Civils JV Dreykon	11/03/2021	Rehabilitation of Dannhauser Urban and Emafusini Roads in Ward 2	R 14,300,000.00	N/A	N/A	Rehabilitation of Dannhauser Urban and Emafusini Roads in Ward 2	Service provider fully provided as per SLA signed			
29/10/2020	Bangs Trading and Projects	01/04/2021	Fencing of Community Hall in Ward 2	R 818,268.70	N/A	N/A	Fencing of Community Hall in Ward 2	Service provider fully provided as per SLA signed			
26/11/2020	OWZA Trading & Projects	01/04/2021	Design and Management of Water Harvest Project in Dannhauser	9.7%	N/A	N/A	Design and Management of Water Harvest Project in Dannhauser	Service provider appointed and providing service as per signed SLA.			
18/02/2021	Muteo Consulting	01/04/2021	Project Manager for Electrification Meter Conversion Project in Ward 2	10.91%	N/A	N/A	Project Manager for Electrification Meter Conversion Project in Ward 2	Service provider appointed and providing service as per signed SLA.			
25/11/2020	Container Consumables	07/05/2021	Supply and delivery	R 402,500.00	N/A	N/A	Supply and delivery	Service provider fully			

# VOLUME II

	& Industrial Supplies		Mobile Creche Structures in Ward 10 and 11				Mobile Creche Structures in Ward 10 and 11	provided as per SLA signed			
03/12/2020	Cam Development Consulting	29/03/2021	Review of Dannhauser LED Strategy	R 234,410.00	N/A	N/A	Review of Dannhauser LED Strategy	Service provider appointed and providing service as per signed SLA			
15/10/2020	Loma Business Enterprise	24/06/2021	Dannhauser Pound Keeper Services for a period of 3 years	R 1,224,000.00	N/A	N/A	Dannhauser Pound Keeper Services for a period of 3 years	Service provider appointed and providing service as per signed SLA			
03/02/2021	Quiet Storm Trading	24/06/2021	Construction of Child Care Facility in Ward 1	R 3,750,347.08	N/A	N/A	Construction of Child Care Facility in Ward 1	Service provider appointed and providing service as per signed SLA			
02/02/2021	Mlatudi Trading JV Totobela Trading and Projects	28/06/2021	Construction of Hall in Ward 13	R 6,520,822.40	N/A	N/A	Construction of Hall in Ward 13	Service provider appointed and providing service as per signed SLA			

## APPENDIX J: ACTION PLAN

#	Finding-Heading	Detailed Finding	Assertion Affected	Impact	Root causes	Action	Due date	Responsible section
1	1. Lack of Information to Support Inventories and transfer (donations) - electrification infill's	Through the audit of inventory, we noted that the financial statements disclosed inventory as follows in note seven: (i) We could not verify the occurrence, accuracy, completeness and existence of the Esidakeni project costs amounting to R4 021 669 as management submitted invalid documentation for audit. (ii) The completion certificates submitted to support the costs and actual completion of the projects was withdrawn during the audit steering committee meeting held on 26 November. (iii) The certificates were withdrawn because they did not have a similar format and details were inconsistent to one another. (iv) The certificates were also not signed by the municipal representative. (v) The completion certificates for Nkunzi and Sweetwaters projects did not reconcile to the invoices. (vi) Through further discussion during the audit steering committee meeting it was found that these completion certificates were based on the project estimated costs instead of actual expenditure to date. As a result, actual completion certificates were not provided for audit. In addition, information submitted for audit could not be verified to	occurrence, accuracy, completeness and existence	Overstatement of assets Inventory	Non-Submission of appropriate supporting documents	1. Ensure that donation received agrees to the general ledger and the annual financial statements. 2. The donation certificates are signed by both parties the donor and the recipient 3. The donated item are listed with the actual costs (final accounts) rather than the BOQ (estimates) 4. The final accounts agrees to the invoices submitted and any variations is submitted. 5. A reconciliations is performed between the general ledger the AFS and the Asset register	31-Mar-22	Asset Management

		originating source documentation, for example,						
2	Awards to service providers with tax non-compliant status at date of award	We performed audit procedures to determine whether competitive bid awards were made to service providers whose tax matters were declared as compliant at the date of award (i.e., the date at which the tender is adjudicated by the Bid Adjudication Committee). Our procedures extended to the determination of whether at the date of evaluation by the Bid Evaluation Committee the recommended service provider was at date compliant as well.	Compliance with laws and regulations	Understanding of irregular expenditure	Management failed to evaluate service provider tax compliance per available platforms such as the CSD compliance history report when bids were evaluated and awarded by the BEC and BAC committees. No supporting documents for correspondence regarding the tax matters. 22.Lack of subsequent submissions of tax matters and the CSD	1.Management should ensure that of tax matters are compliant on date of submission of the tender(inspect the tax compliance on submission) and if not a formal correspondence - (letter) will be sent and filed together with the bidders documents (email and proof of submission and the letter of correspondence) 2.The minutes of the bid evaluation committee(BEC) should reflect this fact that correspondence was sent regarding tax matters or any other subsequent information requested from bidders that was not initially in the original submission. 3.The bid adjudication minutes should also specify any correspondences that was made to bidders that were initially non-compliant, or any other subsequent information requested from bidders that was not initially in the original submission.	31-Jan-22	SCM
3	Completeness of Key Performance Indicators	It was noted that the 2020/21 annual performance report(APR) does not include the general key performance indicators (KPIs) as prescribed in terms of section 43 of the MSA, as listed in section 10 of GNR 796 of this Act. The following general indicators are applicable to the Dannhauser Local Municipality and therefore should have been included as part of the KPIs: The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal; The percentage of	Completeness	Completeness of the SDBIP & APR	Management did not ensure that applicable legislation was considered when setting the KPIs. Lack of alignment of the KPI with the national and provincial objectives and applicable legislation	1.Review and align the KPI with national and provincial indicators 2.Revise the 2021/2022 SDBIP and submit to the relevant committees for approval and amendment 2.1 Portfolio Committees 2.2 Council 2.3 Cogta	31-Jan-22	IDP

		households earning less than R1100 per month with access to free basic services;  This has resulted in an understatement of KPIs for KPA2: Basic Service Delivery.						
4	Key Performance Indicators are not Well-defined	It was noted that the key performance indicators (KPIs) for basic service delivery were measured on the internally generated reports on the progress instead of being measured on the actual progress of the projects. Please refer to the table below for these KPIs:	Usefulness	Limitation of scope	Management did not ensure that applicable legislation was considered when setting the KPIs. 1.The Key performance indicators are not linked are not aligned to the technical indicator descriptions 2.Misalignment between the SBIP and the IDP 3.Misalignment between the KPI and the KPA 4.Targets Do not have a smart Criteria	1.Management will review the 2021/2022 SDBIP to ensure that all the KPI are well defined in accordance to the FMPPPI(framework for managing programme performance information and the LOCAL GOVERNMENT: MUNICIPAL Planning AND PERFORMANCE MANAGEMENT REGULATIONS, 2001. <b>the adjusted sdbip will be submitted to portfolio committees and council for approval and cogta</b> 2.The TID will be reviewed and revised to ensure that they support the KPI on the score cards The SDBIP and the IDP will be aligned to ensure that all the strategies and objectives are supported by KPI 4,The targets set on the SBDIP will be reviewed and changed to ensure that they cater for :SMART" criteria as set out in the framework and the regulation	31-Jan-22	IDP

5	Impairment of the taxi rank	<p>We noted that the Taxi Rank and Testing Ground Phase One assets may be impaired</p> <p>ISSUE ONE:</p> <p>Dannhauser taxi rank (Completed project)</p> <p>As part of our audit procedures, we performed observations through physical verification and enquiries and noted that the Dannhauser taxi rank is currently not in use. These verifications and enquiries have been performed over a number of instances to determine the service potential of the Taxi rank. Please see the table below for details of the taxi rank:</p>	Valuation	Overstatement of assets	<p>1.Lack of review of adequate review of the asset register</p> <p>2.Lack of compliance with GRAP 17</p>	<p>1.Management will ensure that all assets are supported by the completion certificates and the costs per certificates per agrees to the invoices and the completion certificates</p> <p>2.Management will ensure that any variations between the certificates and invoices is noted and documented</p> <p>3.Asset's verifications will be performed &amp; all assets with indications of impairment will be assessed for impairment and the report sent to council for approval</p>	31-Mar-22	Asset Management
6	Non-submission of local content awards to the DTI	<p>We performed audit procedures to confirm whether the municipality has complied with the requirements of making submissions to the DTI regarding awards relating to items with the stipulated minimum threshold for local content.</p> <p>For selected items, we identified that no submissions were made to the DTI for the following awards:</p>	Compliance	Non-Compliance with laws and regulations	<p>Management did not adopt appropriate post award and reporting controls in its process of procuring local content goods to ensure that submissions of awards are made to the DTI</p>	<p>Management should ensure that all appointments with local contents are reported to the DTI</p>	ongoing	SCM



## APPENDIX K: AGSA AUDIT REPORT

Auditor-General of South Africa

Dannhauser Local Municipality Audit Report 2020-21

### **Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the Council on Dannhauser Local Municipality**

#### Report on the audit of the financial statements

##### Qualified opinion

1. I have audited the financial statements of the Dannhauser Local municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net asset, cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effect of the matter described in the basis for qualified opinion section of the auditor's report, the financial statements present fairly, in all material respects, the financial position of the Dannhauser Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and the requirements of the Municipal Finance Management Act 56 of 2003 (Act No.56 of 2003) (MFMA) and Division of Revenue Act 4 of 2020 (Act no.4 of 2020) (DoRA).

##### Basis for qualified opinion

###### Inventories and transfer (donations) – electrifications infill

3. I was unable to obtain sufficient appropriate audit evidence for the inventories and transfer (donations) - electrification infills, as the municipality did not maintain accurate and complete records of the electrification infills in progress at year- end and transferred (donated) during the year. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the closing inventories stated at R3,38 million in note 7 to the financial statements and transfer (donations) - electrification infills stated at R7,08 million to the financial statements.

##### Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. 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.

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

#### Other matter

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

#### Unaudited supplementary schedules

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

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

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standard of GRAP and the requirements of MFMA, 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.
10. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### Auditor-general's responsibilities for the audit of the financial statements

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

#### Report on the audit of the annual performance report

##### Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My

procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for KPA2-Basic Service Delivery as presented in the municipality's annual performance report for the year ended 30 June 2021.
16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings on the usefulness and reliability of the performance information of the selected objective are as follows:

#### KPA 2– Basic Service Delivery

##### **Various indicators**

18. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement for the indicator. This was due to a lack of measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of KPA2: Basic Service Delivery in the annual performance report.

#### Other matters

19. I draw attention to the matters below.

#### Achievement of planned targets

20. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x to x of this report.

#### Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

### Report on the audit of compliance with legislation

#### Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

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

#### Annual financial statements

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

#### Expenditure management

25. Reasonable steps were not taken to prevent irregular expenditure amounting to R21,6 million as disclosed in note 50 to the financial statements, as required by section 61(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the competitive bidding process not being followed.

#### Procurement and contract management

26. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43. This non-compliance was identified in the procurement processes for the construction of the community hall in ward 4, the rehabilitation of urban roads and Emafusini roads, construction of hall in ward 13 and fencing of community hall in ward 2.

#### Strategic planning and performance management

27. No Key Performance Indicators were set in respect of the provision of basic water and solid waste removal services, as required by section 43(2) of the Municipal Systems Act No. 32 of 2000 (MSA) and municipal planning and performance management regulation 10(a).

#### Other information

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

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
33. Some members of the senior management team were consistently not available during the audit. In some instances, some senior managers accepted the invites for the audit meetings, but did not attend. This had a negative impact on the audit outcome.
34. Valid documentation to support closing inventories and electrification infills donated was not submitted for auditing. This was due to a lack of record keeping and poor project management by the technical department. Additionally, there was a lack of co-ordination between technical and finance departments regarding project management.
35. Senior management did not prepare accurate and complete financial and performance reports on a regular basis, that are supported and evidenced by reliable information. This was due to the staff members not understanding the applicable financial reporting framework and performance information reporting requirements.

## Other reports

36. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. 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.
37. The Special Investigating Unit (SIU) commissioned an investigation during the 2018/19 financial year to look into the appointment of suppliers by the municipality. As at the audit report date, this investigation had not been finalised.

Pietermaritzburg

30 November 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objective and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

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

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# VOLUME II

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## APPENDIX L: AUDIT COMMITTEE REPORT IN ANUAL REPORT

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## APPENDIX M: 2020/2021 SCORECARD

SDBIP No.	IDP Ref	Strategic Objective	Strategies	Output Key Performance Indicators	Unit of Performance Measurement	Reporting Period	Institutional / Ward	2019/2020 Performance Information		2020/2021 Performance Information		Reason for variance (Blockages)	Planned improvement intervention (Corrective measures)	
									Annual Target	Annual Actual	Annual Target			Annual Actual
KPA 1: Municipal Transformation and Institutional Development (Weighting = 15%)														
Outcome 9 Indicator: Output6 - Improving Municipal Financial and Administrative Capacity & Output 1: Implement a differentiated approach to municipal financing, planning and support														
OMM 1.1	3.6.9	To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Management Committee meetings conducted per quarter	Number of ManCo Meetings Conducted	Quarterly	Institutional	Conduct 12 MANCO Meetings by 30 June 2020	12 MANCO Meetings conducted	Conduct 12 ManCo Meetings by 30 June 2021	Conducted 12 ManCo Meetings by 30 June 2021			
OMM 1.2	3.6.9			Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	Conduct 4 Staff Meetings by 30 June 2020	Conducted 4 Staff Meetings by 30 June 2020	Conduct 12 Departmental Meetings by 30 June 2021	Conducted 5 Departmental Meetings by 30 June 2021	The covid infections on some officials resulted in meetings not being achieved.	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between officials.	
OMM 1.3	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Progress Report on External Service Providers with signed Service Level Agreements (SLA) within one month prior to commencement	Progress Report	Quarterly	Institutional	4 Progress Report on External Service Providers with signed Service Level Agreements (SLA) within one month prior to commencement	4 Progress Report on External Service Providers with signed Service Level Agreements (SLA) within one month prior to commencement	4 x Progress report on external service providers with signed SLA within1 month prior to commencement (within 10 working days after the end of the quarter)	4 x Progress report on external service providers with signed SLA within1 month prior to commencement (within 10 working days after the end of the quarter)			

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OMM 1.4				Quarterly performance report on external service providers with signed SLAs by 30 June 2021	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 Quarterly performance Report on External Service providers with SLAS	4 Quarterly performance Report on External Service providers with SLAS	develop 4 quarterly performance report on external service providers with signed SLAs (within 15 working days after the end of the quarter)	<b>Developed 4 quarterly performance report on external service providers with signed SLAs (within 15 working days after the end of the quarter)</b>		
OMM 1.5	3.12.12		Effective strategic planning	Strategic Planning Meetings held quarterly by 30 June 2021	Number of Strategic Planning Meetings held	Quarter 3 & 4	Institutional	Hold 2 Strategic Planning Meetings by 30 June 2020	Held 0 Strategic Planning Meetings by 30 June 2020	Hold 2 Strategic Planning Meetings by 30 June 2021	<b>Held 1 Strategic Planning Meetings by 30 June 2021</b>	The covid – 19 impacts affected the indicator in respect of execution; and consultation process with external & internal stakeholders affected by covid-19.	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between officials.
OMM 1.6	3.6	APPROVAL OF RECORD MANAGEMENT POLICY	Approval of Records Management policy by Council by 30 June 2021	Adoption of Records Management Policy by Council by 30 June 2021	Date of Adoption	Quarter 4	Institutional	Adoption of Records Management Policy by Council by 31 March 2020	Records Management Policy not adopted by Council by 31 March 2020	Approval of Records Management Policy by Council by 30 June 2021	<b>Records Management Policy NOT Approved by Council by 30 June 2021</b>	Some Council members were affected by covid and some council meetings were postponed	Review indicator target and consider the current technological mechanisms to finalise the adoption of this KPI.
FIN 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 quarterly performance report on external service providers with signed SLAs	Developed 4 quarterly performance report on external service providers with signed SLAs	Develop 4 quarterly performance report on external service providers with signed SLAs	<b>Developed 4 quarterly performance reports on external service providers with signed SLAs</b>		

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FIN 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	2 x Quarterly departmental meetings conducted by 30 June 2020		
CORP 1.1	3.6.3	To provide skills development programmes for Staff, Councillors	Workplace Skills Plan (WSP) in line with the Employment Equity Plan (EEP)	2021/2022 WSP approved and submitted to LGSETA by date	Date of Approval and submission	Quarter 4	Institutional	Approval and submission of 2020/2021 WSP to LGSETA by 30 Apr 2020	2020/2021 WSP was approved and submitted to LGSETA on 28 May 2020	Approval and submission of 2021/2022 WSP to LGSETA by 30 Apr 2021	2021/2022 WSP approved and submitted to LGSETA by 30 Apr 2021		
CORP 1.2	3.6.1 / 3.6.3		Municipality's Budget actually spent on Workplace Skills Plan	Percentage Spent = (actual amount spent on WSP / budgeted amount for WSP) *100	% Spent	Annually	Institutional	100% spending on WSP by 30 June 2020	42.92% spending on WSP by 30 June 2020	100% spending on WSP by 30 June 2021	67% spending on WSP by 30 June 2021	Not all training was conducted due to covid infections and lockdown restrictions	Municipality to engage training and development stakeholders to utilise technology software systems such as MS Teams Training; Zoom, etc.; or training facility venues that comply with covid regulations.

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CORP 1.3	3.6.1		Human Resource Development Strategy compliance (Review)	Review & Approval of the Human Resource Development Strategy by date	Date of Review and Approval	Quarter 2	Institutional	Review of Human Resource Development Strategy and adoption by Council by 25 Oct 2019	No Review and adoption by Council by 25 Oct 2019. The Human Resource Development Strategy was done	Review of Human Resource Development Strategy and adoption by Council by 25 Oct 2020	<b>Human Resource Development Strategy not reviewed by 25 Oct 2020</b>	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
CORP 1.4	3.6.1 / 3.6.2		Skilled workforce (Employees & Councillors)	Progress Report on Employees and Councillors Trained per Quarter	Number of Progress Reports	Quarterly	Institutional	Annual Progress report on the Employees and Councillors trained	Annual Progress report on the Employees and Councillors trained	Annual Progress report on the Employees and Councillors trained	<b>Annual Progress report on the Employees and Councillors trained</b>		
CORP 1.5		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	<b>Conducted 2 Departmental Meetings by 30 June 2021</b>		
CORP 1.6	3.6.2	To ensure that employment equity targets are met	Review & Updated Employment Equity Plan	2020/2021 EE Plan submitted to Dept of Labour by date	Date of Submission	Quarter 2	Institutional	Updated EE plan and submitted to DoL by 13 September 2019	Updated EE Plan submitted to DoL by 31 Oct 2019	Submission of 2020/2021 of Updated EE Plan to DoL by 31 Oct 2020	<b>Updated EE Plan submitted to DoL by 31/10/2020</b>		

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CORP 1.7	3.6.6	To implement a refined organisational structure	Annual refinement of Organisational Structure	2020 / 2021 Organisational Structure adopted by Council by date	Date of Approval	Quarter 1	Institutional	Adoption of Organisational Structure by Council by 30 July 2019	Organisational Structure adopted by the council by 28 August 2019	Adoption of Organisational Structure by Council by 30 July 2020	<b>Organisational Structure not adopted by Council by 30 July 2020</b>	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
CORP 1.8	3.6.8		Recruitment for critical posts completed	Progress Report on filling of vacant posts 2020/2021 (scarce and specialised posts)	Number of progress report	Quarterly	Institutional	4 Progress report prepared and submitted by the end of each Quarter	4 Progress report prepared and submitted by the end of each Quarter	4 Progress report prepared and submitted by the end of each Quarter	<b>4 x Progress report prepared and submitted by the end of each Quarter</b>		
CORP 1.9	3.6	To ensure effective record management System	Develop Draft Records Management Policy	Development of a draft Records Management Policy by 30 June 2021	Date of Approval	Quarter 4	Institutional	Development of Draft Records Management policy by 30 June 2020	Draft Records Management policy developed by 30 June 2020	Development of Draft Records Management policy by 30 June 2021	<b>Draft Records Management Policy developed by 30 June 2021</b>		
CORP 1.10	3.6 / 3.9	To transform the Dannhauser into a performance driven Municipality	Monitoring and execution of Council, Portfolio and EXCO resolutions	Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	Number of Status quo reports	Quarterly	Institutional	Prepare 4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo prepared	Prepare 4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	<b>4x Status quo Reports on Resolutions taken at Council, Portfolio and ExCo prepared</b>		



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CORP 1.11	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Progress Report on external service providers with signed service level agreements (SLA) within one month prior to commencement	progress Report	Quarterly	Institutional	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4x Progress reports on external service providers with signed SLA within1 month prior to commencement		
CORP 1.12				Quarterly performance report on external service providers with signed SLAs	Number of Reports	Quarterly	Institutional	Develop 4 quarterly performance reports on external service providers with signed SLAs	Developed 4 quarterly performance reports on external service providers with signed SLAs	Develop 4 quarterly performance reports on external service providers with signed SLAs by 30 June 2021	Developed 4 quarterly performance reports on external service providers with signed SLAs by 30 June 2021		
TECH 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Developed 4 quarterly performance report on external service providers with signed SLAs	Developed 4 quarterly performance report on external service providers with signed SLAs	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021	Developed 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021		
TECH 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	New Measure	Conduct 2 Departmental Meetings by 30 June 2021	Conducted 0 Departmental Meetings by 30 June 2021	Lack of monitoring of target set and disruption caused by lockdown regulations	Department to regularly monitor the department target set

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COM 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Number of quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2020	Developed 4 quarterly performance report on external service providers with signed SLAs by 30 June 2020	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021	4 quarterly performance reports on external service providers with signed SLAs developed by 30 June 2022		
COM 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	Conducted 2 Departmental Meetings by 30 June 2021		
KPA 2: Basic Service Delivery (Weighting = 5%)													
Outcome 9 Indicator: Output 2 - Improving Access to Basic Services													

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OMM 2.1	7.3.7.2	To facilitate the provision of infrastructure related capital projects (new municipal offices; textile incubator; roads; electricity infills; taxi rank; sports combos; community halls; Street lights & Masts; Testing Centre; Mobile Child Care facilities and Community Parks)	Effective monitoring and evaluation of capital projects through quarterly reporting	Quarterly Performance Reports on Capital Projects submitted to ExCo by 30 June 2021	Number of Quarterly Performance reports on Capital Projects	Quarterly	Institutional	4 Quarterly performance reports on capital projects submitted to EXCO by 30 June 2020	0 Quarterly performance reports on capital projects submitted to EXCO by 30 June 2020	4 Quarterly performance report on capital projects submitted to ExCo (within 15 working days after the end of the quarter)	3 Quarterly performance report on capital projects submitted to ExCo (within 15 working days after the end of the quarter)	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.
TECH 2.1	7 / 7.3.7.2	Construction of New Municipal Offices	Building of New Offices - Phase 1 (ward 2)	Progress report on the construction of New Offices by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Reports on the Construction of New Offices by 30 June 2020	4 x Progress Reports on the Construction of New Offices by 30 June 2020	4 x Progress Reports on the Construction of New Offices by 30 June 2021	4 x Progress Reports on the Construction of New Offices by 30 June 2021		
TECH 2.2		To Create a climate conducive for sustainable economic Growth and job creation	Construction of Textile Incubator Infrastructure (ward 2)	Progress Report on the Construction of Textile Incubator Infrastructure by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on the Construction of Textile Incubator Infrastructure	4 x Progress Report on the Construction of Textile Incubator Infrastructure	4 x Progress Report on the Construction of Textile Incubator Infrastructure by 30 June 2021	4 x Progress Reports on the Construction of Textile Incubator Infrastructure by 30 June 2021		
								on the Construction of Textile Incubator	on the Construction of Textile Incubator				
								Infrastructure	Infrastructure				

# VOLUME II

TECH 2.3	3.9.3	To facilitate the provision of housing in line with the national and provincial norms and standards	Provision of Disaster Houses Project for individuals who disaster victims & lost their houses (wards 3, 5, 7, 8 & 12)	Progress Report on houses built in wards 3, 5, 7, 8 and 12 by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	3,5,7,8 & 12	4x Progress Report on Houses Built in Wards 3,6,8,11 & 13	4x Progress Report on Houses Built in Wards 3,6,8,11 & 13	4 x Progress Report on Houses Built in Wards 3, 5, 7, 8, & 12 by 30 June 2021	4 x Progress Reports on Houses Built in Wards 3, 5, 7, 8, & 12 by 30 June 2021		
TECH 2.4			Phase 1 of Buhlebomzinyathi Housing Project: Implementation	Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021	Number of Progress Reports	Quarterly	5 & 9	Construction of 100 houses by 30 June 2020 in Ward 5, 9 & 10	Construction of 100 houses by 30 June 2020 in Ward 5, 9 & 10	4 x Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021	4 x Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021		
TECH 2.5	7.3.7.2	To Provide Public Amenities	Completion of Phase 2 of a Testing Centre (ward 2)	Progress Report on Construction of Testing Centre (Phase Two) by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on Construction of Testing Centre (Phase 2)	4 x Progress Report on Construction of Testing Centre (Phase 2)	4 x Progress Report on Construction of Testing Centre (Phase 2) by 30 June 2021	4 x Progress Reports on Construction of Testing Centre (Phase 2) by 30 June 2021		
TECH 2.6	7.3.7.2		Provision of Mobile Child Care Facilities (ward 10 & 11)	Progress Report on the Provision Mobile Child Care facilities (Park homes) provided by 30 June 2021	Number of Progress Reports	Quarterly	10 & 11	Provision of 3 Mobile Child Care facilities in Ward 3 & 5 by 30 June 2020	Provision of 3 Mobile Child Care facilities in Ward 3 & 5 by 30 June 2020	4 x Progress report on the Provision of Mobile Child Care facilities in Ward 10 & 11 by 30 June 2021	4 x Progress report on the Provision of Mobile Child Care facilities in Ward 10 & 11 by 30 June 2021		
TECH 2.7			Provision of Child Care Facility (Ward 1)	Progress Report on the Construction of Child Care facility provided by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	1	4 x Progress Reports on Provision of Child Care Facility in Ward 1	4 x Progress Reports on Provision of Child Care Facility in Ward 1	4 x Progress Reports on Provision of Child Care Facility in Ward 1 by 30 June 2021	4 x Progress Reports on Provision of Child Care Facility in Ward 1 by 30 June 2021		
TECH 2.8	7.13		Construction of Ward 4 Community Hall	Progress Report on the Construction of Community Hall Ward 4 by 30 June 2021	Number of Progress Reports	Quarterly	4	4 x Progress Reports on the Construction of Ward 4 Community Hall	4 x Progress Reports on the Construction of Ward 4 Community Hall	4 x Progress Reports on the Construction of Ward 4 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 4 Community Hall by 30 June 2021		

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TECH 2.9			Construction of Ward 5 Community Hall	Progress Report on the Construction of Community Hall Ward 5 by 30 June 2021	Number of Progress Reports	Quarterly	5	4 x Progress Reports on the Construction of Ward 5 Community Hall	4 x Progress Reports on the Construction of Ward 5 Community Hall	4 x Progress Reports on the Construction of Ward 5 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 5 Community Hall by 30 June 2021		
TECH 2.10			Construction of Ward 13 Community Hall	Progress Report on the Construction of Community Hall Ward 13 by 30 June 2021	Number of Progress Reports	Quarterly	13	New Measure	New Measure	4 x Progress Reports on the Construction of Ward 13 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 13 Community Hall by 30 June 2021		
TECH 2.11			Improvement of Community Halls in wards 6, 8 & 12	Progress Report on the Improvement of Community Halls by 30 June 2021	Number of Progress reports	Quarterly	6, 8, & 12	4 x Progress Report on the Improvement of Community Halls (Fencing)	4 x Progress Report on the Improvement of Community Halls (Fencing)	4 x Progress Report on the Improvement of Community Halls by 30 June 2021	4 x Progress Reports on the Improvement of Community Halls by 30 June 2021		
TECH 2.12			Building of Sports Combo	Progress Report on Process for the Construction of Sports Combo ward 5 by 30 June 2021	Number of progress Reports	Quarterly	5	Progress Report on Process for the Construction of Sports Combo ward 5	Progress Report on Process for the Construction of Sports Combo ward 5	4 Progress Report on Process for the Construction of Sports Combo ward 5 by 30 June 2021	4 Progress Reports on Process for the Construction of Sports Combo ward 5 by 30 June 2021		
TECH 2.13			Building of Sports Combo	Progress Report on the Construction of Sports Combo in ward 11 by 30 June 2021	Number of progress Reports	Quarterly	11	4 x Progress Report on the Construction of Sports Combo in ward 11	4 x Progress Report on the Construction of Sports Combo in ward 11	4 x Progress Report on the Construction of Sports Combo in ward 11 by 30 June 2021	4 x Progress Reports on the Construction of Sports Combo in ward 11 by 30 June 2021		

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TECH 2.14			Fencing of Town Hall-Ward 2	Progress Report on the fencing of Town Hall Ward 2 by 30 June 2021	Number of Progress Reports	Quarterly	2	New Measure	New Measure	4x Progress report on fencing of Town Hall Ward 2 by 30 June 2021	4 x Progress reports on fencing of Town Hall Ward 2 by 30 June 2021		
TECH 2.15	7.13		Water Harvesting	Progress report on Water Harvesting in Ward 1, 4 & 6 by 30 June 2021	Number of Progress Reports on the Water Harvesting	Quarterly	1, 4 & 6	4 x Progress Reports on Water Harvesting in Ward 1	4 x Progress Reports on Water Harvesting in Ward 1	4 x Progress Reports on Water Harvesting in Ward 1,4 & 6 by 30 June 2021	4 x Progress Reports on Water Harvesting in Ward 1,4 & 6 by 30 June 2021		
TECH 2.16	7.3.7.2	To ensure safe Rural Road infrastructure networks	Road Network Constructed	Progress Report on the construction of rural gravel roads in ward 8 by 30 June 2021	Number of Progress Reports on the construction of Rural Gravel Roads	Quarterly	8	4 x Progress Reports on the construction of rural road in wards 2,4,6,7 & 8	4 x Progress Reports on the construction of rural road in wards 2,4,6,7 & 8	4 x Progress Reports on the construction of rural gravel roads in ward 8 by 30 June 2021	4 x Progress Reports on the construction of rural gravel roads in ward 8 by 30 June 2021		
TECH 2.17		To ensure safe urban road infrastructure networks	Bridge Design	Progress Report on the Designing of Ward 2 Bridge by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on the Designing of Ward 2 Bridge by 30 June 2020	4 x Progress Report on the Designing of Ward 2 Bridge by 30 June 2020	4 x Progress report on the Designing of Ward 2 Bridge by 30 June 2021	4 x Progress reports on the Designing of Ward 2 Bridge by 30 June 2021		
TECH 2.18			Road link Design	Progress Report on the design of Road link in Ward 2 by 30 June 2021	Number of Progress reports on the design of Road link roads	Quarterly	2	New Measure	New Measure	4 X progress report on the Designing of Ward 2 Road link by 30 June 2021	4 X Progress Reports on the Designing of Ward 2 Road link by 30 June 2021		
TECH 2.19			Grand Stands	Progress Report on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021	Number of Progress reports on the provision of Grand Stands	Quarterly	6,10, & 11	New Measure	New Measure	4 X progress report on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021	4 X Progress reports on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021		

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TECH 2.20	7.3.7.2		Urban road infrastructure networks Installed	Progress Report on the construction of Urban Road in ward 2 by 30 June 2021	Number of Progress reports on the construction of urban roads	Quarterly	2	New Measure	New Measure	4 x Progress Reports on the construction of Urban roads in Ward 2 by 30 June 2021	4 x Progress Reports on the construction of Urban roads in Ward 2 by 30 June 2021		
TECH 2.21	7.3.7.2	To provide access to electricity for households	Electrification of the household-infills in Ward 1, 3 & 9	Progress Report on Households electrification- Infill in Ward 1, 3 & 9	Number of progress reports on Household electrification infills	Quarterly	1, 3 & 9	4 x Progress Reports on Household s electrificati on Infill in Wards 1, 2 & 13 by 30 June 2020	4 x Progress Reports on Households electrification Infill in Wards 1, 2 & 13 by 30 June 2020	4 x Progress Reports on Households electrification- Infill in Wards 1, 3 & 9 by 30 June 2021	4 x Progress Reports on Households electrification- Infill in Wards 1, 3 & 9 by 30 June 2021		
TECH 2.22			Meter conversion in Ward 2	Progress report on the Meter conversion in Ward 2	Number of progress reports on the meter conversion	Quarterly	2	New Measure	New Measure	4x Progress Report on the meter conversion in Ward 2 by 30 June 2021	4x Progress Reports on the meter conversion in Ward 2 by 30 June 2021		
TECH 2.23		To ensure safe environment through installation of Mast Lights	Implementatio n of High Mast Lights	Progress Report on the installation and Commission of High Mast Lights for wards 3,5,6,7,9, 10, & 12 2020/2021 by 30 June 2021	number of Progress reports on the Installation and switching on of High Mast lights	Quarterly	3,5,6,7,9,10, & 12	4 x Progress Reports on the installation of High Mast Lights in ward 6,7 & 11 by 30 June 2020	4 x Progress Reports on the installation of High Mast Lights in ward 6,7 & 11 by 30 June 2020	4 x Progress Reports on the installation and switching on of High Mast Lights in ward 3,5,6,7,9,10 &12 by 30 June 2021	4 x Progress Reports on the installation and switching on of High Mast Lights in ward 3,5,6,7,9,10 &12 by 30 June 2021		
COM 2.1	3.10.8	To provide educational and recreational services to the community	Monitor the number of registered library users on monthly basis	Monthly Statistical Reports produced	Number of Statistical reports	Monthly	All	Production of 12 Statistical Reports	Production of 12 Statistical Reports	Production of 12 Statistical Reports by 30 June 2021	Produced of 12 Statistical Reports by 30 June 2021		
COM 2.2	3.10.19	To direct law enforcement to improve	Municipal Road block conducted	Road Blocks Conducted by the Dannhauser	Number of Roadblocks conducted	Quarterly	Institutional	Conduct 20 Road Blocks by	Conducted 14 Road Blocks by 30 June 2020	Conduct 20 Road Blocks by 30 June 2021	14 Road Blocks conducted by 30 June 2021	Shortage of staff personnel	Employ more traffic personnel



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		safety and security		Municipality per quarter				30 June 2020				within the department and covid-19 lockdown regulations	Fast track the finalisation of the appointment of Chief Traffic Officer.
COM 2.3	3.10.19	To direct law enforcement to improve safety and security	Multidisciplinary Road block conducted	Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	Number of Quarterly Report	Quarterly	Institutional	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Reports on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS) produced		
KPA 3: Local Economic Development (Weighting = 30%)													
Outcome 9 Indicator: Output 3 - Implementation of the Community Work Programme													

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OMM 3.1	3.1	To develop a comprehensive strategy to empower SMMEs & Co-ops	Monitoring the Adoption of LED Economic Sector Strategies by date	Progress Report on the Commencement Process for the LED Strategy Review	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on the Commencement Process for the LED Strategy Review	0 Progress Report on the Commencement Process for the LED Strategy Review	4 x Progress Report on the Commencement Process for the LED Strategy Review (submitted within 15 working days after the end of the quarter)	4 x Progress Report on the Commencement Process for the LED Strategy Review (submitted within 15 working days after the end of the quarter)		
OMM 3.2				Adoption of LED Strategy by Council by 26 May 2021	Date of Adoption	Quarter 4	Institutional	Council Adoption for LED Strategy by 22 May 2020	LED strategy not adopted by the council on 22 May 2020	Council Adoption for LED Strategy by 26 May 2021	LED Strategy not adopted Council by 26 May 2021	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.

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OMM 3.3				Monitoring the Review and Adoption of the Investment Promotion & Facilitation Strategy by Council by 29 November 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2019	Investment Promotion & Facilitation Strategy not adopted by the council by 29 Nov 2019	Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2020	No Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
OMM 3.4		To review and implement the Tourism Strategy		Monitoring the Adoption of Tourism Strategy by Council by 29 November 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of "Tourism Strategy by 29 Nov 2019	Tourism strategy not adopted council by 29 Nov 2019	Council Adoption of "Tourism Strategy by 29 Nov 2020	No Council Adoption of "Tourism Strategy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.

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OMM 3.5		To Create a climate conducive for sustainable economic growth and job creation		Monitoring the Adoption of the reviewed draft Informal Economy Policy by Council by 29 Nov 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of Draft Informal Economy Policy by 29 Nov 2019	Draft Informal Economy Policy not adopted by council by 29 Nov 2019	Council Adoption of Draft Informal Economy Policy by 29 Nov 2020	No Council Adoption of Draft Informal Economy Policy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
OMM 3.6				Implementation of the Urban Precinct Plan by 30 June 2021	Date of Adoption	Quarter 4	Institutional	Council Adoption of Urban Precinct plan by 30 September 2019	Urban Precinct Plan not adopted by council by 30 September 2019	Council Adoption of Urban Precinct plan by 30 June 2021	No Council Adoption of Urban Precinct plan by 30 June 2021	Capacity constraints within the department and a lack of monitoring on the indicator	Review the KPI in the 2021/2022 financial year review process
OMM 3.7	3.10.4.6.7		Ensuring LED programmes are implemented, monitored, reviewed and evaluated	Establishment of the Functional LED Forum by 19 June 2021	Date of Establishment	Quarter 3 & 4	Institutional	Established LED Forum by 30 June 2020	LED Forum not established by 30 June 2020	Established LED Forum by 30 June 2021	LED Forum not established by 30 June 2021	Covid Capacity constraints within the department and a lack of monitoring on the indicator	Review the KPI
OMM 3.8				Jobs created through Municipal LED & Community support related project support (cleaning of road sides in CBD & those connecting residential areas and economic	Number of Progress reports on the creation of jobs	Quarter 1,2,3 & 4	Institutional	4 x Progress Report on the 'creation of 112 jobs by 30 June 2020	4 x Progress Report on the 'creation of 112 jobs by 30 June 2020	4 x Progress Report on the 'creation of 112 jobs by 30 June 2021	4 x Progress Report on the 'creation of 112 jobs by 30 June 2021		Fast track the filling of vacancies in the department

# VOLUME II

				areas, cemeteries, parks, community halls, etc.)									
OMM 3.9				Progress report on SMME's & Co-ops supported and individuals capacitated by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support			
OMM 3.10	3.10.4.6	To Create a climate conducive for sustainable economic growth and job creation		Implementation of the Informal Economy Policy by 30 June 2021	Progress Report on the implementation	Quarter 3 & 4	Institutional	Adoption of the Draft Informal Economy Policy by 26 June 2020	Draft Informal Economy Policy adopted by council by 26 June 2020	2 x progress report on the implementation of the Informal Economy Policy by 30 June 2021	2 x progress report on the implementation of the Informal Economy Policy by 30 June 2021		
OMM 3.11	3.10.4.6.1			Implementation of Municipal Zibambele program (EPWP) and number of jobs created	Number of Progress Reports	Quarter 1,2,3 & 4	Institutional	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)		
KPA 4: Good Governance and Public Participation (Weighting = 35%)													

# VOLUME II

## Outcome 9: Output 7- Single Window of Coordination & Output 5: Deepen democracy through a refined Ward Committee model

OMM 4.1	3.12.7	To ensure that IGR structures function effectively within the district	Functional IGR structures	Quarterly Mayors' Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Meetings Held	Quarterly	Institutional (District)	Attend 4 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2020	Attended 0 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2020	Attend 4 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2021	0 Mayor's Forum meetings attended as per DM invitation by 30 June 2021	No Invitations from District	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems
										And			
									No quorum when meetings are to be convened				
OMM 4.2	3.12.7			Quarterly MMs' Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Meetings held	Quarterly	Institutional (District)	Attend 4 quarterly MMs' Forum meetings as per DM invitation by 30 June 2020	Attended 2 quarterly MMs' Forum meetings as per DM invitation by 30 June 2020	Attend 4 quarterly MMs' Forum meetings as per DM invitation by 30 June 2021	Attended 2 quarterly MMs' Forum meetings as per DM invitation by 30 June 2021	No quorum formed due to none availability of some officials	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems
OMM 4.3	9	To ensure progressive compliance with institutional and governance requirements	Review and implementation of 2020/2021 PMS Policy Framework	Reviewed 2020/2021 PMS Policy Framework and adoption by Council by 31 July 2020	Date of Adoption	Quarter 1	Institutional	Adoption of PMS Policy Framework Review 2019/2020 by Council by 31 July 2019	Adoption of PMS Policy Framework Review 2019/2020 by Council by 31 July 2019	Adoption of PMS Policy Framework Review 2020/2021 by Council by 31 July 2020	PMS Policy Framework Review 2020/2021 adopted by Council by 09 September 2020		
OMM 4.4	9			Organisational PMS implementation reports submitted to Council per quarter, by 30 June 2021	Number of Implementation reports	Quarterly	Institutional	4 Quarterly Organisational PMS implementation reports to Council by 30 June 2020	1 Quarterly Organisational PMS implementation reports to Council by 30 June 2020	4 Quarterly Organisational PMS implementation reports to Council by 30 June 2021	1 Quarterly Organisational PMS implementation reports to Council by 30 June 2021	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.

# VOLUME II

OMM 4.5	9			Performance Agreements signed by 31 July 2021 and uploaded on website and submitted to MEC within 14 days of approval	Number Of PA s Signed; Date; Turn-around time	Quarter 1	Institutional	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 0 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)		
OMM 4.6	9			Coordinate and conduct quarterly performance assessments (Sect 54/56 Managers) on a quarterly basis	Number of performance assessments coordinated and conducted	Quarterly as per 2006 Regulations	Institutional	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal assessment conducted in quarter 2		
OMM 4.7	2			2020/2021 Mid-year performance report prepared as part of Sect 72, and submitted to the mayor by date, and adopted by Council 20 January 2021	Date of adoption	Quarter 3	Institutional	Submit 2019/2020 Mid-year performance report prepared as part of Sect 72, to the Mayor by 25 Jan 2020 and adopted by Council by 23 Jan 2020	Submitted 2019/2020 Mid-year performance report prepared as part of Sect 72, to the Mayor by 25 Jan 2020 and adopted by Council by 23 Jan 2020	Submit 2020/2021 Mid-year performance report prepared as part of Sect 72, to the Mayor by 20 Jan 2021 and adopted by Council by 20 Jan 2021	Prepared and submitted 2020/2021 Mid-year performance report to Council by 20 Jan 2021		



# VOLUME II

OMM 4.8	3.10.11/ 3.10.12 / 3.10.13 / 3.10.14 / 3.10.15 /3.10.16 /3.10.17 /3.10.18	To implement (social cohesion) special programs that empower all individuals within the municipal jurisdiction, regarding arts and culture, sports and recreation, HIV and AIDS, gender, women and children	Implementati on of special programs - Arts & Culture; Gender; Youth; Sports & Recreation; Children; Disability; HIV& AIDS	Special programmes coordinated by 30 June 2021	Number of Special Programmes coordinated; Date coordinated	Quarterly	All	Co-ordinate 4 special programm es by 30 June 2020	Co-ordinated 4 special programmes by 30 June 2020	Co-ordinate 4 special programmes by 30 June 2021	4 x progress report for special programme coordinated by 30 June 2021		
OMM 4.9			Implementati on of special programs to needy families and NPO's	Special program for Mayor to needy families and NPO's by 30 June 2021	Number of needy families and NPO's supported	Quarterly	All	Number of needy families and NPO's supported by 30 June 2020	No needy families and NPO's supported by 30 June 2020	4 x Progress Report (with the number of) on Special program for Mayor to needy families and NPO's supported by 30 June 2021	4 x Progress Report (with the number of) on Special program for Mayor to needy families and NPO's supported by 30 June 2021		
OMM 4.10	3.10.11		Community skills development	Implementation of the Placement and Internship program	Number of progress reports	Quarterly	All	4 x progress report on the implement ation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program		
OMM 4.11	3.12.7	To ensure that IGR structures function effectively within the district	Functional Internal Audit Forum	Internal Audit Forum attended as per District Municipality invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 IA Forum as per DM invitation by 30 June 2020	Attended 0 IA Forum as per DM invitation by 30 June 2020	Attend 4 IA Forum as per DM invitation by 30 June 2021	No IA Forum meeting convened by 30 June 2021	No quorum formed due to none availability of some officials	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems
OMM 4.12	3.11.16	To provide reasonable assurance on the adequacy and effectiveness of internal control	Functional Internal Audit Unit	2020/2021 Internal Audit Plan approved by Audit Committee by 31 July 2020	Date of Approval	Quarter 1	Institutional	Approval of the 2019/20 IA Plan by AC by 31 July 2019	2019/20 IA Plan was approved by the Audit Committee by 29 July 2019	Approval of the 2020/21 IA Plan by AC by 31 July 2020	IA plan approved by AC by 09 December 2020	No meetings convened by the DM	

# VOLUME II

OMM 4.13		systems		Percentage implementation of the 2020/2021 IA Plan	%Age implementation = (performed audits/ planned audits as per approved IA plan) *100	Quarterly	Institutional	Perform 100% of IA Plan by 30 June 2020	Performed 89% of IA Plan by 30 June 2020	Perform 100% of IA Plan by 30 June 2021	Performed 100% of IA Plan by 30 June 2021		
OMM 4.14	3.13.6	To Ensure Functional Audit Committee	Functional Audit Committee	Number of Committee Meetings coordinated by 30 June 2021	Number of meetings coordinated	Quarterly	Institutional	Co-ordinate 5 AC meeting by 30 June 2020	Co-ordinated 5 AC meeting by 30 June 2020	Co-ordinate 5 AC meetings by 30 June 2021	5 AC meetings coordinated by 30 June 2021		
OMM 4.15	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan		
OMM 4.16	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation and maintenance of effective enterprise-wide risk management system (EWRMS)	Risk Management Committee (RMC) meetings coordinated	Number of meetings coordinated	Quarterly	Institutional	Co-ordinate 4 RMC meeting by 30 June 2020	Co-ordinate 3 RMC meeting by 30 June 2020	Co-ordinate 4 RMC meeting by 30 June 2021	No RMC meetings coordinated by 30 June 2021	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.17	3.13.9			Coordination of the Risk Assessment Workshop and Review of the Municipal Top 10 Risks	Number of Workshops	Quarter 1 & 4	Institutional	Conduct 2 Risk Assessment Workshops by 30 June 2020	Conducted 0 Risk Assessment Workshops by 30 June 2020	Conduct 2 Risk Assessment Workshops by 30 June 2021	NO Risk Assessment Workshop conducted by 30 June 2021	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department

# VOLUME II

OMM 4.18	3.13.9			2020/2021 Risk Management policies and strategies reviewed and adopted by RMC and Council by 31 July 2020	Date of adoption	Quarter 1	Institutional	2019/20 RM policies and strategies reviewed and adopted by RMC and Council by 31 July 2019	2019/20 RM policies and strategies reviewed and adopted by RMC Council by 31 July 2019	2020/21 RM policies and strategies reviewed and adopted by RMC and Council by 31 July 2020	2020/21 RM policies and strategies not reviewed and adopted by RMC and Council by 31 July 2020	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.19	3.13.9			Implementation reports of 2020/2021 EWRMS Action Plan (consolidation of dept reports) submitted to RMC	Number of Reports	Quarterly	Institutional	Develop 4 EWRMS Action Plan implementation reports and submit to RMC	Developed 4 EWRMS Action Plan implementation reports and submitted to RMC	Develop 4 EWRMS Action Plan implementation reports and submit to RMC	0 EWRMS Action Plan implementation reports and submit to RMC	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.20	8	To ensure progressive compliance with institutional and governance requirements	Establishment of Service Delivery and Budget Implementation Plan (SDBIP)	2021/2022 SDBIP approved by Mayor by legislative dates	Date of Approval; Turn-around Time	Quarter 4: 14 days after budget approval	Institutional	Approval of 2020/21 SDBIP Draft by Mayor within 14 days after 2020/21 budget approval	2020/21 SDBIP Draft approved by Mayor within 14 days after 2020/21 budget approval	Approval of 2021/22 SDBIP Draft by Mayor within 14 days after 2021/22 budget approval	2021/22 DRAFT SDBIP approved 15 June 2021, by Mayor within 14 days after 2021/22 budget approval		
OMM 4.21	8				Date of Approval; Turn-around Time	Quarter 4: 28 days after budget approval	Institutional	Approval of 2020/21 Final SDBIP by Mayor within 28 days after 2020/21 budget approval	2020/21 Final SDBIP approved by Mayor within 28 days after 2020/21 budget approval	Approval of 2021/22 Final SDBIP by Mayor within 28 days after 2021/22 budget approval	2021/22 Final SDBIP approved 23 June 2021 by Mayor within 28 days after 2021/22 budget approval		

# VOLUME II

OMM 4.22	9.4	To ensure progressive compliance with institutional and governance requirements	Adoption of the Annual Report	2019/2020 Annual Report (AR) developed and adopted by Council by legislative dates and publicised within prescribed timeframe	Date of Adoption	Quarter 3	Institutional	Adoption of Draft AR 2018/19 by Council by 31 January 2020	Draft 2018/19 AR not adopted by Council by 31 January 2020	Adoption of Draft AR 2019/20 by Council by 30 March 2021	Draft AR for 2019/2020 adopted by Council by 30 March 2021		
OMM 4.23	9.4				Turn-around time	Quarter 4	Institutional	Advertise Draft AR 18/19 for 21 days after adoption	Advertised Draft AR 18/19 for 21 days after adoption	Advertise Draft AR 19/20 for 21 days after adoption	Draft AR 19/20 Advertised on 9 April 2021 for 21 days after adoption		
OMM 4.24	9.4			Public Comments on 2019/20 Draft AR (if any) consolidated and submitted to Corporate Services within specific timeframe for MPAC to prepare Oversight Report (OR)	Turn-around time	Quarter 4	Institutional	Submit public comments report to Corp Serv within 7 days after due date of Draft AR advert	Submitted public comments report to Corp Serv within 7 days after due date of Draft AR advert	Submit public comments report to Corp Serv within 7 days after due date of Draft AR advert	No comments report submitted to Corp Sec within 7 days due to no comments received from the public		
OMM 4.25	9.4				Date of Adoption	Quarter 4	Institutional	Adoption of OR on Final AR 2018/19 by Council by 31 March 2020	OR on Final AR 2018/19 not adopted by Council by 31 March 2020	Adoption of OR on Final AR 2019/20 by Council by 31 May 2021	OR on Final AR 2019/20 adopted by Council by 31 May 2021		
OMM 4.26	3.13.5	To ensure progressive compliance with institutional and governance requirements	A credible IDP developed 2021/2022	IDP Representative Forums meetings facilitated per quarter by 30 June 2021	Number of meetings facilitated	Quarterly	Institutional	Facilitation of 4 IDP RF meeting by 30 June 2020	Facilitation of 0 IDP RF meeting by 30 June 2020	Facilitation of 4 IDP RF meeting by 30 June 2021	No IDP RF meeting facilitated by 30 June 2021	Poor coordination and capacity constraints within the department	Reengage strategic stakeholders for participation in the RF meetings
													Fast track filling of vacant positions

# VOLUME II

OMM 4.27	1.4.1			2022/2023 IDP/Budget Process Plan adopted by ExCo by 31 July 2020	Date of Adoption	Quarter 1	Institutional	Adoption of 2021/22 IDP/Budget Process Plan by ExCo by 31 July 2019	Adoption of 2021/22 IDP/Budget Process Plan by ExCo by 31 July 2019	Adoption of 2022/23 IDP/Budget Process Plan by ExCo by 31 July 2020	2022/2023 IDP/Budget Process Plan Approved by council 09 September 2020	Some Council members were affected by covid and meeting was postponed to 9 September 2020	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members and to enable IDP Process Plans to be adopted.
OMM 4.28	1.4.1			2021/2022 Draft IDP adopted by Council by 31 March 2021	Date of Adoption	Quarter 3	All	Adoption of 2020/21 Draft IDP by Council by 31 March 2020	2020/21 Draft IDP adopted by Council by 31 March 2020	Adoption of 2021/22 Draft IDP by Council by 31 March 2021	Draft IDP adopted by Council by 30 March 2021		
OMM 4.29	1.4.1			IDP/Budget Roadshows Conducted	Number of IDP/Budget Roadshows Conducted	Quarter 2 & 4	All	Conduct 2 IDP/Budget Roadshow by 30 June 2020	Conducted 2 IDP/Budget Roadshow by 30 June 2020	Conduct 2 IDP/Budget Roadshow by 30 June 2021	Conducted 1 IDP/Budget Roadshow by 30 June 2021	Due to covid lockdown levels regulations, public participation activities were affected	Adapting to alternative measures such as visual / virtual platforms and adhering to lockdown levels regulations.
OMM 4.30	1.4.1			2021/2022 Final IDP adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	All	Adoption of 2020/21 Final IDP by Council by 31 May 2020	Adoption of 2020/21 Final IDP by Council by 31 May 2020	Adoption of 2021/22 Final IDP by Council by 31 May 2021	2021/22 Final IDP adopted by Council by 26 May 2021		

# VOLUME II

OMM 4.31	3.12.7	To ensure that IGR structures function effectively within the district	Functional IGR structures	IGR Technical Forum (DTAC/ Planners/ IDP/ Communication/ LED) attended as per District Municipality invitation by 30 June 2021	Number of meetings attended	Quarterly	Institutional (District)	Attend 20 Forums as per DM invitation by 30 June 2020	Attended 17 Forums as per DM invitation by 30 June 2020	Attend 20 Forums as per DM invitation by 30 June 2021	Attended 9 Forums as per DM invitation by 30 June 2021		
OMM 4.32	3.13 /3.13.2	To improve the image of the Municipality	Effective Communication	External newsletter published through Media produced and disseminated	Number of Newsletters Published and distributed	Quarter 2 & 4	Institutional	Publish and distribute 10 000 newsletters by 30 June 2020	Published and distributed 0 newsletters by 30 June 2020	Publish and distribute 10 000 newsletters by 30 June 2021	No newsletters published and distributed by 30 June 2021	Covid restrictions and lockdown affected printing; publishing and distribution of newsletters, service providers could not be appointed.	Bids for printing to be set earlier and appointment of service providers with proper covid working regulation compliance to be appointed at earlier time frames than previously.

# VOLUME II

OMM 4.33	3.12.3 /3.12.3	To improve the image of the Municipality	Effective and functional Ward Committees	Ward Committee Meetings held per month	Number of Ward committee meetings held	Monthly	All Wards	Hold 156 ward committee meetings by 30 June 2020 (12 meetings per ward)	Held 73 ward committee meetings by 30 June 2020 (12 meetings per ward)	Hold 156 ward committee meeting by 30 June 2021 (12 meetings per ward)	Held 66 ward committee meetings by 30 June 2021 (12 meetings per ward)	Some Council members were affected by covid and scheduled meetings could not be undertaken	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members and to enable IDP Process Plans to be adopted.
OMM 4.34	3.12.9 / 3.13.1			Constituency meetings held per ward per quarter by 30 June 2021	Number of meetings held	Quarter 2 & 4	All	Hold 26 constituency meetings by 30 June 2020 (2 meetings per ward)	Held 26 constituency meetings by 30 June 2020 (2 meetings per ward)	Hold 26 constituency meetings by 30 June 2021 (2 meetings per ward)	26 Constituency meetings held by 30 June 2021 (2 meetings per ward)		
FIN 4.1	3.12.7	To ensure that IGR structures function effectively within the district	Functional IGR structures	Finance Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Finance Forum as per DM invitation by 30 June 2020	Attended 3 Finance Forum as per DM invitation by 30 June 2020	Attend 4 Finance Forum as per DM invitation by 30 June 2021	Attended 4 Finance Forum as per DM invitation by 30 June 2021		
FIN 4.2	7	To ensure progressive compliance with institutional and governance requirements	Budgeting	2020/2021 Adjustment Budget adopted by Council by 24 February 2021	Date of Adoption	Quarter 3	Institutional	Adoption of 2019/2020 Adjustment Budget by Council by 28 Feb 2020	2019/2020 Adjustment Budget adopted by Council by 28 Feb 2020	Adoption of 2020/2021 Adjustment Budget by Council by 24 Feb 2021	2020/2021 Adjustment budget adopted by council by 24 February 2021		



# VOLUME II

FIN 4.3	7			2021/2022 draft Budget adopted by Council by 30 March 2021	Date of Adoption	Quarter 3	Institutional	Adoption of 2020/2021 Draft Budget by Council by 27 March 2020	2020/2021 Draft Budget adopted by Council by 27 March 2020	Adoption of 2021/2022 Draft Budget by Council by 30 March 2021	2021/2022 Draft budget adopted by Council by 30 March 2021		
FIN 4.4				2021/2022 Final Budget adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	Institutional	Adoption of 2020/2021 Final Budget by Council by 31 May 2021	2020/2021 Final Budget adopted by Council by 26 May 2020	Adoption of 2021/2022 Final Budget by Council by 31 May 2021	2021/2022 Final Budget adopted by Council by 26 May 2021		
FIN 4.5	1.6		Financial Reporting	Monthly Section 71 reports submitted to Council	Number of Section 71 Reports; date of adoption	Monthly	Institutional	Adoption of 12 Monthly Section 71 reports to Council	Adoption of 12 Monthly Section 71 reports to Council not done	Submission of 12 Monthly Section 71 reports to Council	Submitted of 12 Monthly Section 71 reports to Council		
FIN 4.6	1.6			2020/2021 Sect 72 Report submitted to the Mayor by MM by 25 January 2021	Date of Adoption	Quarter 3	Institutional	Submission of Sect 72 Report to the Mayor by MM by 25 Jan 2020	Submitted of Sect 72 Report to the Mayor by MM by 25 Jan 2020	Submission of Sect 72 Report to the Mayor by MM by 25 Jan 2021	Submitted Sect 72 Report to the Mayor by MM by 25 Jan 2021		
FIN 4.7	1.6			Preparation and submission to AG of 2019/2020 annual financial statements by date	Date of submission	Quarter 2	Institutional	Submission of '2018/2019 AFS to AG by 31 Aug 2019	Annual financial statements submitted to AGSA by 31 Aug 2019	Submission of '2019/20 AFS to AG by 31 Oct 2020	Submitted '2019/20 AFS to AG by 31 Oct 2020		
FIN 4.8	1.6			Preparation and submission to Council of 2020/2021 interim financial statements	Date of submission	Quarter 3	Institutional	Submission of 2019/20 interim financial statements to Council by 25 Jan 2020	Interim financial statements not prepared and submitted to council by 25 Jan 2020	Submission of 2020/21 interim financial statements to Council by 25 Jan 2021	Submitted 2020/21 interim financial statements to Council by 25 Jan 2021		
FIN 4.9	7.3 / 7.3.2 /7.3.3	To ensure progressive compliance with institutional and governance requirements	Management of Indigent households	Updated and reviewed indigent Policy Adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	Institutional	Adoption of an Updated and reviewed indigent Policy by Council by 31 May	Adopted and updated reviewed indigent Policy by Council by 31 May 2020	Adoption of an Updated and reviewed indigent Policy by Council by 31 May 2021	Indigent register Updated and reviewed and adopted Council by 26 May 2021		

# VOLUME II

								2020					
FIN 4.10	7.3 /7.3.2 /7.3.3			Review indigent register in line with the 2020/2021 budget by date	Date of Adoption	Quarterly	Institutional	Indigent register review by 31 May 2020	Indigent register reviewed by 31 May 2020	Indigent register review by 31 May 2021	Indigent register reviewed by 31 May 2021		
FIN 4.11	7.3.12	To provide reasonable assurance on the adequacy and effectiveness of internal control systems	Asset Management	Review of Asset Verification Register 2020/2021 by 30 June 2021	Date of Review	Quarter 4	Institutional	Asset Verification 2019/2020 by 30 June 2020	Asset Verification 2019/2020 by 30 June 2020	Review of Asset Verification Register 2020/21 by 30 June 2021	2020/2021 Asset Verification Register reviewed by 30 June 2021		
FIN 4.12	7.3.7	To ensure progressive compliance with institutional and governance requirements	Supply Chain Management (SCM)	SCM Policy Implementation Reports submitted to ExCo per quarterly	Number of Implementation reports	Monthly	Institutional	Prepare and Submit 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepared and Submitted 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepare and Submit 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepared and Submitted 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)		
FIN 4.13	3.13.9	To implement and maintain effective enterprise-wide risk management system	Risk Management	Reports on Implementation of Risk Management Action Plan (Finance)	Number of Implementation reports	Quarterly	Institutional	Prepare 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepared 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepare 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepared 2 reports on Implementation of Risk Management Action Plan (Finance)	Capacity constraints and no dedicated official undertaking the risk function	Fast tracking filling of vacancies in the department
													Engage Provincial Treasury for support.

# VOLUME II

FIN 4.14	7 / 1.6	To ensure progressive compliance with institutional and governance requirements	Financial Reporting	Regular producing and submitting quarterly returns to EXCO, Council and different Stakeholders by date	Turn-around time	Quarterly	Institutional	Prepare and submit quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepared and submitted quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepare and submit quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepared and submitted quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end		
FIN 4.15	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Reports on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021		
CORP 4.1	3.12.7	To ensure that Council and its Committees function effectively	Effective and functional IGR structures	Council and Committee minutes produced within 7 days after sitting	Turn-around time	No of days	Institutional	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2019/2020 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2019/2020 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2020/2021 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2020/2021 Financial year		
CORP 4.2	3.12.7			2020/21 Municipal Council Meetings Calendar adopted by date	Date	Annually	Institutional	2019/20 Municipal Council Meetings Calendar adopted by 30 Sept 2019	2019/20 Municipal Council Meetings Calendar adopted by 30 Sept 2019	2020/21 Municipal Council Meetings Calendar adopted by 30 Sept 2020	2020/21 Municipal Council Meetings Calendar adopted by 30 Sept 2020		
CORP 4.3	3.12.7			Council Meeting coordinated per quarter	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 12 Council Meetings by 30 June 2020	Co-ordinated 12 Council Meetings by 30 June 2020	Co-ordinate 12 Council Meetings by 30 June 2021	Co-ordinated 12 Council Meetings by 30 June 2021		

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CORP 4.4	3.12.7			Reports on Council meetings per quarter	Number of Reports	Quarterly	Institutional	Prepare 4 reports on Council meetings by 30 June 2020	Prepared 4 reports on Council meetings by 30 June 2020	Prepare 4 reports on Council meetings by 30 June 2021	4 x reports on Council meetings prepared by 30 June 2021		
CORP 4.5	3.12.7			ExCo Meetings coordinated per quarter	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 ExCo Meetings by 30 June 2020	Co-ordinated 8 ExCo Meetings by 30 June 2020	Co-ordinate 10 ExCo Meetings by 30 June 2021	3 ExCo Meetings coordinated by 30 June 2021	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.
CORP 4.6	3.12.7			Reports on ExCo meetings per quarter	Number of Reports	Quarterly	Institutional	Prepare 4 reports on ExCo meeting	Prepare 4 reports on ExCo meeting	Prepare 4 reports on ExCo meeting by 30 June 2021	3 reports on EXCO meetings prepared by 30 June 2021	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.

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CORP 4.7	3.6.9			MPAC Meetings coordinated and conducted by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 MPAC Meetings	Co-ordinated 6 MPAC Meetings	Co-ordinate 10 MPAC Meetings by 30 June 2021	Co-ordinated 4 MPAC Meetings by 30 June 2021	Some MPAC members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between MPAC members.
CORP 4.8	3.6.9			Portfolio (Technical/ Community/ LED / Corporate) Committee Meetings coordinated and held by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate and hold 8 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Co-ordinated and held 7 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Co-ordinate and hold 8 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Held 4 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Some Committee members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Committee members.
CORP 4.9	3.6.9			Local Labour Forum (LLF) Meetings coordinated and held by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 LLF Meetings	Co-ordinated 2 LLF Meetings	Co-ordinate 10 LLF Meetings by 30 June 2021	0 LLF Meetings co-ordinated by 30 June 2021	labour Union's representatives were suspended from work	Once Labour Unions Representatives are available, then meetings will progress

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CORP 4.10	9	To ensure progressive compliance with institutional and governance requirements	Performance management	Performance Agreements signed by 31 August 2020 and uploaded on website and submitted to MEC by timeframe	Number of Performance agreements signed; Date of signing; Turn-around time	Quarter 1	Institutional	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 0 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)	5 Performance agreements signed within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)		
CORP 4.11	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Corporate)	Quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	Number of Progress Reports	Quarterly	Institutional	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	2 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	Capacity constraints within the department and no dedicated official to undertake the risk function	Fast tracking of filling in of vacancies Engage Provincial Treasury for support
CORP 4.12	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Reports on Addressing Findings resolved from 2019/2020 AG Action Plan		
TECH 4.1	3.12.7	To ensure that IGR structures function effectively within the district	Technical Forum attended as per District Municipality invitation	Technical Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Technical Forum Meetings attended	Quarterly	Institutional (District)	4 Technical Forum meetings attended as per DM invitation by 30 June 2020	0 Technical Forum meetings attended as per DM invitation by 30 June 2020	4 Technical Forum meetings attended as per DM invitation by 30 June 2021	1 Technical Forum meetings attended as per DM invitation by 30 June 2021	No invitation from the District Municipality received	The Local Municipality will liaise with District Municipality to diarise the sitting of the Forum

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TECH 4.2	3.12.7		Planners Forum attended as per District Municipality invitation	Planners Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Planners Forum Meeting attended	Quarterly	Institutional (District)	Attend 4 planners forum meetings attended as per DM invitation	Attend 4 Planners Forum meetings attended as per DM invitation by 30 June 2020	Attend 4 Planners Forum meetings attended as per DM invitation by 30 June 2021	Attended 3 Planners Forum meetings as per DM invitation by 30 June 2021	No invitation from the District Municipality received	The Local Municipality will liaise with District Municipality to diarise the sitting of the Forum
TECH 4.3	3.12.7		Housing Forum meeting held	Housing Forum meeting coordinated and held By Dannhauser Municipality and Department of Human Settlement by 30 June 2021	Number of Housing forum Meetings coordinated and held	Quarterly	Institutional	4 Housing Forum meetings coordinated and held by 30 June 2020	0 Housing Forum meetings coordinated and held by 30 June 2020	4 Housing Forum meetings coordinated by Dannhauser Municipality and Department of Human Settlement by 30 June 2021	0 Housing Forum meetings coordinated by Dannhauser Municipality and Department of Human Settlement by 30 June 2021	Capacity constraints within the Department resulted in Housing Forum meetings not conducted	Fasttrack the filling of the vacant positions in the department
TECH 4.4	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Technical)	Progress reports on implementation of Risk Management Action Plan (Technical)	Number of Progress Reports	Quarterly	Institutional	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2020	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2020	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2021	Prepared 2 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2021	Capacity constraints and no designated official to deal with risk matters	Fast track filling of vacancies in the department and also engage Provincial Treasury for support



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TECH 4.5	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021			
COM 4.1	3.12.7	To ensure that IGR structures function effectively within the District	Functional IGR Structures	Community Services Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Community Services Forum as per DM invitation by 30 June 2020	Attended 3 Community Services Forum as per DM invitation by 30 June 2020	Attend 4 Community Services Forum as per DM invitation by 30 June 2021	Attended 4 Community Services Forum as per DM invitation by 30 June 2021			
COM 4.2	3.12.7	To ensure that IGR structures function effectively within the District		Disaster Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Disaster Forum as per DM invitation by June 2020	Attended 2 Disaster Forum as per DM invitation by June 2020	Attend 4 Disaster Forum as per DM invitation by June 2021	Attended 4 Disaster Forum as per DM invitation by 30 June 2021			
COM 4.3	3.12.3			Functional Sukuma Sakhe Programmes	Sukuma Sakhe Meetings and Programmes held per quarter by 30 June 2021	Number of meetings attended	Quarterly	All	Hold 4 Sukuma Sakhe Programme / Meeting by 30 June 2020	Held 4 Sukuma Sakhe Programme / Meeting by 30 June 2020	Hold 4 Sukuma Sakhe Programme / Meeting by 30 June 2021	Held 4 Sukuma Sakhe Programme / Meeting by 30 June 2021		
COM 4.4	4	To ensure compliance with the development and implementation of disaster management plan	Disaster Management	Disaster Management Plan review 2021/22 adopted by Council by 31 March 2021	Date of Adoption	Quarter 3	All	Review of 2019/2020 Disaster Management Plan Review by Council by 31 March 2020	Review of 2019/2020 Disaster Management Plan Review by Council was not done	Review of 2021/2022 Disaster Management Plan Review by Council by 31 March 2021	2021/2022 Disaster Management Plan Reviewed by Council by 24 March 2021			

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COM 4.5	3.7.6 / 3.7.7	To ensure compliance with the development and implementation of waste management plan	Waste Management	Approval of the 2021/2022 Waste Management Plan by Council by 22 May 2021	Date of Approval	Quarter 4	ALL	Approval of 2020/2021 Waste Management Plan by Council by 22 May 2020	Approval of 2020/2021 Waste Management Plan by Council by 22 May 2020	Approval of 2021/2022 Waste Management Plan by Council by 22 May 2021	2021/2022 Waste Management Plan Approved by Council by 22 May 2021			
COM 4.6	3.13.12	To ensure the implementation of the gazetted Animal Pound By-Law and its enforcement within the municipal jurisdiction	Animal Pound By-Law Enforcement	Quarterly progress reports on implementation of Animal Pound By-Law	Number of Progress Reports	Quarterly	All	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2020	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2020	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2021	produced 4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2021			
COM 4.7	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Community)	Quarterly progress reports on the implementation of Risk Management Action Plan (Community)	Number of Progress Reports	Quarterly	Institutional	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	2 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	Capacity constraints and no designated official to deal with risk matters	Fast track filling of vacancies in the department and also engage Provincial Treasury for support	
COM 4.8	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021			
KPA 5: Environmental and Spatial Management (Weighting=10%)														
Outcome 9: Output 3: Implementation of the Community Work Programme														

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OMM 5.1	3.3 / 3.4 / 4.5	To ensure that the Spatial Development Framework is prepared and aligned with LUMS	Effective Monitoring & Evaluation of Implementation of Spatial Development and Town Planning	Monitoring the Adoption of 2021/22 SDF Review and by Council by 31 May 2021	Date adopted	Quarter 4	All	Council Resolution for 2020/21 SDF by 31 May 2020	Council Resolution for 2020/21 SDF not obtained by 31 May 2020	Council Resolution for 2021/22 SDF by 31 May 2021	Council Resolution attached for 2021/22 SDF by 26 May 2021			
OMM 5.2				Monitoring the 100% of plans and land use applications processed and approved within 60 days from receipt of application	%Age; Turn-around time	Quarterly	Institutional	4 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	0 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	4 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	2 x Reports of '100% of plans and land use applications processed and approved within 60 days from receipt of application	This KPI is reliant on the applications received and processed	Review the KPI in the 2021/2022 financial year SDBIP review process	
COM 5.1	3.7.7	To regularly provide effective services to the Community in order to create clean and safe environment	Provision of Refuse Removal to the municipal area	households serviced with refuse removal per week	Number of households	Quarterly	1, 2	Provision of 1 704 HHs with refuse removal	Provision of 1 535 HHs with refuse removal	Provision of 1 704 HHs with refuse removal by 30 June 2021	1704 HH provided with refuse removal by 30 June 2021			
COM 5.2	3.7.7			Business units serviced with refuse removal per week	Number of Business units	Quarterly	1, 2	Provision of 114 business units with refuse removal	Provision of 102 business units with refuse removal	Provision of 114 business units with refuse removal by 30 June 2021	130 business units provided with refuse removal 30 June 2021			
COM 5.3				Small holdings households in the outlying areas of Dannhauser receiving refuse removal services per week	Number of small holdings	Quarterly	1, 3, 7, 11	Provision of 3 034 small HHs with refuse removal services	Provision of 3 034 small HHs with refuse removal services	Provision of 3 034 small HHs with refuse removal services by 30 June 2021	3034 small HHs provided with refuse removal by 30 June 2021			
COM 5.4				Indigent household with access to free basic services (FBS) (Refuse removal) per week	Number of indigent households	Quarterly	1,2,11	Provision of 113 indigent HHs with free refuse removal	186 indigents provided with free refuse removal	Provision of 113 indigent HHs with free refuse removal by 30 June 2021	94 indigent HHs provided with refuse removal by 30 June 2021	The indigent list changed after the applications were processed	Review the KPI indicator in the 2021/2022 financial year SDBIP review process	

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COM 5.5			Provision of Greening & Gardening in municipal and public areas	Quarterly maintenance reports on Gardening and greening	Number of Reports	Quarterly	All	4 x Progress reports on the maintenance of gardening and greening for the preceding year	4 x Progress reports on the maintenance of gardening and greening for the preceding year	4 x Progress reports on the maintenance of gardening and greening for the preceding year by 30 June 2021	6 x Progress reports on the maintenance of gardening and greening for the preceding year by 30 June 2021			
COM 5.6			Provision of landscaping of parks	Quarterly maintenance reports on Landscaping of park areas	Number of Reports	Quarterly	All	4 x Progress reports on the landscaping of parks for the preceding year	4 x Progress reports on the landscaping of parks for the preceding year	4 x Progress reports on the landscaping of parks for the preceding year by 30 June 2021	4 x Progress reports on the landscaping of parks for the preceding year by 30 June 2021			
COM 5.7	3.5	To ensure functional disaster management	Fire and other disaster incidences managed effectively	Incidents reported and attended timeously	Number of reports; Turn-around time	Quarterly	Institutional	4 x reports on incidents attended and attendance within 48 hours of being reported	4 x reports on incidents attended and attendance within 48 hours of being reported	4 x reports on incidents attended and attendance within 48 hours of being reported by 30 June 2021	4x reports on incidents attended and attendance within 48 hours of being reported by 30 June 2021			
COM 5.8	3.5			Reports on relief support provided	Number of reports	Quarterly	Institutional	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4 by 30 June 2021	4 x reports on relief support provided in Q1, Q2, Q3, Q4 by 30 June 2021			

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COM 5.9	3.10.9 /3.10.10	To provide services to the community in developing a Cemetery plan and maintaining cemeteries in the Urban and Rural Areas	Development and Maintenance of Rural and Urban Cemeteries on monthly basis	Monthly maintenance reports of Rural and Urban Cemeteries	Number of Reports	Quarterly	All	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year			
COM 5.10	3.7.7	To regularly provide effective services to the Community in order to create clean and safe environment	Compliant landfill site (disposal site) maintained monthly	Quarterly progress reports on maintenance of landfill site	Number of Progress Reports	Quarterly	1	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2020	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2021	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2020	4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2021			
KPA 6: Municipal Financial Viability and Management (Weighting=5%)														
Outcome 9: Output 3: Implementation of the Community Work Programme														
OMM 6.1	7.1.1	To effectively manage financial conditional grants	Effective management of grant dependent projects	Number of Monthly grant projects' performance monitoring and evaluation reports submitted to relevant stakeholders within timeframe	Number; Turnaround time	Monthly	Institutional	Submit 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end	6 Monthly grant projects performance M&E report were not prepared and submitted to relevant stakeholders within 7 w/days after month-end	Submit 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end	Submitted 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end			
OMM 6.2	7.4	To improve expenditure control	Departmental budget actually spent within dept budget	Percentage dept budget actually spent against approved dept budget	%Age	Quarterly	Institutional	no more than 100% spent of the dept annual budget	70% spent of the dept annual budget	no more than 100% spent of the dept annual budget by 30 June 2021	no more than 100% spent of the dept annual budget by 30 June 2021			
OMM 6.3	3.11.1	To Develop a	Ensure a	Quarterly report	Number of	Quarterly	Institutional	4 x Reports	4 x Reports on	4 x Reports on	4 x Reports on			

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		sustainable and efficient Municipal based on sound financial management	financially viable municipality.	irregular, fruitless and unauthorized expenditure	Reports			on Irregular, Fruitless and unauthorized Expenditure	Irregular, Fruitless and unauthorized Expenditure	Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
FIN 6.1	7.3.6 / 7.1.1.2 / 7.2	To improve expenditure control	Effective management of Creditors	Monthly reconciliation of creditors	Number of Monthly Recons of creditors	Monthly	Institutional	12 monthly reconciliations of creditors	12 monthly reconciliations of creditors prepared	12 monthly reconciliations of creditors by 30 June 2021	12 monthly reconciliations of creditors by 30 June 2021			
FIN 6.2				Days it takes to pay creditors	Number of Days	Within 30 days, from date of invoice, to pay creditors 30 Days	Institutional	payment of creditors within 30 days from invoice date	Creditors paid within 5 days from invoice date	payment of creditors within 30 days from invoice date	Creditors are paid within 30 days from invoice date			
FIN 6.3			Financial management	Monthly reconciliation of bank balances	Number of recons	Monthly	Institutional	12 monthly reconciliation of bank balances	12 monthly reconciliation of bank balances	12 monthly reconciliation of bank balances by 30 June 2021	Prepared 12 monthly reconciliation of bank balances by 30 June 2021			
FIN 6.4	7.3.7	To improve the procurement system	Effective Implementation of SCM Policy	Develop 2020/2021 procurement plan and submit to MM and Council by date; and Number of implementation reports on procurement plan	Date; Number	Quarter 1; Quarterly	Institutional	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Procurement Plan is implemented & 3 Status Quo Reports submitted to MM and Council			
FIN 6.5				Days for requisition to be converted to a purchase order outstanding	Number of Days	Daily	Institutional	Conversion of requisition to a Purchase order within 10 Working Days	Conversion of requisition to a Purchase order within 9 Working Days	Conversion of requisition to a Purchase order within 10 Working Days	8 Working Days to convert requisitions to a Purchase order			

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FIN 6.6				Days to finalise specification of Bid / Tender reduced	Number of days	Quarterly	Institutional	Finalisation of the specification of a Bid/Tender within 10 Working days	Finalisation of the specification of a Bid/Tender within 5 Working days	Finalisation of the specification of a Bid/Tender within 10 Working days	Finalisation of the specification of a Bid/Tender within 10 Working days			
FIN 6.7				Days to finalise evaluation of Bid / Tender reduced	Number of days	Daily	Institutional	Finalisation of the Evaluation of a Bid/Tender within 20 Working days	Evaluation of bids finalised within 39 days	Finalisation of the Evaluation of a Bid/Tender within 20 Working days	25 Working Days to finalise evaluation of bids or tender	Delay caused by capacity constraints	Municipality to address capacity constraints within SCM department	
FIN 6.8				Days to finalise Adjudication Process of Bid / Tender reduced	Number of days	Daily	Institutional	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	Adjudication of bids were finalised within 4 working days after the evaluation process is complete	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete			
FIN 6.9	7.3.6	To Improve Municipal Revenue Base	Management of customers' database	Percentage of customers billed/Total No. of Customers-database	%Age	Monthly	Institutional	100% of customers billed as per customer database	100% of customers billed as per customer database	100% of customers billed as per customer database by 30 June 2021	100% of customers billed as per customer database by 30 June 2021			



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FIN 6.10			Debt Collection	Percentage of collection	%age	Monthly		100% collection	61% collected	100% collection by 30 June 2021	73% Debt Collected by June 2021	Debtors stating that they could not pay due to employment challenges	Service Provider to provide new methodology of engaging debtors and collections and how debtors who cannot pay should be treated based on municipal guidelines	
FIN 6.11	7.6		Debt coverage	Ratio [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	Ratio	Quarterly	Institutional	01:01	01:01	01:01	1,69:1			
FIN 6.12	7.6		Outstanding service debtors to revenue	Number of days debtors are outstanding (Total outstanding debtors / Actual revenue received for services) x 100	Number	Daily	Institutional	110	69	110	33 days			
FIN 6.13	7.6		Cost coverage	Ratio [All available cash at a particular time) + (Investments)- Conditional grants)]/ Monthly fixed operating expenditure)	Ratio	Quarterly	Institutional	01:01	01:01	01:01	1,035:1			
FIN 6.14	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020 were prepared	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
CORP 6.1	7.4	To improve expenditure control	Departmental budget actually spent	Percentage dept budget actually spent against approved	%Age	Quarterly	Institutional	no more than 100% spent of	111% spent of the dept annual budget as 31	no more than 100% spent of the dept annual	108% spent of the dept annual budget by 30	Overspending on security services	Monitor budget quarterly	

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			within dept budget	dept budget				the dept annual budget by 30 June 2020	March 2020	budget by 30 June 2021	June 2021	utilizing EPWP workers.	Adhere to the approved budget	
													Review the KPI targets during mid-year review period	
CORP 6.2	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
TECH 6.1	6 /7.4 /7.4.1 /7.5	To improve expenditure control	Capital budget actually spent on capital projects identified in 2019/2020 IDP	Percentage Actual Spend on Capital Projects against Capital Projects Budget 2020/2021 = (total spending on capital projects / total capital budget) *100 by 30 June 2021	%	Quarterly	Institutional	100% capital budget spent by 30 June 2020	70-75% capital budget spent by 30 June 2020	100% capital budget spent by 30 June 2021	Less than 100%capital budget spent by 30 June 2021	Poor planning within the department delayed SCM processes. Social issues delayed the execution of the project.	Department to monitor target set for the department.	
TECH 6.2	7.4		Departmental budget actually spent within dept budget	Percentage of dept budget actually spent against approved dept budget by 30 June 2021	%age	Quarterly	Institutional	no more than 100% spent of the dept. annual budget by 30 June 2020	62% spent of the dept. annual budget as at 31 March 2020	no more than 100% spent of the dept annual budget by 30 June 2021	Not more than 100% spent of the dept annual budget by 30 June 2021			

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TECH 6.3	3.9.3 / 3.9.4	To improve expenditure control	Facilitation of funds to be received from Human Settlement for housing projects - Buhlebomziny athi; Stein Drive Inn; Strijbank Rectification	Reports submitted to Human Settlement for funding by 30 June 2021	Number of Reports submitted to Human Settlement	Quarterly	Institutional	Prepare 4 progress report on follow-up on funds to be provided by Human Settlement	Prepared 4 progress reports on follow-up on funds to be provided by Human Settlement	Prepare 4 x progress report on follow-up on funds to be provided by Human Settlement by 30 June 2021	Prepare 4 x progress report on follow-up on funds to be provided by Human Settlement by 30 June 2021			
TECH 6.4	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure by 30 June 2021	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure	4 Report on Irregular, Fruitless and unauthorized Expenditure	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
COM 6.1	7	To improve expenditure control	Departmental budget actually spent within dept budget	Percentage dept budget actually spent against approved dept budget	%age	Quarterly	Institutional	no more than 100% spent of the dept annual budget by 30 June 2020	72% of the annual budget spent by 30 June 2020	no more than 100% spent of the dept annual budget by 30 June 2021	Not more than 100% spent of the dept annual budget by 30 June 2021			
COM 6.2	7.3.4	To Invest in the Development of the Municipality through Revenue Enhancement	Revenue Generated Through Learner Licensing	Revenue Generated Through Learner Licensing	Rands	Quarterly	Institutional	Generate R 160000.00 Through Learner Licensing by 30 June 2020	Generated R 109 760 Through Learner Licensing by 30 June 2020	Generate R 160000.00 Through Learner Licensing by 30 June 2021	Generated R 279 000.00 Through Learner Licensing by 30 June 2021			
COM 6.3	7.3.4		Revenue Generated Through Drivers Licensing	Revenue Generated Through Drivers Licensing	Rands	Quarterly	Institutional	Generate R 105 300 Through Drivers Licensing by 30 June 2020	Generated R 171 622 Through Drivers Licensing by 30 June 2020	Generate R 105 300 Through Drivers Licensing by 30 June 2021	Generated R 317 917 Through Drivers Licensing by 30 June 2021			
COM 6.4	7.3.4		Revenue Generated Through Motor Licensing	Revenue Generated Through Motor Licensing (Commission / Payment to Council)	Rands	Quarterly	Institutional	Generate R 1 200 000.00 Through Motor Licensing by 30 June 2020	Generated R 1 216 764.83 Through Motor Licensing by 30 June 2020	Generate R 1 200 000.00 Through Motor Licensing by 30 June 2021	Generated R 1 369 330.00 Through Motor Licensing by 30 June 2021			

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COM 6.5	7.3.4		Revenue Generated Through Traffic Fines	Revenue Generated Through Traffic Fines	Rands	Quarterly	Institutional	Generate R 391 032 Through Traffic Fines by 30 June 2020	Generated R 568 800 Through Traffic Fines by 30 June 2020	Generate R 391 032 Through Traffic Fines by 30 June 2021	<b>Generated R 205 100 Through Traffic Fines by 30 June 2021</b>	Lack of traffic personnel within the department	Fast track finalisation of appointment of Chief Traffic Officer	
COM 6.6	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Reports on Irregular, Fruitless and unauthorized Expenditure	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	<b>4 x Reports on Irregular, Fruitless and unauthorized Expenditure produced by 30 June 2021</b>			

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SDBIP No.	IDP Ref	Strategic Objective	Strategies	Output Key Performance Indicators	Unit of Performance Measurement	Reporting Period	Institutional / Ward	2019/2020 Performance Information		2020/2021 Performance Information		Reason for variance (Blockages)	Planned improvement intervention (Corrective measures)	
									Annual Target	Annual Actual	Annual Target			Annual Actual
KPA 1: Municipal Transformation and Institutional Development (Weighting = 15%)														
Outcome 9 Indicator: Output6 - Improving Municipal Financial and Administrative Capacity & Output 1: Implement a differentiated approach to municipal financing, planning and support														
OMM 1.1	3.6.9	To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Management Committee meetings conducted per quarter	Number of ManCo Meetings Conducted	Quarterly	Institutional	Conduct 12 MANCO Meetings by 30 June 2020	12 MANCO Meetings conducted	Conduct 12 ManCo Meetings by 30 June 2021	Conducted 12 ManCo Meetings by 30 June 2021			
OMM 1.2	3.6.9			Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	Conduct 4 Staff Meetings by 30 June 2020	Conducted 4 Staff Meetings by 30 June 2020	Conduct 12 Departmental Meetings by 30 June 2021	Conducted 5 Departmental Meetings by 30 June 2021	The covid infections on some officials resulted in meetings not being achieved.	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between officials.	
OMM 1.3	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Progress Report on External Service Providers with signed Service Level Agreements (SLA) within one month prior to commencement	Progress Report	Quarterly	Institutional	4 Progress Report on External Service Providers with signed Service Level Agreement s (SLA) within one month prior to commencement	4 Progress Report on External Service Providers with signed Service Level Agreements (SLA) within one month prior to commencement	4 x Progress report on external service providers with signed SLA within1 month prior to commencement (within 10 working days after the end of the quarter)	4 x Progress report on external service providers with signed SLA within1 month prior to commencement (within 10 working days after the end of the quarter)			

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OMM 1.4				Quarterly performance report on external service providers with signed SLAs by 30 June 2021	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 Quarterly performance Report on External Service providers with SLAS	4 Quarterly performance Report on External Service providers with SLAS	develop 4 quarterly performance report on external service providers with signed SLAs (within 15 working days after the end of the quarter)	<b>Developed 4 quarterly performance report on external service providers with signed SLAs (within 15 working days after the end of the quarter)</b>		
OMM 1.5	3.12.12		Effective strategic planning	Strategic Planning Meetings held quarterly by 30 June 2021	Number of Strategic Planning Meetings held	Quarter 3 & 4	Institutional	Hold 2 Strategic Planning Meetings by 30 June 2020	Held 0 Strategic Planning Meetings by 30 June 2020	Hold 2 Strategic Planning Meetings by 30 June 2021	<b>Held 1 Strategic Planning Meetings by 30 June 2021</b>	The covid – 19 impacts affected the indicator in respect of execution; and consultation process with external & internal stakeholders affected by covid-19.	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between officials.
OMM 1.6	3.6	APPROVAL OF RECORD MANAGEMENT POLICY	Approval of Records Management policy by Council by 30 June 2021	Adoption of Records Management Policy by Council by 30 June 2021	Date of Adoption	Quarter 4	Institutional	Adoption of Records Management Policy by Council by 31 March 2020	Records Management Policy not adopted by Council by 31 March 2020	Approval of Records Management Policy by Council by 30 June 2021	<b>Records Management Policy NOT Approved by Council by 30 June 2021</b>	Some Council members were affected by covid and some council meetings were postponed	Review indicator target and consider the current technological mechanisms to finalise the adoption of this KPI.
FIN 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 quarterly performance report on external service providers with signed SLAs	Developed 4 quarterly performance report on external service providers with signed SLAs	Develop 4 quarterly performance report on external service providers with signed SLAs	<b>Developed 4 quarterly performance reports on external service providers with signed SLAs</b>		

# VOLUME II

FIN 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	2 x Quarterly departmental meetings conducted by 30 June 2020		
CORP 1.1	3.6.3	To provide skills development programmes for Staff, Councillors	Workplace Skills Plan (WSP) in line with the Employment Equity Plan (EEP)	2021/2022 WSP approved and submitted to LGSETA by date	Date of Approval and submission	Quarter 4	Institutional	Approval and submission of 2020/2021 WSP to LGSETA by 30 Apr 2020	2020/2021 WSP was approved and submitted to LGSETA on 28 May 2020	Approval and submission of 2021/2022 WSP to LGSETA by 30 Apr 2021	2021/2022 WSP approved and submitted to LGSETA by 30 Apr 2021		
CORP 1.2	3.6.1 / 3.6.3		Municipality's Budget actually spent on Workplace Skills Plan	Percentage Spent = (actual amount spent on WSP / budgeted amount for WSP) *100	% Spent	Annually	Institutional	100% spending on WSP by 30 June 2020	42.92% spending on WSP by 30 June 2020	100% spending on WSP by 30 June 2021	67% spending on WSP by 30 June 2021	Not all training was conducted due to covid infections and lockdown restrictions	Municipality to engage training and development stakeholders to utilise technology software systems such as MS Teams Training; Zoom, etc.; or training facility venues that comply with covid regulations.



# VOLUME II

CORP 1.3	3.6.1		Human Resource Development Strategy compliance (Review)	Review & Approval of the Human Resource Development Strategy by date	Date of Review and Approval	Quarter 2	Institutional	Review of Human Resource Development Strategy and adoption by Council by 25 Oct 2019	No Review and adoption by Council by 25 Oct 2019. The Human Resource Development Strategy was done	Review of Human Resource Development Strategy and adoption by Council by 25 Oct 2020	<b>Human Resource Development Strategy not reviewed by 25 Oct 2020</b>	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
CORP 1.4	3.6.1 / 3.6.2		Skilled workforce (Employees & Councillors)	Progress Report on Employees and Councillors Trained per Quarter	Number of Progress Reports	Quarterly	Institutional	Annual Progress report on the Employees and Councillors trained	Annual Progress report on the Employees and Councillors trained	Annual Progress report on the Employees and Councillors trained	<b>Annual Progress report on the Employees and Councillors trained</b>		
CORP 1.5		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	<b>Conducted 2 Departmental Meetings by 30 June 2021</b>		
CORP 1.6	3.6.2	To ensure that employment equity targets are met	Review & Updated Employment Equity Plan	2020/2021 EE Plan submitted to Dept of Labour by date	Date of Submission	Quarter 2	Institutional	Updated EE plan and submitted to DoL by 13 September 2019	Updated EE Plan submitted to DoL by 31 Oct 2019	Submission of 2020/2021 of Updated EE Plan to DoL by 31 Oct 2020	<b>Updated EE Plan submitted to DoL by 31/10/2020</b>		

# VOLUME II

CORP 1.7	3.6.6	To implement a refined organisational structure	Annual refinement of Organisational Structure	2020 / 2021 Organisational Structure adopted by Council by date	Date of Approval	Quarter 1	Institutional	Adoption of Organisational Structure by Council by 30 July 2019	Organisational Structure adopted by the council by 28 August 2019	Adoption of Organisational Structure by Council by 30 July 2020	<b>Organisational Structure not adopted by Council by 30 July 2020</b>	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
CORP 1.8	3.6.8		Recruitment for critical posts completed	Progress Report on filling of vacant posts 2020/2021 (scarce and specialised posts)	Number of progress report	Quarterly	Institutional	4 Progress report prepared and submitted by the end of each Quarter	4 Progress report prepared and submitted by the end of each Quarter	4 Progress report prepared and submitted by the end of each Quarter	<b>4 x Progress report prepared and submitted by the end of each Quarter</b>		
CORP 1.9	3.6	To ensure effective record management System	Develop Draft Records Management Policy	Development of a draft Records Management Policy by 30 June 2021	Date of Approval	Quarter 4	Institutional	Development of Draft Records Management policy by 30 June 2020	Draft Records Management policy developed by 30 June 2020	Development of Draft Records Management policy by 30 June 2021	<b>Draft Records Management Policy developed by 30 June 2021</b>		
CORP 1.10	3.6 / 3.9	To transform the Dannhauser into a performance driven Municipality	Monitoring and execution of Council, Portfolio and EXCO resolutions	Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	Number of Status quo reports	Quarterly	Institutional	Prepare 4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo prepared	Prepare 4 Status quo Reports on Resolutions taken at Council, Portfolio and ExCo	<b>4x Status quo Reports on Resolutions taken at Council, Portfolio and ExCo prepared</b>		

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CORP 1.11	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Progress Report on external service providers with signed service level agreements (SLA) within one month prior to commencement	progress Report	Quarterly	Institutional	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4 Progress report on external service providers with signed SLA within1 month prior to commencement	4x Progress reports on external service providers with signed SLA within1 month prior to commencement		
CORP 1.12				Quarterly performance report on external service providers with signed SLAs	Number of Reports	Quarterly	Institutional	Develop 4 quarterly performance reports on external service providers with signed SLAs	Developed 4 quarterly performance reports on external service providers with signed SLAs	Develop 4 quarterly performance reports on external service providers with signed SLAs by 30 June 2021	Developed 4 quarterly performance reports on external service providers with signed SLAs by 30 June 2021		
TECH 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Developed 4 quarterly performance report on external service providers with signed SLAs	Developed 4 quarterly performance report on external service providers with signed SLAs	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021	Developed 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021		
TECH 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	New Measure	Conduct 2 Departmental Meetings by 30 June 2021	Conducted 0 Departmental Meetings by 30 June 2021	Lack of monitoring of target set and disruption caused by lockdown regulations	Department to regularly monitor the department target set

# VOLUME II

COM 1.1	7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	Number of quarterly performance report on external service providers with signed SLAs	Number of Quarterly performance Report on External Service providers with SLAS	Quarterly	Institutional	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2020	Developed 4 quarterly performance report on external service providers with signed SLAs by 30 June 2020	Develop 4 quarterly performance report on external service providers with signed SLAs by 30 June 2021	4 quarterly performance reports on external service providers with signed SLAs developed by 30 June 2022		
COM 1.2		To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Departmental Meetings conducted per quarter	Number of Departmental meetings conducted per quarter & submitted to MANCO	Quarterly	Institutional	New Measure	0	Conduct 2 Departmental Meetings by 30 June 2021	Conducted 2 Departmental Meetings by 30 June 2021		
KPA 2: Basic Service Delivery (Weighting = 5%)													
Outcome 9 Indicator: Output 2 - Improving Access to Basic Services													

# VOLUME II

OMM 2.1	7.3.7.2	To facilitate the provision of infrastructure related capital projects (new municipal offices; textile incubator; roads; electricity infills; taxi rank; sports combos; community halls; Street lights & Masts; Testing Centre; Mobile Child Care facilities and Community Parks)	Effective monitoring and evaluation of capital projects through quarterly reporting	Quarterly Performance Reports on Capital Projects submitted to ExCo by 30 June 2021	Number of Quarterly Performance reports on Capital Projects	Quarterly	Institutional	4 Quarterly performance reports on capital projects submitted to EXCO by 30 June 2020	0 Quarterly performance reports on capital projects submitted to EXCO by 30 June 2020	4 Quarterly performance report on capital projects submitted to ExCo (within 15 working days after the end of the quarter)	3 Quarterly performance report on capital projects submitted to ExCo (within 15 working days after the end of the quarter)	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.
TECH 2.1	7 / 7.3.7.2	Construction of New Municipal Offices	Building of New Offices - Phase 1 (ward 2)	Progress report on the construction of New Offices by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Reports on the Construction of New Offices by 30 June 2020	4 x Progress Reports on the Construction of New Offices by 30 June 2020	4 x Progress Reports on the Construction of New Offices by 30 June 2021	4 x Progress Reports on the Construction of New Offices by 30 June 2021		
TECH 2.2		To Create a climate conducive for sustainable economic Growth and job creation	Construction of Textile Incubator Infrastructure (ward 2)	Progress Report on the Construction of Textile Incubator Infrastructure by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on the Construction of Textile Incubator Infrastructure	4 x Progress Report on the Construction of Textile Incubator Infrastructure	4 x Progress Report on the Construction of Textile Incubator Infrastructure by 30 June 2021	4 x Progress Reports on the Construction of Textile Incubator Infrastructure by 30 June 2021		
								on the Construction of Textile Incubator	on the Construction of Textile Incubator				
								Infrastructure	Infrastructure				

# VOLUME II

TECH 2.3	3.9.3	To facilitate the provision of housing in line with the national and provincial norms and standards	Provision of Disaster Houses Project for individuals who disaster victims & lost their houses (wards 3, 5, 7, 8 & 12)	Progress Report on houses built in wards 3, 5, 7, 8 and 12 by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	3,5,7,8 & 12	4x Progress Report on Houses Built in Wards 3,6,8,11 & 13	4x Progress Report on Houses Built in Wards 3,6,8,11 & 13	4 x Progress Report on Houses Built in Wards 3, 5, 7, 8, & 12 by 30 June 2021	4 x Progress Reports on Houses Built in Wards 3, 5, 7, 8, & 12 by 30 June 2021		
TECH 2.4			Phase 1 of Buhlebomzinyathi Housing Project: Implementation	Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021	Number of Progress Reports	Quarterly	5 & 9	Construction of 100 houses by 30 June 2020 in Ward 5, 9 & 10	Construction of 100 houses by 30 June 2020 in Ward 5, 9 & 10	4 x Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021	4 x Progress Report on Houses built at Buhlebomzinyathi by 30 June 2021		
TECH 2.5	7.3.7.2	To Provide Public Amenities	Completion of Phase 2 of a Testing Centre (ward 2)	Progress Report on Construction of Testing Centre (Phase Two) by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on Construction of Testing Centre (Phase 2)	4 x Progress Report on Construction of Testing Centre (Phase 2)	4 x Progress Report on Construction of Testing Centre (Phase 2) by 30 June 2021	4 x Progress Reports on Construction of Testing Centre (Phase 2) by 30 June 2021		
TECH 2.6	7.3.7.2		Provision of Mobile Child Care Facilities (ward 10 & 11)	Progress Report on the Provision Mobile Child Care facilities (Park homes) provided by 30 June 2021	Number of Progress Reports	Quarterly	10 & 11	Provision of 3 Mobile Child Care facilities in Ward 3 & 5 by 30 June 2020	Provision of 3 Mobile Child Care facilities in Ward 3 & 5 by 30 June 2020	4 x Progress report on the Provision of Mobile Child Care facilities in Ward 10 & 11 by 30 June 2021	4 x Progress report on the Provision of Mobile Child Care facilities in Ward 10 & 11 by 30 June 2021		
TECH 2.7			Provision of Child Care Facility (Ward 1)	Progress Report on the Construction of Child Care facility provided by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	1	4 x Progress Reports on Provision of Child Care Facility in Ward 1	4 x Progress Reports on Provision of Child Care Facility in Ward 1	4 x Progress Reports on Provision of Child Care Facility in Ward 1 by 30 June 2021	4 x Progress Reports on Provision of Child Care Facility in Ward 1 by 30 June 2021		
TECH 2.8	7.13		Construction of Ward 4 Community Hall	Progress Report on the Construction of Community Hall Ward 4 by 30 June 2021	Number of Progress Reports	Quarterly	4	4 x Progress Reports on the Construction of Ward 4 Community Hall	4 x Progress Reports on the Construction of Ward 4 Community Hall	4 x Progress Reports on the Construction of Ward 4 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 4 Community Hall by 30 June 2021		

# VOLUME II

TECH 2.9			Construction of Ward 5 Community Hall	Progress Report on the Construction of Community Hall Ward 5 by 30 June 2021	Number of Progress Reports	Quarterly	5	4 x Progress Reports on the Construction of Ward 5 Community Hall	4 x Progress Reports on the Construction of Ward 5 Community Hall	4 x Progress Reports on the Construction of Ward 5 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 5 Community Hall by 30 June 2021		
TECH 2.10			Construction of Ward 13 Community Hall	Progress Report on the Construction of Community Hall Ward 13 by 30 June 2021	Number of Progress Reports	Quarterly	13	New Measure	New Measure	4 x Progress Reports on the Construction of Ward 13 Community Hall by 30 June 2021	4 x Progress Reports on the Construction of Ward 13 Community Hall by 30 June 2021		
TECH 2.11			Improvement of Community Halls in wards 6, 8 & 12	Progress Report on the Improvement of Community Halls by 30 June 2021	Number of Progress reports	Quarterly	6, 8, & 12	4 x Progress Report on the Improvement of Community Halls (Fencing)	4 x Progress Report on the Improvement of Community Halls (Fencing)	4 x Progress Report on the Improvement of Community Halls by 30 June 2021	4 x Progress Reports on the Improvement of Community Halls by 30 June 2021		
TECH 2.12			Building of Sports Combo	Progress Report on Process for the Construction of Sports Combo ward 5 by 30 June 2021	Number of progress Reports	Quarterly	5	Progress Report on Process for the Construction of Sports Combo ward 5	Progress Report on Process for the Construction of Sports Combo ward 5	4 Progress Report on Process for the Construction of Sports Combo ward 5 by 30 June 2021	4 Progress Reports on Process for the Construction of Sports Combo ward 5 by 30 June 2021		
TECH 2.13			Building of Sports Combo	Progress Report on the Construction of Sports Combo in ward 11 by 30 June 2021	Number of progress Reports	Quarterly	11	4 x Progress Report on the Construction of Sports Combo in ward 11	4 x Progress Report on the Construction of Sports Combo in ward 11	4 x Progress Report on the Construction of Sports Combo in ward 11 by 30 June 2021	4 x Progress Reports on the Construction of Sports Combo in ward 11 by 30 June 2021		



# VOLUME II

TECH 2.14			Fencing of Town Hall-Ward 2	Progress Report on the fencing of Town Hall Ward 2 by 30 June 2021	Number of Progress Reports	Quarterly	2	New Measure	New Measure	4x Progress report on fencing of Town Hall Ward 2 by 30 June 2021	4 x Progress reports on fencing of Town Hall Ward 2 by 30 June 2021		
TECH 2.15	7.13		Water Harvesting	Progress report on Water Harvesting in Ward 1, 4 & 6 by 30 June 2021	Number of Progress Reports on the Water Harvesting	Quarterly	1, 4 & 6	4 x Progress Reports on Water Harvesting in Ward 1	4 x Progress Reports on Water Harvesting in Ward 1	4 x Progress Reports on Water Harvesting in Ward 1,4 & 6 by 30 June 2021	4 x Progress Reports on Water Harvesting in Ward 1,4 & 6 by 30 June 2021		
TECH 2.16	7.3.7.2	To ensure safe Rural Road infrastructure networks	Road Network Constructed	Progress Report on the construction of rural gravel roads in ward 8 by 30 June 2021	Number of Progress Reports on the construction of Rural Gravel Roads	Quarterly	8	4 x Progress Reports on the construction of rural road in wards 2,4,6,7 & 8	4 x Progress Reports on the construction of rural road in wards 2,4,6,7 & 8	4 x Progress Reports on the construction of rural gravel roads in ward 8 by 30 June 2021	4 x Progress Reports on the construction of rural gravel roads in ward 8 by 30 June 2021		
TECH 2.17		To ensure safe urban road infrastructure networks	Bridge Design	Progress Report on the Designing of Ward 2 Bridge by 30 June 2021	Number of Progress Report by 30 June 2021	Quarterly	2	4 x Progress Report on the Designing of Ward 2 Bridge by 30 June 2020	4 x Progress Report on the Designing of Ward 2 Bridge by 30 June 2020	4 x Progress report on the Designing of Ward 2 Bridge by 30 June 2021	4 x Progress reports on the Designing of Ward 2 Bridge by 30 June 2021		
TECH 2.18			Road link Design	Progress Report on the design of Road link in Ward 2 by 30 June 2021	Number of Progress reports on the design of Road link roads	Quarterly	2	New Measure	New Measure	4 X progress report on the Designing of Ward 2 Road link by 30 June 2021	4 X Progress Reports on the Designing of Ward 2 Road link by 30 June 2021		
TECH 2.19			Grand Stands	Progress Report on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021	Number of Progress reports on the provision of Grand Stands	Quarterly	6,10, & 11	New Measure	New Measure	4 X progress report on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021	4 X Progress reports on the provision of Grand Stands in Ward 6, 10 & 11 by 30 June 2021		

# VOLUME II

TECH 2.20	7.3.7.2		Urban road infrastructure networks Installed	Progress Report on the construction of Urban Road in ward 2 by 30 June 2021	Number of Progress reports on the construction of urban roads	Quarterly	2	New Measure	New Measure	4 x Progress Reports on the construction of Urban roads in Ward 2 by 30 June 2021	4 x Progress Reports on the construction of Urban roads in Ward 2 by 30 June 2021		
TECH 2.21	7.3.7.2	To provide access to electricity for households	Electrification of the household-infills in Ward 1, 3 & 9	Progress Report on Households electrification- Infill in Ward 1, 3 & 9	Number of progress reports on Household electrification infills	Quarterly	1, 3 & 9	4 x Progress Reports on Household s electrificati on Infill in Wards 1, 2 & 13 by 30 June 2020	4 x Progress Reports on Households electrification Infill in Wards 1, 2 & 13 by 30 June 2020	4 x Progress Reports on Households electrification- Infill in Wards 1, 3 & 9 by 30 June 2021	4 x Progress Reports on Households electrification- Infill in Wards 1, 3 & 9 by 30 June 2021		
TECH 2.22			Meter conversion in Ward 2	Progress report on the Meter conversion in Ward 2	Number of progress reports on the meter conversion	Quarterly	2	New Measure	New Measure	4x Progress Report on the meter conversion in Ward 2 by 30 June 2021	4x Progress Reports on the meter conversion in Ward 2 by 30 June 2021		
TECH 2.23		To ensure safe environment through installation of Mast Lights	Implementatio n of High Mast Lights	Progress Report on the installation and Commission of High Mast Lights for wards 3,5,6,7,9, 10, & 12 2020/2021 by 30 June 2021	number of Progress reports on the Installation and switching on of High Mast lights	Quarterly	3,5,6,7,9,10, & 12	4 x Progress Reports on the installation of High Mast Lights in ward 6,7 & 11 by 30 June 2020	4 x Progress Reports on the installation of High Mast Lights in ward 6,7 & 11 by 30 June 2020	4 x Progress Reports on the installation and switching on of High Mast Lights in ward 3,5,6,7,9,10 & 12 by 30 June 2021	4 x Progress Reports on the installation and switching on of High Mast Lights in ward 3,5,6,7,9,10 & 12 by 30 June 2021		
COM 2.1	3.10.8	To provide educational and recreational services to the community	Monitor the number of registered library users on monthly basis	Monthly Statistical Reports produced	Number of Statistical reports	Monthly	All	Production of 12 Statistical Reports	Production of 12 Statistical Reports	Production of 12 Statistical Reports by 30 June 2021	Produced of 12 Statistical Reports by 30 June 2021		
COM 2.2	3.10.19	To direct law enforcement to improve	Municipal Road block conducted	Road Blocks Conducted by the Dannhauser	Number of Roadblocks conducted	Quarterly	Institutional	Conduct 20 Road Blocks by	Conducted 14 Road Blocks by 30 June 2020	Conduct 20 Road Blocks by 30 June 2021	14 Road Blocks conducted by 30 June 2021	Shortage of staff personnel	Employ more traffic personnel

# VOLUME II

		safety and security		Municipality per quarter				30 June 2020				within the department and covid-19 lockdown regulations	Fast track the finalisation of the appointment of Chief Traffic Officer.
COM 2.3	3.10.19	To direct law enforcement to improve safety and security	Multidisciplinary Road block conducted	Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	Number of Quarterly Report	Quarterly	Institutional	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Report on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS)	4 Quarterly Reports on Road Blocks Conducted in partnership with stakeholders (RTI & SAPS) produced		
KPA 3: Local Economic Development (Weighting = 30%)													
Outcome 9 Indicator: Output 3 - Implementation of the Community Work Programme													

# VOLUME II

OMM 3.1	3.1	To develop a comprehensive strategy to empower SMMEs & Co-ops	Monitoring the Adoption of LED Economic Sector Strategies by date	Progress Report on the Commencement Process for the LED Strategy Review	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on the Commencement Process for the LED Strategy Review	0 Progress Report on the Commencement Process for the LED Strategy Review	4 x Progress Report on the Commencement Process for the LED Strategy Review (submitted within 15 working days after the end of the quarter)	4 x Progress Report on the Commencement Process for the LED Strategy Review (submitted within 15 working days after the end of the quarter)		
OMM 3.2				Adoption of LED Strategy by Council by 26 May 2021	Date of Adoption	Quarter 4	Institutional	Council Adoption for LED Strategy by 22 May 2020	LED strategy not adopted by the council on 22 May 2020	Council Adoption for LED Strategy by 26 May 2021	LED Strategy not adopted Council by 26 May 2021	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.

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OMM 3.3				Monitoring the Review and Adoption of the Investment Promotion & Facilitation Strategy by Council by 29 November 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2019	Investment Promotion & Facilitation Strategy not adopted by the council by 29 Nov 2019	Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2020	No Council Adoption of Investment Promotion & Facilitation Strategy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
OMM 3.4		To review and implement the Tourism Strategy		Monitoring the Adoption of Tourism Strategy by Council by 29 November 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of Tourism Strategy by 29 Nov 2019	Tourism strategy not adopted council by 29 Nov 2019	Council Adoption of Tourism Strategy by 29 Nov 2020	No Council Adoption of Tourism Strategy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.

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OMM 3.5		To Create a climate conducive for sustainable economic growth and job creation		Monitoring the Adoption of the reviewed draft Informal Economy Policy by Council by 29 Nov 2020	Date of Adoption	Quarter 2	Institutional	Council Adoption of Draft Informal Economy Policy by 29 Nov 2019	Draft Informal Economy Policy not adopted by council by 29 Nov 2019	Council Adoption of Draft Informal Economy Policy by 29 Nov 2020	No Council Adoption of Draft Informal Economy Policy by 29 Nov 2020	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.
OMM 3.6				Implementation of the Urban Precinct Plan by 30 June 2021	Date of Adoption	Quarter 4	Institutional	Council Adoption of Urban Precinct plan by 30 September 2019	Urban Precinct Plan not adopted by council by 30 September 2019	Council Adoption of Urban Precinct plan by 30 June 2021	No Council Adoption of Urban Precinct plan by 30 June 2021	Capacity constraints within the department and a lack of monitoring on the indicator	Review the KPI in the 2021/2022 financial year review process
OMM 3.7	3.10.4.6.7		Ensuring LED programmes are implemented, monitored, reviewed and evaluated	Establishment of the Functional LED Forum by 19 June 2021	Date of Establishment	Quarter 3 & 4	Institutional	Established LED Forum by 30 June 2020	LED Forum not established by 30 June 2020	Established LED Forum by 30 June 2021	LED Forum not established by 30 June 2021	Covid Capacity constraints within the department and a lack of monitoring on the indicator	Review the KPI
OMM 3.8				Jobs created through Municipal LED & Community support related project support (cleaning of road sides in CBD & those connecting residential areas and economic	Number of Progress reports on the creation of jobs	Quarter 1,2,3 & 4	Institutional	4 x Progress Report on the 'creation of 112 jobs by 30 June 2020	4 x Progress Report on the 'creation of 112 jobs by 30 June 2021	4 x Progress Report on the 'creation of 112 jobs by 30 June 2021	4 x Progress Report on the 'creation of 112 jobs by 30 June 2021		Fast track the filling of vacancies in the department

# VOLUME II

				areas, cemeteries, parks, community halls, etc.)									
OMM 3.9				Progress report on SMME's & Co-ops supported and individuals capacitated by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support	4 x Progress report for youth, SMMEs' and Co-operatives targeted, appointed and nature of farming support			
OMM 3.10	3.10.4.6	To Create a climate conducive for sustainable economic growth and job creation		Implementation of the Informal Economy Policy by 30 June 2021	Progress Report on the implementation	Quarter 3 & 4	Institutional	Adoption of the Draft Informal Economy Policy by 26 June 2020	Draft Informal Economy Policy adopted by council by 26 June 2020	2 x progress report on the implementation of the Informal Economy Policy by 30 June 2021	2 x progress report on the implementation of the Informal Economy Policy by 30 June 2021		
OMM 3.11	3.10.4.6.1			Implementation of Municipal Zibambele program (EPWP) and number of jobs created	Number of Progress Reports	Quarter 1,2,3 & 4	Institutional	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)	4 x Progress Report on the implementation of the Municipal Zibambele Program (EPWP)		
KPA 4: Good Governance and Public Participation (Weighting = 35%)													



# VOLUME II

## Outcome 9: Output 7- Single Window of Coordination & Output 5: Deepen democracy through a refined Ward Committee model

OMM 4.1	3.12.7	To ensure that IGR structures function effectively within the district	Functional IGR structures	Quarterly Mayors' Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Meetings Held	Quarterly	Institutional (District)	Attend 4 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2020	Attended 0 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2020	Attend 4 quarterly Mayors' Forum meetings as per DM invitation by 30 June 2021	0 Mayor's Forum meetings attended as per DM invitation by 30 June 2021	No Invitations from District	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems		
				And											
				No quorum when meetings are to be convened											
OMM 4.2	3.12.7			Quarterly MMs' Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Meetings held	Quarterly	Institutional (District)	Attend 4 quarterly MMs' Forum meetings as per DM invitation by 30 June 2020	Attended 2 quarterly MMs' Forum meetings as per DM invitation by 30 June 2020	Attend 4 quarterly MMs' Forum meetings as per DM invitation by 30 June 2021	Attended 2 quarterly MMs' Forum meetings as per DM invitation by 30 June 2021	No quorum formed due to none availability of some officials	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems		
OMM 4.3	9	To ensure progressive compliance with institutional and governance requirements	Review and implementation of 2020/2021 PMS Policy Framework	Reviewed 2020/2021 PMS Policy Framework and adoption by Council by 31 July 2020	Date of Adoption	Quarter 1	Institutional	Adoption of PMS Policy Framework Review 2019/2020 by Council by 31 July 2019	Adoption of PMS Policy Framework Review 2019/2020 by Council by 31 July 2019	Adoption of PMS Policy Framework Review 2020/2021 by Council by 31 July 2020	PMS Policy Framework Review 2020/2021 adopted by Council by 09 September 2020				
OMM 4.4	9			Organisational PMS implementation reports submitted to Council per quarter, by 30 June 2021	Number of Implementation reports	Quarterly	Institutional	4 Quarterly Organisational PMS implementation reports to Council by 30 June 2020	1 Quarterly Organisational PMS implementation reports to Council by 30 June 2020	4 Quarterly Organisational PMS implementation reports to Council by 30 June 2021	1 Quarterly Organisational PMS implementation reports to Council by 30 June 2021	Some Council members were affected by covid and some council meetings were postponed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members.		

# VOLUME II

OMM 4.5	9			Performance Agreements signed by 31 July 2021 and uploaded on website and submitted to MEC within 14 days of approval	Number Of PA s Signed; Date; Turn-around time	Quarter 1	Institutional	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 0 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)		
OMM 4.6	9			Coordinate and conduct quarterly performance assessments (Sect 54/56 Managers) on a quarterly basis	Number of performance assessments coordinated and conducted	Quarterly as per 2006 Regulations	Institutional	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal/verbal assessment provided performance is satisfactory & Formal performance assessment	Informal assessment conducted in quarter 2		
OMM 4.7	2			2020/2021 Mid-year performance report prepared as part of Sect 72, and submitted to the Mayor by date, and adopted by Council 20 January 2021	Date of adoption	Quarter 3	Institutional	Submit 2019/2020 Mid-year performance report prepared as part of Sect 72, to the Mayor by 25 Jan 2020 and adopted by Council by 23 Jan 2020	Submitted 2019/2020 Mid-year performance report prepared as part of Sect 72, to the Mayor by 25 Jan 2020 and adopted by Council by 23 Jan 2020	Submit 2020/2021 Mid-year performance report prepared as part of Sect 72, to the Mayor by 20 Jan 2021 and adopted by Council by 20 Jan 2021	Prepared and submitted 2020/2021 Mid-year performance report to Council by 20 Jan 2021		

# VOLUME II

OMM 4.8	3.10.11/ 3.10.12 / 3.10.13 / 3.10.14 / 3.10.15 /3.10.16 /3.10.17 /3.10.18	To implement (social cohesion) special programs that empower all individuals within the municipal jurisdiction, regarding arts and culture, sports and recreation, HIV and AIDS, gender, women and children	Implementati on of special programs - Arts & Culture; Gender; Youth; Sports & Recreation; Children; Disability; HIV& AIDS	Special programmes coordinated by 30 June 2021	Number of Special Programmes coordinated; Date coordinated	Quarterly	All	Co-ordinate 4 special programm es by 30 June 2020	Co-ordinated 4 special programmes by 30 June 2020	Co-ordinate 4 special programmes by 30 June 2021	4 x progress report for special programme coordinated by 30 June 2021		
OMM 4.9			Implementati on of special programs to needy families and NPO's	Special program for Mayor to needy families and NPO's by 30 June 2021	Number of needy families and NPO's supported	Quarterly	All	Number of needy families and NPO's supported by 30 June 2020	No needy families and NPO's supported by 30 June 2020	4 x Progress Report (with the number of) on Special program for Mayor to needy families and NPO's supported by 30 June 2021	4 x Progress Report (with the number of) on Special program for Mayor to needy families and NPO's supported by 30 June 2021		
OMM 4.10	3.10.11		Community skills development	Implementation of the Placement and Internship program	Number of progress reports	Quarterly	All	4 x progress report on the implement ation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program	4 x progress report on the implementation of the Placement and internship program		
OMM 4.11	3.12.7	To ensure that IGR structures function effectively within the District	Functional Internal Audit Forum	Internal Audit Forum attended as per District Municipality invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 IA Forum as per DM invitation by 30 June 2020	Attended 0 IA Forum as per DM invitation by 30 June 2020	Attend 4 IA Forum as per DM invitation by 30 June 2021	No IA Forum meeting convened by 30 June 2021	No quorum formed due to none availability of some officials	Municipality to undertake follow ups with District and to suggest the use of MS Teams; Zoom software systems
OMM 4.12	3.11.16	To provide reasonable assurance on the adequacy and effectiveness of internal control	Functional Internal Audit Unit	2020/2021 Internal Audit Plan approved by Audit Committee by 31 July 2020	Date of Approval	Quarter 1	Institutional	Approval of the 2019/20 IA Plan by AC by 31 July 2019	2019/20 IA Plan was approved by the Audit Committee by 29 July 2019	Approval of the 2020/21 IA Plan by AC by 31 July 2020	IA plan approved by AC by 09 December 2020	No meetings convened by the DM	

# VOLUME II

OMM 4.13		systems		Percentage implementation of the 2020/2021 IA Plan	%Age implementation = (performed audits/ planned audits as per approved IA plan) *100	Quarterly	Institutional	Perform 100% of IA Plan by 30 June 2020	Performed 89% of IA Plan by 30 June 2020	Perform 100% of IA Plan by 30 June 2021	Performed 100% of IA Plan by 30 June 2021		
OMM 4.14	3.13.6	To Ensure Functional Audit Committee	Functional Audit Committee	Number of Committee Meetings coordinated by 30 June 2021	Number of meetings coordinated	Quarterly	Institutional	Co-ordinate 5 AC meeting by 30 June 2020	Co-ordinated 5 AC meeting by 30 June 2020	Co-ordinate 5 AC meetings by 30 June 2021	5 AC meetings coordinated by 30 June 2021		
OMM 4.15	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan		
OMM 4.16	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation and maintenance of effective enterprise-wide risk management system (EWRMS)	Risk Management Committee (RMC) meetings coordinated	Number of meetings coordinated	Quarterly	Institutional	Co-ordinate 4 RMC meeting by 30 June 2020	Co-ordinate 3 RMC meeting by 30 June 2020	Co-ordinate 4 RMC meeting by 30 June 2021	No RMC meetings coordinated by 30 June 2021	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.17	3.13.9			Coordination of the Risk Assessment Workshop and Review of the Municipal Top 10 Risks	Number of Workshops	Quarter 1 & 4	Institutional	Conduct 2 Risk Assessment Workshops by 30 June 2020	Conducted 0 Risk Assessment Workshops by 30 June 2020	Conduct 2 Risk Assessment Workshops by 30 June 2021	NO Risk Assessment Workshop conducted by 30 June 2021	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department

# VOLUME II

OMM 4.18	3.13.9			2020/2021 Risk Management policies and strategies reviewed and adopted by RMC and Council by 31 July 2020	Date of adoption	Quarter 1	Institutional	2019/20 RM policies and strategies reviewed and adopted by RMC and Council by 31 July 2019	2019/20 RM policies and strategies reviewed and adopted by RMC Council by 31 July 2019	2020/21 RM policies and strategies reviewed and adopted by RMC and Council by 31 July 2020	2020/21 RM policies and strategies not reviewed and adopted by RMC and Council by 31 July 2020	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.19	3.13.9			Implementation reports of 2020/2021 EWRMS Action Plan (consolidation of dept reports) submitted to RMC	Number of Reports	Quarterly	Institutional	Develop 4 EWRMS Action Plan implementation reports and submit to RMC	Developed 4 EWRMS Action Plan implementation reports and submitted to RMC	Develop 4 EWRMS Action Plan implementation reports and submit to RMC	0 EWRMS Action Plan implementation reports and submit to RMC	Capacity constraints and no designated official to deal with risk matters.	Fast tracking filling of vacancies in the department
OMM 4.20	8	To ensure progressive compliance with institutional and governance requirements	Establishment of Service Delivery and Budget Implementation Plan (SDBIP)	2021/2022 SDBIP approved by Mayor by legislative dates	Date of Approval; Turn-around Time	Quarter 4: 14 days after budget approval	Institutional	Approval of 2020/21 SDBIP Draft by Mayor within 14 days after 2020/21 budget approval	2020/21 SDBIP Draft approved by Mayor within 14 days after 2020/21 budget approval	Approval of 2021/22 SDBIP Draft by Mayor within 14 days after 2021/22 budget approval	2021/22 DRAFT SDBIP approved 15 June 2021, by Mayor within 14 days after 2021/22 budget approval		
OMM 4.21	8				Date of Approval; Turn-around Time	Quarter 4: 28 days after budget approval	Institutional	Approval of 2020/21 Final SDBIP by Mayor within 28 days after 2020/21 budget approval	2020/21 Final SDBIP approved by Mayor within 28 days after 2020/21 budget approval	Approval of 2021/22 Final SDBIP by Mayor within 28 days after 2021/22 budget approval	2021/22 Final SDBIP approved 23 June 2021 by Mayor within 28 days after 2021/22 budget approval		

# VOLUME II

OMM 4.22	9.4	To ensure progressive compliance with institutional and governance requirements	Adoption of the Annual Report	2019/2020 Annual Report (AR) developed and adopted by Council by legislative dates and publicised within prescribed timeframe	Date of Adoption	Quarter 3	Institutional	Adoption of Draft AR 2018/19 by Council by 31 January 2020	Draft 2018/19 AR not adopted by Council by 31 January 2020	Adoption of Draft AR 2019/20 by Council by 30 March 2021	Draft AR for 2019/2020 adopted by Council by 30 March 2021		
OMM 4.23	9.4				Turn-around time	Quarter 4	Institutional	Advertise Draft AR 18/19 for 21 days after adoption	Advertised Draft AR 18/19 for 21 days after adoption	Advertise Draft AR 19/20 for 21 days after adoption	Draft AR 19/20 Advertised on 9 April 2021 for 21 days after adoption		
OMM 4.24	9.4			Public Comments on 2019/20 Draft AR (if any) consolidated and submitted to Corporate Services within specific timeframe for MPAC to prepare Oversight Report (OR)	Turn-around time	Quarter 4	Institutional	Submit public comments report to Corp Serv within 7 days after due date of Draft AR advert	Submitted public comments report to Corp Serv within 7 days after due date of Draft AR advert	Submit public comments report to Corp Serv within 7 days after due date of Draft AR advert	No comments report submitted to Corp Sec within 7 days due to no comments received from the public		
OMM 4.25	9.4				Date of Adoption	Quarter 4	Institutional	Adoption of OR on Final AR 2018/19 by Council by 31 March 2020	OR on Final AR 2018/19 not adopted by Council by 31 March 2020	Adoption of OR on Final AR 2019/20 by Council by 31 May 2021	OR on Final AR 2019/20 adopted by Council by 31 May 2021		
OMM 4.26	3.13.5	To ensure progressive compliance with institutional and governance requirements	A credible IDP developed 2021/2022	IDP Representative Forums meetings facilitated per quarter by 30 June 2021	Number of meetings facilitated	Quarterly	Institutional	Facilitation of 4 IDP RF meeting by 30 June 2020	Facilitation of 0 IDP RF meeting by 30 June 2020	Facilitation of 4 IDP RF meeting by 30 June 2021	No IDP RF meeting facilitated by 30 June 2021	Poor coordination and capacity constraints within the department	Reengage strategic stakeholders for participation in the RF meetings
													Fast track filling of vacant positions

# VOLUME II

OMM 4.27	1.4.1			2022/2023 IDP/Budget Process Plan adopted by ExCo by 31 July 2020	Date of Adoption	Quarter 1	Institutional	Adoption of 2021/22 IDP/Budget Process Plan by ExCo by 31 July 2019	Adoption of 2021/22 IDP/Budget Process Plan by ExCo by 31 July 2019	Adoption of 2022/23 IDP/Budget Process Plan by ExCo by 31 July 2020	2022/2023 IDP/Budget Process Plan Approved by council 09 September 2020	Some Council members were affected by covid and meeting was postponed to 9 September 2020	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members and to enable IDP Process Plans to be adopted.
OMM 4.28	1.4.1			2021/2022 Draft IDP adopted by Council by 31 March 2021	Date of Adoption	Quarter 3	All	Adoption of 2020/21 Draft IDP by Council by 31 March 2020	2020/21 Draft IDP adopted by Council by 31 March 2020	Adoption of 2021/22 Draft IDP by Council by 31 March 2021	Draft IDP adopted by Council by 30 March 2021		
OMM 4.29	1.4.1			IDP/Budget Roadshows Conducted	Number of IDP/Budget Roadshows Conducted	Quarter 2 & 4	All	Conduct 2 IDP/Budget Roadshow by 30 June 2020	Conducted 2 IDP/Budget Roadshow by 30 June 2020	Conduct 2 IDP/Budget Roadshow by 30 June 2021	Conducted 1 IDP/Budget Roadshow by 30 June 2021	Due to covid lockdown levels regulations, public participation activities were affected	Adapting to alternative measures such as visual / virtual platforms and adhering to lockdown levels regulations.
OMM 4.30	1.4.1			2021/2022 Final IDP adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	All	Adoption of 2020/21 Final IDP by Council by 31 May 2020	Adoption of 2020/21 Final IDP by Council by 31 May 2020	Adoption of 2021/22 Final IDP by Council by 31 May 2021	2021/22 Final IDP adopted by Council by 26 May 2021		



# VOLUME II

OMM 4.31	3.12.7	To ensure that IGR structures function effectively within the District	Functional IGR structures	IGR Technical Forum (DTAC/ Planners/ IDP/ Communication/ LED) attended as per District Municipality invitation by 30 June 2021	Number of meetings attended	Quarterly	Institutional (District)	Attend 20 Forums as per DM invitation by 30 June 2020	Attended 17 Forums as per DM invitation by 30 June 2020	Attend 20 Forums as per DM invitation by 30 June 2021	Attended 9 Forums as per DM invitation by 30 June 2021		
OMM 4.32	3.13 /3.13.2	To improve the image of the Municipality	Effective Communication	External newsletter published through Media produced and disseminated	Number of Newsletters Published and distributed	Quarter 2 & 4	Institutional	Publish and distribute 10 000 newsletters by 30 June 2020	Published and distributed 0 newsletters by 30 June 2020	Publish and distribute 10 000 newsletters by 30 June 2021	No newsletters published and distributed by 30 June 2021	Covid restrictions and lockdown affected printing; publishing and distribution of newsletters, service providers could not be appointed.	Bids for printing to be set earlier and appointment of service providers with proper covid working regulation compliance to be appointed at earlier time frames than previously.

# VOLUME II

OMM 4.33	3.12.3 /3.12.3	To improve the image of the Municipality	Effective and functional Ward Committees	Ward Committee Meetings held per month	Number of Ward committee meetings held	Monthly	All Wards	Hold 156 ward committee meetings by 30 June 2020 (12 meetings per ward)	Held 73 ward committee meetings by 30 June 2020 (12 meetings per ward)	Hold 156 ward committee meeting by 30 June 2021 (12 meetings per ward)	Held 66 ward committee meetings by 30 June 2021 (12 meetings per ward)	Some Council members were affected by covid and scheduled meetings could not be undertaken	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between council members and to enable IDP Process Plans to be adopted.
OMM 4.34	3.12.9 / 3.13.1			Constituency meetings held per ward per quarter by 30 June 2021	Number of meetings held	Quarter 2 & 4	All	Hold 26 constituency meetings by 30 June 2020 (2 meetings per ward)	Held 26 constituency meetings by 30 June 2020 (2 meetings per ward)	Hold 26 constituency meetings by 30 June 2021 (2 meetings per ward)	26 Constituency meetings held by 30 June 2021 (2 meetings per ward)		
FIN 4.1	3.12.7	To ensure that IGR structures function effectively within the District	Functional IGR structures	Finance Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Finance Forum as per DM invitation by 30 June 2020	Attended 3 Finance Forum as per DM invitation by 30 June 2020	Attend 4 Finance Forum as per DM invitation by 30 June 2021	Attended 4 Finance Forum as per DM invitation by 30 June 2021		
FIN 4.2	7	To ensure progressive compliance with institutional and governance requirements	Budgeting	2020/2021 Adjustment Budget adopted by Council by 24 February 2021	Date of Adoption	Quarter 3	Institutional	Adoption of 2019/2020 Adjustment Budget by Council by 28 Feb 2020	2019/2020 Adjustment Budget adopted by Council by 28 Feb 2020	Adoption of 2020/2021 Adjustment Budget by Council by 24 Feb 2021	2020/2021 Adjustment budget adopted by council by 24 February 2021		

# VOLUME II

FIN 4.3	7			2021/2022 draft Budget adopted by Council by 30 March 2021	Date of Adoption	Quarter 3	Institutional	Adoption of 2020/2021 Draft Budget by Council by 27 March 2020	2020/2021 Draft Budget adopted by Council by 27 March 2020	Adoption of 2021/2022 Draft Budget by Council by 30 March 2021	2021/2022 Draft budget adopted by Council by 30 March 2021		
FIN 4.4				2021/2022 Final Budget adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	Institutional	Adoption of 2020/2021 Final Budget by Council by 31 May 2021	2020/2021 Final Budget adopted by Council by 26 May 2020	Adoption of 2021/2022 Final Budget by Council by 31 May 2021	2021/2022 Final Budget adopted by Council by 26 May 2021		
FIN 4.5	1.6		Financial Reporting	Monthly Section 71 reports submitted to Council	Number of Section 71 Reports; date of adoption	Monthly	Institutional	Adoption of 12 Monthly Section 71 reports to Council	Adoption of 12 Monthly Section 71 reports to Council not done	Submission of 12 Monthly Section 71 reports to Council	Submitted of 12 Monthly Section 71 reports to Council		
FIN 4.6	1.6			2020/2021 Sect 72 Report submitted to the Mayor by MM by 25 January 2021	Date of Adoption	Quarter 3	Institutional	Submission of Sect 72 Report to the Mayor by MM by 25 Jan 2020	Submitted of Sect 72 Report to the Mayor by MM by 25 Jan 2020	Submission of Sect 72 Report to the Mayor by MM by 25 Jan 2021	Submitted Sect 72 Report to the Mayor by MM by 25 Jan 2021		
FIN 4.7	1.6			Preparation and submission to AG of 2019/2020 annual financial statements by date	Date of submission	Quarter 2	Institutional	Submission of '2018/2019 AFS to AG by 31 Aug 2019	Annual financial statements submitted to AGSA by 31 Aug 2019	Submission of '2019/20 AFS to AG by 31 Oct 2020	Submitted '2019/20 AFS to AG by 31 Oct 2020		
FIN 4.8	1.6			Preparation and submission to Council of 2020/2021 interim financial statements	Date of submission	Quarter 3	Institutional	Submission of 2019/20 interim financial statements to Council by 25 Jan 2020	Interim financial statements not prepared and submitted to council by 25 Jan 2020	Submission of 2020/21 interim financial statements to Council by 25 Jan 2021	Submitted 2020/21 interim financial statements to Council by 25 Jan 2021		
FIN 4.9	7.3 / 7.3.2 /7.3.3	To ensure progressive compliance with institutional and governance requirements	Management of Indigent households	Updated and reviewed indigent Policy Adopted by Council by 31 May 2021	Date of Adoption	Quarter 4	Institutional	Adoption of an Updated and reviewed indigent Policy by Council by 31 May	Adopted and updated reviewed indigent Policy by Council by 31 May 2020	Adoption of an Updated and reviewed indigent Policy by Council by 31 May 2021	Indigent register Updated and reviewed and adopted Council by 26 May 2021		

# VOLUME II

								2020					
FIN 4.10	7.3 /7.3.2 /7.3.3			Review indigent register in line with the 2020/2021 budget by date	Date of Adoption	Quarterly	Institutional	Indigent register review by 31 May 2020	Indigent register reviewed by 31 May 2020	Indigent register review by 31 May 2021	Indigent register reviewed by 31 May 2021		
FIN 4.11	7.3.12	To provide reasonable assurance on the adequacy and effectiveness of internal control systems	Asset Management	Review of Asset Verification Register 2020/2021 by 30 June 2021	Date of Review	Quarter 4	Institutional	Asset Verification 2019/2020 by 30 June 2020	Asset Verification 2019/2020 by 30 June 2020	Review of Asset Verification Register 2020/21 by 30 June 2021	2020/2021 Asset Verification Register reviewed by 30 June 2021		
FIN 4.12	7.3.7	To ensure progressive compliance with institutional and governance requirements	Supply Chain Management (SCM)	SCM Policy Implementation Reports submitted to ExCo per quarterly	Number of Implementation reports	Monthly	Institutional	Prepare and Submit 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepared and Submitted 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepare and Submit 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	Prepared and Submitted 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)		
FIN 4.13	3.13.9	To implement and maintain effective enterprise-wide risk management system	Risk Management	Reports on Implementation of Risk Management Action Plan (Finance)	Number of Implementation reports	Quarterly	Institutional	Prepare 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepared 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepare 4 reports on Implementation of Risk Management Action Plan (Finance)	Prepared 2 reports on Implementation of Risk Management Action Plan (Finance)	Capacity constraints and no dedicated official undertaking the risk function	Fast tracking filling of vacancies in the department
													Engage Provincial Treasury for support.

# VOLUME II

FIN 4.14	7 / 1.6	To ensure progressive compliance with institutional and governance requirements	Financial Reporting	Regular producing and submitting quarterly returns to EXCO, Council and different Stakeholders by date	Turn-around time	Quarterly	Institutional	Prepare and submit quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepared and submitted quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepare and submit quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end	Prepared and submitted quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end		
FIN 4.15	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Reports on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021		
CORP 4.1	3.12.7	To ensure that Council and its Committees function effectively	Effective and functional IGR structures	Council and Committee minutes produced within 7 days after sitting	Turn-around time	No of days	Institutional	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2019/2020 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2019/2020 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2020/2021 Financial year	Annual progress report for Minutes produced for Council, EXCO, MPAC and Portfolio committees for 2020/2021 Financial year		
CORP 4.2	3.12.7			2020/21 Municipal Council Meetings Calendar adopted by date	Date	Annually	Institutional	2019/20 Municipal Council Meetings Calendar adopted by 30 Sept 2019	2019/20 Municipal Council Meetings Calendar adopted by 30 Sept 2019	2020/21 Municipal Council Meetings Calendar adopted by 30 Sept 2020	2020/21 Municipal Council Meetings Calendar adopted by 30 Sept 2020		
CORP 4.3	3.12.7			Council Meeting coordinated per quarter	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 12 Council Meetings by 30 June 2020	Co-ordinated 12 Council Meetings by 30 June 2020	Co-ordinate 12 Council Meetings by 30 June 2021	Co-ordinated 12 Council Meetings by 30 June 2021		

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CORP 4.4	3.12.7			Reports on Council meetings per quarter	Number of Reports	Quarterly	Institutional	Prepare 4 reports on Council meetings by 30 June 2020	Prepared 4 reports on Council meetings by 30 June 2020	Prepare 4 reports on Council meetings by 30 June 2021	4 x reports on Council meetings prepared by 30 June 2021		
CORP 4.5	3.12.7			ExCo Meetings coordinated per quarter	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 ExCo Meetings by 30 June 2020	Co-ordinated 8 ExCo Meetings by 30 June 2020	Co-ordinate 10 ExCo Meetings by 30 June 2021	3 ExCo Meetings coordinated by 30 June 2021	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.
CORP 4.6	3.12.7			Reports on ExCo meetings per quarter	Number of Reports	Quarterly	Institutional	Prepare 4 reports on ExCo meeting	Prepare 4 reports on ExCo meeting	Prepare 4 reports on ExCo meeting by 30 June 2021	3 reports on EXCO meetings prepared by 30 June 2021	Some Exco members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Exco members.

# VOLUME II

CORP 4.7	3.6.9			MPAC Meetings coordinated and conducted by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 MPAC Meetings	Co-ordinated 6 MPAC Meetings	Co-ordinate 10 MPAC Meetings by 30 June 2021	Co-ordinated 4 MPAC Meetings by 30 June 2021	Some MPAC members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between MPAC members.
CORP 4.8	3.6.9			Portfolio (Technical/ Community/ LED / Corporate) Committee Meetings coordinated and held by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate and hold 8 Portfolio (Technical, Community , Corporate and LED) Committee Meetings per Portfolio Committee	Co-ordinated and held 7 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Co-ordinate and hold 8 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Held 4 Portfolio (Technical, Community, Corporate and LED) Committee Meetings per Portfolio Committee	Some Committee members were affected by covid and meetings were postponed due to no quorum being formed	Controls mechanisms have been put in place to dictate early covid infections and MS Teams meetings being undertaken to avoid contact between Committee members.
CORP 4.9	3.6.9			Local Labour Forum (LLF) Meetings coordinated and held by 30 June 2021	Number of meetings coordinated and held	Monthly	Institutional	Co-ordinate 10 LLF Meetings	Co-ordinated 2 LLF Meetings	Co-ordinate 10 LLF Meetings by 30 June 2021	0 LLF Meetings co-ordinated by 30 June 2021	labour Union's representatives were suspended from work	Once Labour Unions Representatives are available, then meetings will progress



# VOLUME II

CORP 4.10	9	To ensure progressive compliance with institutional and governance requirements	Performance management	Performance Agreements signed by 31 August 2020 and uploaded on website and submitted to MEC by timeframe	Number of Performance agreements signed; Date of signing; Turn-around time	Quarter 1	Institutional	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 0 PAs within one calendar month after beginning of financial year (31 Jul 2019) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2019)	Signed 5 PAs within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)	5 Performance agreements signed within one calendar month after beginning of financial year (31 Jul 2020) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2020)		
CORP 4.11	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Corporate)	Quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	Number of Progress Reports	Quarterly	Institutional	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	4 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	2 quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	Capacity constraints within the department and no dedicated official to undertake the risk function	Fast tracking of filling in of vacancies Engage Provincial Treasury for support
CORP 4.12	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Reports on Addressing Findings resolved from 2019/2020 AG Action Plan		
TECH 4.1	3.12.7	To ensure that IGR structures function effectively within the District	Technical Forum attended as per District Municipality invitation	Technical Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Technical Forum Meetings attended	Quarterly	Institutional (District)	4 Technical Forum meetings attended as per DM invitation by 30 June 2020	0 Technical Forum meetings attended as per DM invitation by 30 June 2020	4 Technical Forum meetings attended as per DM invitation by 30 June 2021	1 Technical Forum meetings attended as per DM invitation by 30 June 2021	No invitation from the District Municipality received	The Local Municipality will liaise with District Municipality to diarise the sitting of the Forum

# VOLUME II

TECH 4.2	3.12.7		Planners Forum attended as per District Municipality invitation	Planners Forum meetings attended as per District Municipality (DM) invitation by 30 June 2021	Number of Planners Forum Meeting attended	Quarterly	Institutional (District)	Attend 4 planners forum meetings attended as per DM invitation	Attend 4 Planners Forum meetings attended as per DM invitation by 30 June 2020	Attend 4 Planners Forum meetings attended as per DM invitation by 30 June 2021	Attended 3 Planners Forum meetings as per DM invitation by 30 June 2021	No invitation from the District Municipality received	The Local Municipality will liaise with District Municipality to diarise the sitting of the Forum	
TECH 4.3	3.12.7		Housing Forum meeting held	Housing Forum meeting coordinated and held By Dannhauser Municipality and Department of Human Settlement by 30 June 2021	Number of Housing forum Meetings coordinated and held	Quarterly	Institutional	4 Housing Forum meetings coordinated and held by 30 June 2020	0 Housing Forum meetings coordinated and held by 30 June 2020	4 Housing Forum meetings coordinated by Dannhauser Municipality and Department of Human Settlement by 30 June 2021	0 Housing Forum meetings coordinated by Dannhauser Municipality and Department of Human Settlement by 30 June 2021	Capacity constraints within the Department resulted in Housing Forum meetings not conducted	Fasttrack the filling of the vacant positions in the department	
TECH 4.4	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Technical)	Progress reports on implementation of Risk Management Action Plan (Technical)	Number of Progress Reports	Quarterly	Institutional	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2020	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2020	Prepare 4 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2021	Prepared 2 progress reports on implementation of Risk Management Action Plan (Technical) by 30 June 2021	Capacity constraints and no designated official to deal with risk matters	Fast track filling of vacancies in the department and also engage Provincial Treasury for support	

# VOLUME II

TECH 4.5	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021			
COM 4.1	3.12.7	To ensure that IGR structures function effectively within the District	Functional IGR Structures	Community Services Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Community Services Forum as per DM invitation by 30 June 2020	Attended 3 Community Services Forum as per DM invitation by 30 June 2020	Attend 4 Community Services Forum as per DM invitation by 30 June 2021	Attended 4 Community Services Forum as per DM invitation by 30 June 2021			
COM 4.2	3.12.7	To ensure that IGR structures function effectively within the District		Disaster Forum attended as per District Municipality (DM) invitation	Number of meetings attended	Quarterly	Institutional (District)	Attend 4 Disaster Forum as per DM invitation by June 2020	Attended 2 Disaster Forum as per DM invitation by June 2020	Attend 4 Disaster Forum as per DM invitation by June 2021	Attended 4 Disaster Forum as per DM invitation by 30 June 2021			
COM 4.3	3.12.3		Functional Sukuma Sakhe Programmes	Sukuma Sakhe Meetings and Programmes held per quarter by 30 June 2021	Number of meetings attended	Quarterly	All	Hold 4 Sukuma Sakhe Programme / Meeting by 30 June 2020	Held 4 Sukuma Sakhe Programme / Meeting by 30 June 2020	Hold 4 Sukuma Sakhe Programme / Meeting by 30 June 2021	Held 4 Sukuma Sakhe Programme / Meeting by 30 June 2021			
COM 4.4	4	To ensure compliance with the development and implementation of disaster management plan	Disaster Management	Disaster Management Plan review 2021/22 adopted by Council by 31 March 2021	Date of Adoption	Quarter 3	All	Review of 2019/2020 Disaster Management Plan Review by Council by 31 March 2020	Review of 2019/2020 Disaster Management Plan Review by Council was not done	Review of 2021/2022 Disaster Management Plan Review by Council by 31 March 2021	2021/2022 Disaster Management Plan Reviewed by Council by 24 March 2021			

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COM 4.5	3.7.6 / 3.7.7	To ensure compliance with the development and implementation of waste management plan	Waste Management	Approval of the 2021/2022 Waste Management Plan by Council by 22 May 2021	Date of Approval	Quarter 4	ALL	Approval of 2020/2021 Waste Management Plan by Council by 22 May 2020	Approval of 2020/2021 Waste Management Plan by Council by 22 May 2020	Approval of 2021/2022 Waste Management Plan by Council by 22 May 2021	2021/2022 Waste Management Plan Approved by Council by 22 May 2021			
COM 4.6	3.13.12	To ensure the implementation of the gazetted Animal Pound By-Law and its enforcement within the municipal jurisdiction	Animal Pound By-Law Enforcement	Quarterly progress reports on implementation of Animal Pound By-Law	Number of Progress Reports	Quarterly	All	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2020	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2020	4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2021	produced 4 x progress reports on the implementation of Animal Pound By-Law by 30 June 2021			
COM 4.7	3.13.9	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Community)	Quarterly progress reports on the implementation of Risk Management Action Plan (Community)	Number of Progress Reports	Quarterly	Institutional	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	4 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	2 x quarterly progress reports on the implementation of Risk Management Action Plan (Community)	Capacity constraints and no designated official to deal with risk matters	Fast track filling of vacancies in the department and also engage Provincial Treasury for support	
COM 4.8	3.13.6	To ensure achievement of Unqualified Audit Opinion for 2020/2021 with no matters	Achieve Unqualified Audit Opinion	Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	Number of Progress Reports	Quarterly	Institutional	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2018/2019 AG Action Plan by 30 June 2020	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021	4 x Progress Report on Addressing Findings resolved from 2019/2020 AG Action Plan by 30 June 2021			
KPA 5: Environmental and Spatial Management (Weighting=10%)														
Outcome 9: Output 3: Implementation of the Community Work Programme														

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OMM 5.1	3.3 / 3.4 / 4.5	To ensure that the Spatial Development Framework is prepared and aligned with LUMS	Effective Monitoring & Evaluation of Implementation of Spatial Development and Town Planning	Monitoring the Adoption of 2021/22 SDF Review and by Council by 31 May 2021	Date adopted	Quarter 4	All	Council Resolution for 2020/21 SDF by 31 May 2020	Council Resolution for 2020/21 SDF not obtained by 31 May 2020	Council Resolution for 2021/22 SDF by 31 May 2021	Council Resolution attached for 2021/22 SDF by 26 May 2021			
OMM 5.2				Monitoring the 100% of plans and land use applications processed and approved within 60 days from receipt of application	%Age; Turn-around time	Quarterly	Institutional	4 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	0 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	4 x Report of '100% of plans and land use applications processed and approved within 60 days from receipt of application	2 x Reports of '100% of plans and land use applications processed and approved within 60 days from receipt of application	This KPI is reliant on the applications received and processed	Review the KPI in the 2021/2022 financial year SDBIP review process	
COM 5.1	3.7.7	To regularly provide effective services to the Community in order to create clean and safe environment	Provision of Refuse Removal to the municipal area	households serviced with refuse removal per week	Number of households	Quarterly	1, 2	Provision of 1 704 HHs with refuse removal	Provision of 1 535 HHs with refuse removal	Provision of 1 704 HHs with refuse removal by 30 June 2021	1704 HH provided with refuse removal by 30 June 2021			
COM 5.2	3.7.7			Business units serviced with refuse removal per week	Number of Business units	Quarterly	1, 2	Provision of 114 business units with refuse removal	Provision of 102 business units with refuse removal	Provision of 114 business units with refuse removal by 30 June 2021	130 business units provided with refuse removal 30 June 2021			
COM 5.3				Small holdings households in the outlying areas of Dannhauser receiving refuse removal services per week	Number of small holdings	Quarterly	1, 3, 7, 11	Provision of 3 034 small HHs with refuse removal services	Provision of 3 034 small HHs with refuse removal services	Provision of 3 034 small HHs with refuse removal services by 30 June 2021	3034 small HHs provided with refuse removal by 30 June 2021			
COM 5.4				Indigent household with access to free basic services (FBS) (Refuse removal) per week	Number of indigent households	Quarterly	1,2,11	Provision of 113 indigent HHs with free refuse removal	186 indigents provided with free refuse removal	Provision of 113 indigent HHs with free refuse removal by 30 June 2021	94 indigent HHs provided with refuse removal by 30 June 2021	The indigent list changed after the applications were processed	Review the KPI indicator in the 2021/2022 financial year SDBIP review process	

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COM 5.5			Provision of Greening & Gardening in municipal and public areas	Quarterly maintenance reports on Gardening and greening	Number of Reports	Quarterly	All	4 x Progress reports on the maintenance of gardening and greening for the preceding year	4 x Progress reports on the maintenance of gardening and greening for the preceding year	4 x Progress reports on the maintenance of gardening and greening for the preceding year by 30 June 2021	6 x Progress reports on the maintenance of gardening and greening for the preceding year by 30 June 2021			
COM 5.6			Provision of landscaping of parks	Quarterly maintenance reports on Landscaping of park areas	Number of Reports	Quarterly	All	4 x Progress reports on the landscaping of parks for the preceding year	4 x Progress reports on the landscaping of parks for the preceding year	4 x Progress reports on the landscaping of parks for the preceding year by 30 June 2021	4 x Progress reports on the landscaping of parks for the preceding year by 30 June 2021			
COM 5.7	3.5	To ensure functional disaster management	Fire and other disaster incidences managed effectively	Incidents reported and attended timeously	Number of reports; Turn-around time	Quarterly	Institutional	4 x reports on incidents attended and attendance within 48 hours of being reported	4 x reports on incidents attended and attendance within 48 hours of being reported	4 x reports on incidents attended and attendance within 48 hours of being reported by 30 June 2021	4x reports on incidents attended and attendance within 48 hours of being reported by 30 June 2021			
COM 5.8	3.5			Reports on relief support provided	Number of reports	Quarterly	Institutional	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4	Prepare 4 x report on relief support provided in Q1, Q2, Q3, Q4 by 30 June 2021	4 x reports on relief support provided in Q1, Q2, Q3, Q4 by 30 June 2021			

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COM 5.9	3.10.9 /3.10.10	To provide services to the community in developing a Cemetery plan and maintaining cemeteries in the Urban and Rural Areas	Development and Maintenance of Rural and Urban Cemeteries on monthly basis	Monthly maintenance reports of Rural and Urban Cemeteries	Number of Reports	Quarterly	All	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year	4 x Progress reports on the maintenance of Urban and Rural Cemeteries for the preceding year			
COM 5.10	3.7.7	To regularly provide effective services to the Community in order to create clean and safe environment	Compliant landfill site (disposal site) maintained monthly	Quarterly progress reports on maintenance of landfill site	Number of Progress Reports	Quarterly	1	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2020	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2021	Prepare 4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2020	4 x quarterly progress reports on maintenance & upgrading of landfill site by 30 June 2021			
KPA 6: Municipal Financial Viability and Management (Weighting=5%)														
Outcome 9: Output 3: Implementation of the Community Work Programme														
OMM 6.1	7.1.1	To effectively manage financial conditional grants	Effective management of grant dependent projects	Number of Monthly grant projects' performance monitoring and evaluation reports submitted to relevant stakeholders within timeframe	Number; Turnaround time	Monthly	Institutional	Submit 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end	6 Monthly grant projects performance M&E report were not prepared and submitted to relevant stakeholders within 7 w/days after month-end	Submit 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end	Submitted 12 Monthly grant projects performance M&E report to relevant stakeholders within 7 w/days after month-end			
OMM 6.2	7.4	To improve expenditure control	Departmental budget actually spent within dept budget	Percentage dept budget actually spent against approved dept budget	%Age	Quarterly	Institutional	no more than 100% spent of the dept annual budget	70% spent of the dept annual budget	no more than 100% spent of the dept annual budget by 30 June 2021	no more than 100% spent of the dept annual budget by 30 June 2021			
OMM 6.3	3.11.1	To Develop a	Ensure a	Quarterly report	Number of	Quarterly	Institutional	4 x Reports	4 x Reports on	4 x Reports on	4 x Reports on			



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		sustainable and efficient Municipal based on sound financial management	financially viable municipality.	irregular, fruitless and unauthorized expenditure	Reports			on Irregular, Fruitless and unauthorized Expenditure	Irregular, Fruitless and unauthorized Expenditure	Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
FIN 6.1	7.3.6 / 7.1.1.2 / 7.2	To improve expenditure control	Effective management of Creditors	Monthly reconciliation of creditors	Number of Monthly Recons of creditors	Monthly	Institutional	12 monthly reconciliations of creditors	12 monthly reconciliations of creditors prepared	12 monthly reconciliations of creditors by 30 June 2021	12 monthly reconciliations of creditors by 30 June 2021			
FIN 6.2				Days it takes to pay creditors	Number of Days	Within 30 days, from date of invoice, to pay creditors 30 Days	Institutional	payment of creditors within 30 days from invoice date	Creditors paid within 5 days from invoice date	payment of creditors within 30 days from invoice date	Creditors are paid within 30 days from invoice date			
FIN 6.3			Financial management	Monthly reconciliation of bank balances	Number of recons	Monthly	Institutional	12 monthly reconciliation of bank balances	12 monthly reconciliation of bank balances	12 monthly reconciliation of bank balances by 30 June 2021	Prepared 12 monthly reconciliation of bank balances by 30 June 2021			
FIN 6.4	7.3.7	To improve the procurement system	Effective Implementation of SCM Policy	Develop 2020/2021 procurement plan and submit to MM and Council by date; and Number of implementation reports on procurement plan	Date; Number	Quarter 1; Quarterly	Institutional	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Implementation of Procurement Plan & 3 Status Quo Reports to MM and Council	Procurement Plan is implemented & 3 Status Quo Reports submitted to MM and Council			
FIN 6.5				Days for requisition to be converted to a purchase order outstanding	Number of Days	Daily	Institutional	Conversion of requisition to a Purchase order within 10 Working Days	Conversion of requisition to a Purchase order within 9 Working Days	Conversion of requisition to a Purchase order within 10 Working Days	8 Working Days to convert requisitions to a Purchase order			

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FIN 6.6				Days to finalise specification of Bid / Tender reduced	Number of days	Quarterly	Institutional	Finalisation of the specification of a Bid/Tender within 10 Working days	Finalisation of the specification of a Bid/Tender within 5 Working days	Finalisation of the specification of a Bid/Tender within 10 Working days	Finalisation of the specification of a Bid/Tender within 10 Working days			
FIN 6.7				Days to finalise evaluation of Bid / Tender reduced	Number of days	Daily	Institutional	Finalisation of the Evaluation of a Bid/Tender within 20 Working days	Evaluation of bids finalised within 39 days	Finalisation of the Evaluation of a Bid/Tender within 20 Working days	25 Working Days to finalise evaluation of bids or tender	Delay caused by capacity constraints	Municipality to address capacity constraints within SCM department	
FIN 6.8				Days to finalise Adjudication Process of Bid / Tender reduced	Number of days	Daily	Institutional	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	Adjudication of bids were finalised within 4 working days after the evaluation process is complete	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete			
FIN 6.9	7.3.6	To Improve Municipal Revenue Base	Management of customers' database	Percentage of customers billed/Total No. of Customers-database	%Age	Monthly	Institutional	100% of customers billed as per customer database	100% of customers billed as per customer database	100% of customers billed as per customer database by 30 June 2021	100% of customers billed as per customer database by 30 June 2021			

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FIN 6.10			Debt Collection	Percentage of collection	%age	Monthly		100% collection	61% collected	100% collection by 30 June 2021	73% Debt Collected by June 2021	Debtors stating that they could not pay due to employment challenges	Service Provider to provide new methodology of engaging debtors and collections and how debtors who cannot pay should be treated based on municipal guidelines	
FIN 6.11	7.6		Debt coverage	Ratio [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	Ratio	Quarterly	Institutional	01:01	01:01	01:01	1,69:1			
FIN 6.12	7.6		Outstanding service debtors to revenue	Number of days debtors are outstanding (Total outstanding debtors / Actual revenue received for services) x 100	Number	Daily	Institutional	110	69	110	33 days			
FIN 6.13	7.6		Cost coverage	Ratio [All available cash at a particular time) + (Investments)- Conditional grants)]/ Monthly fixed operating expenditure)	Ratio	Quarterly	Institutional	01:01	01:01	01:01	1,035:1			
FIN 6.14	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020 were prepared	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
CORP 6.1	7.4	To improve expenditure control	Departmental budget actually spent	Percentage dept budget actually spent against approved	%Age	Quarterly	Institutional	no more than 100% spent of	111% spent of the dept annual budget as 31	no more than 100% spent of the dept annual	108% spent of the dept annual budget by 30	Overspending on security services	Monitor budget quarterly	

# VOLUME II

			within dept budget	dept budget				the dept annual budget by 30 June 2020	March 2020	budget by 30 June 2021	June 2021	utilizing EPWP workers.	Adhere to the approved budget	
													Review the KPI targets during mid-year review period	
CORP 6.2	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
TECH 6.1	6 /7.4 /7.4.1 /7.5	To improve expenditure control	Capital budget actually spent on capital projects identified in 2019/2020 IDP	Percentage Actual Spend on Capital Projects against Capital Projects Budget 2020/2021 = (total spending on capital projects / total capital budget) *100 by 30 June 2021	%	Quarterly	Institutional	100% capital budget spent by 30 June 2020	70-75% capital budget spent by 30 June 2020	100% capital budget spent by 30 June 2021	Less than 100%capital budget spent by 30 June 2021	Poor planning within the department delayed SCM processes. Social issues delayed the execution of the project.	Department to monitor target set for the department.	
TECH 6.2	7.4		Departmental budget actually spent within dept budget	Percentage of dept budget actually spent against approved dept budget by 30 June 2021	%age	Quarterly	Institutional	no more than 100% spent of the dept. annual budget by 30 June 2020	62% spent of the dept. annual budget as at 31 March 2020	no more than 100% spent of the dept annual budget by 30 June 2021	Not more than 100% spent of the dept annual budget by 30 June 2021			

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TECH 6.3	3.9.3 / 3.9.4	To improve expenditure control	Facilitation of funds to be received from Human Settlement for housing projects - Buhlebomziny athi; Stein Drive Inn; Strijbank Rectification	Reports submitted to Human Settlement for funding by 30 June 2021	Number of Reports submitted to Human Settlement	Quarterly	Institutional	Prepare 4 progress report on follow-up on funds to be provided by Human Settlement	Prepared 4 progress reports on follow-up on funds to be provided by Human Settlement	Prepare 4 x progress report on follow-up on funds to be provided by Human Settlement by 30 June 2021	Prepare 4 x progress report on follow-up on funds to be provided by Human Settlement by 30 June 2021			
TECH 6.4	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure by 30 June 2021	Number of Reports	Quarterly	Institutional	4 Report on Irregular, Fruitless and unauthorized Expenditure	4 Report on Irregular, Fruitless and unauthorized Expenditure	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	4 x Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021			
COM 6.1	7	To improve expenditure control	Departmental budget actually spent within dept budget	Percentage dept budget actually spent against approved dept budget	%age	Quarterly	Institutional	no more than 100% spent of the dept annual budget by 30 June 2020	72% of the annual budget spent by 30 June 2020	no more than 100% spent of the dept annual budget by 30 June 2021	Not more than 100% spent of the dept annual budget by 30 June 2021			
COM 6.2	7.3.4	To Invest in the Development of the Municipality through Revenue Enhancement	Revenue Generated Through Learner Licensing	Revenue Generated Through Learner Licensing	Rands	Quarterly	Institutional	Generate R 160000.00 Through Learner Licensing by 30 June 2020	Generated R 109 760 Through Learner Licensing by 30 June 2020	Generate R 160000.00 Through Learner Licensing by 30 June 2021	Generated R 279 000.00 Through Learner Licensing by 30 June 2021			
COM 6.3	7.3.4		Revenue Generated Through Drivers Licensing	Revenue Generated Through Drivers Licensing	Rands	Quarterly	Institutional	Generate R 105 300 Through Drivers Licensing by 30 June 2020	Generated R 171 622 Through Drivers Licensing by 30 June 2020	Generate R 105 300 Through Drivers Licensing by 30 June 2021	Generated R 317 917 Through Drivers Licensing by 30 June 2021			
COM 6.4	7.3.4		Revenue Generated Through Motor Licensing	Revenue Generated Through Motor Licensing (Commission / Payment to Council)	Rands	Quarterly	Institutional	Generate R 1 200 000.00 Through Motor Licensing by 30 June 2020	Generated R 1 216 764.83 Through Motor Licensing by 30 June 2020	Generate R 1 200 000.00 Through Motor Licensing by 30 June 2021	Generated R 1 369 330.00 Through Motor Licensing by 30 June 2021			

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COM 6.5	7.3.4		Revenue Generated Through Traffic Fines	Revenue Generated Through Traffic Fines	Rands	Quarterly	Institutional	Generate R 391 032 Through Traffic Fines by 30 June 2020	Generated R 568 800 Through Traffic Fines by 30 June 2020	Generate R 391 032 Through Traffic Fines by 30 June 2021	<b>Generated R 205 100 Through Traffic Fines by 30 June 2021</b>	Lack of traffic personnel within the department	Fast track finalisation of appointment of Chief Traffic Officer	
COM 6.6	3.11.1	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Quarterly report irregular, fruitless and unauthorized expenditure	Number of Reports	Quarterly	Institutional	4 Reports on Irregular, Fruitless and unauthorized Expenditure by 30 June 2020	4 Reports on Irregular, Fruitless and unauthorized Expenditure	4 Report on Irregular, Fruitless and unauthorized Expenditure by 30 June 2021	<b>4 x Reports on Irregular, Fruitless and unauthorized Expenditure produced by 30 June 2021</b>			

# VOLUME II

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VOLUME II: ANNUAL FINANCIAL STATEMENTS



# VOLUME II

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Dannhauser Local Municipality Annual Financial Statements  
for the year ended June 30, 2021

# Dannhauser Local Municipality

(Registration number KZ254)

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## Legal form of entity

Category B municipality in terms of section 3 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998) read with section 155 of the Constitution of the Republic of South Africa, 1996.

## Municipal

KZN 254

## demarcation code

Grade 2

## Grading of local

Low-Capacity Municipality

## Municipality Capacity

## of local authority

## Nature of business and principal activities

The main business operations of the municipality is to engage in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development, levying of rates and supplying of general services to the community. The municipality is also involved in demarcation and grading of land.

## Mayor

Cllr Phakathi J.P.

## Speaker

Cllr Ngobeni Z.S.

## Councillors

Cllr Buthelezi M.A.

Cllr Dlamini S.D.

Cllr Dubaian X.M.

Cllr Dube N.S.

Cllr Nair P.G.

Cllr Hlatshwayo

N.S.Cllr

Hlatshwayo V.R.

Cllr Kumalo N.P.

Cllr Kunene M.

Cllr Manyati

N.G.R.Cllr Matlaba

M.N. Cllr

# Dannhauser Local Municipality

(Registration number KZ254)

Mazibuko R.N.

Cllr Mfusi E.S.

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Cllr Mkhize M.S.

Cllr Mkhumane

M.S.Cllr Msibi S.D.

Cllr Ndaba V.M.

Cllr Ndlovu S.N.

Cllr Nene P.P.

Cllr Ngidi M.A.

Cllr Radebe

A.N.Cllr Sibisi

S.S. Cllr Sithole

S.G.

**Accounting Officer**

Mr Nkosi W.B

**Chief Finance Officer (CFO)**

Mrs Mohapi D.M.

**Registered office**

8 Church Street

Dannhause

r3080

# Dannhauser Local Municipality

(Registration number KZ254)

## General Information

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### Business address

8 Church Street

Dannhause  
r3080

### Postal address

Private Bag X1011

Dannhause  
r3080

### Auditors

Auditor General of South Africa

### Attorneys

Rafiq Khan & Co. Attorneys at Law

# Dannhauser Local Municipality

(Registration number KZ254)

## Index

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

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### Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant (Previously CMIP)

# Dannhauser Local Municipality

(Registration number KZ254)

## Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The accounting officer certifies that the salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

## **Dannhauser Local Municipality**

(Registration number KZ254)

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

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The annual financial statements set out on pages 6 to 63, which have been prepared on the going concern basis, were approved by the accounting officer on August 31, 2021 and were signed by:

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**Mr Nkosi W.B**  
**Accounting Officer**



# Dannhauser Local Municipality

(Registration number KZ254)

## Accounting officer's Report

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The accounting officer submits his report for the year ended June 30, 2021.

### 1. Review of activities

#### **Main business and operations**

The main business operations of the municipality are to engage in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development, levying of rates and supplying of general services to the community.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

### 4. Accounting policies

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations of such Statements issued by the Accounting Standards Board.

### 5. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as

follows: Name

Mr Nkosi W.B

### 6. Auditors

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

# Dannhauser Local Municipality

(Registration number KZ254)

## Statement of Financial Position as at June 30, 2021

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	8	912,047	4,936,435
Inventories	7	3,381,191	6,323,505
VAT receivable	9	1,958,485	1,482,249
Receivables from non-exchange transactions	10	16,972,810	8,309,821
Cash and cash equivalents	11	12,266,453	29,222,059
		<b>35,490,986</b>	<b>50,274,069</b>
<b>Non-Current Assets</b>			
Investment property	3	8,030,000	8,768,000
Property, plant and equipment	4	487,956,923	456,220,478
Heritage assets	5	106,000	97,185
		<b>496,092,923</b>	<b>465,085,663</b>
<b>Total Assets</b>		<b>531,583,909</b>	<b>515,359,732</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Unspent conditional grants and receipts	13	-	3,674,458
Other financial liabilities	14	5,195,528	5,195,528
Employee benefit obligation	6	373,000	675,000
Provisions	15	233,514	201,213
Payables from exchange transactions	16	33,423,714	20,096,830
		<b>39,225,756</b>	<b>29,843,029</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	14	28,575,404	32,679,772
Employee benefit obligation	6	6,973,000	6,202,000
Provisions	15	6,094,792	4,392,699
		<b>41,643,196</b>	<b>43,274,471</b>
<b>Total Liabilities</b>		<b>80,868,952</b>	<b>73,117,500</b>
<b>Net Assets</b>		<b>450,714,957</b>	<b>442,242,232</b>
Accumulated surplus		450,714,957	442,242,232

\* See Note 43 & 42

# Dannhauser Local Municipality

(Registration number KZ254)

## Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	18	1,245,785	1,144,638
Rental of facilities and equipment	19	13,635	42,558
Rendering of services	21	530,932	1,076,831
Licences and permits	22	1,629,941	1,435,794
Fair value adjustment on Investment property and Heritage asset		8,815	-
Other income	24	837,768	179,184
Interest received - investment	25	1,018,542	1,925,835
<b>Total revenue from exchange transactions</b>		<b>5,285,418</b>	<b>5,804,840</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	26	21,084,219	26,598,703
<b>Transfer revenue</b>			
Government grants & subsidies	27	128,214,001	114,814,326
Fines, Penalties and Forfeits	20	211,081	568,900
<b>Total revenue from non-exchange transactions</b>		<b>149,509,301</b>	<b>141,981,929</b>
<b>Total revenue</b>	17	<b>154,794,719</b>	<b>147,786,769</b>
<b>Expenditure</b>			
Employee related costs	28	(32,632,427)	(30,803,325)
Remuneration of councillors	29	(9,468,583)	(10,704,493)
Transfer (Donation) - Electrification infills		(7,079,679)	(4,695,407)
Depreciation and amortisation	30	(34,998,365)	(41,395,525)
Finance Costs	32	(4,743,745)	(3,981,487)
Contracted services	33	(34,862,765)	(30,371,174)
General Expenses	34	(18,495,456)	(21,218,898)
<b>Total expenditure</b>		<b>(142,281,020)</b>	<b>(143,170,309)</b>
<b>Operating surplus</b>		<b>12,513,699</b>	<b>4,616,460</b>
Gain on disposal of assets and liabilities		-	439,639
Fair value adjustments		(418,000)	-
Impairment loss	31	(3,622,976)	(22,001,463)
		<b>(4,040,976)</b>	<b>(21,561,824)</b>
<b>Surplus (deficit) for the year</b>		<b>8,472,723</b>	<b>(16,945,364)</b>

\* See Note 43 & 42

# Dannhauser Local Municipality

(Registration number KZ254)

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	456,211,533	456,211,533
Property, Plant and Equipment	(1,442,123)	(1,442,123)
Correction of errors	2,414,415	2,414,415
Depreciation and devaluation of Landfill site asset	(8,614,019)	(8,614,019)
Decrease in landfill site Liability	10,617,789	10,617,789
<b>Balance at July 1, 2019</b>	<b>459,187,595</b>	<b>459,187,595</b>
Changes in net assets		
Deficit for the year	(20,496,106)	(20,496,106)
Correction of error: Capitalising Electrification expense -2020-year end	3,909,090	3,909,090
Correction of error: Devaluation of Landfill site Asset incorrectly recognised	(358,347)	(358,347)
Net income (losses) recognised directly in net assets	(16,945,363)	(16,945,363)
Total recognised income and expenses for the year	(16,945,363)	(16,945,363)
Total changes	(16,945,363)	(16,945,363)
	<b>442,242,234</b>	<b>442,242,234</b>
Changes in net assets		
Surplus for the year	8,472,723	8,472,723
Total changes	8,472,723	8,472,723
<b>Balance at June 30, 2021</b>	<b>450,714,957</b>	<b>450,714,957</b>

\* See Note 43 & 42

# Dannhauser Local Municipality

(Registration number KZ254)

## Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Service charges		1,245,785	17,142,723
Government grants and subsidies		128,214,001	118,271,000
Interest income		1,018,542	1,925,835
Other cash item		29,968,596	2,754,867
		<u>160,446,924</u>	<u>140,094,425</u>
<b>Payments</b>			
Employee costs		(30,494,884)	(30,792,779)
Suppliers		(61,796,144)	(51,412,177)
Finance Charges		(4,743,745)	(3,981,487)
Other payments		(9,468,583)	(10,704,493)
		<u>(106,503,356)</u>	<u>(96,890,936)</u>
<b>Net cash flows from operating activities</b>	36	<b><u>53,943,568</u></b>	<b><u>43,203,489</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(66,794,806)	(55,479,714)
Proceeds from sale of property, plant and equipment	4	-	439,637
Disposal of assets		-	73,130
<b>Net cash flows from investing activities</b>		<b><u>(66,794,806)</u></b>	<b><u>(54,966,947)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(4,104,368)	20,432,488
<b>Net cash flows from financing activities</b>		<b><u>(4,104,368)</u></b>	<b><u>20,432,488</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(16,955,606)</u></b>	<b><u>8,669,030</u></b>
Cash and cash equivalents at the beginning of the year		29,222,059	20,553,029
<b>Cash and cash equivalents at the end of the year</b>	11	<b><u>12,266,453</u></b>	<b><u>29,222,059</u></b>

\* See Note 43 & 42

# Dannhauser Local Municipality

(Registration number KZ254)

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

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

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Service charges	1,383,000	(137,000)	<b>1,246,000</b>	1,245,785	<b>(215)</b>	
Rental of facilities and equipment	96,000	(76,000)	<b>20,000</b>	13,635	<b>(6,365)</b>	51.1
Rendering of services	1,911,000	(238,000)	<b>1,673,000</b>	530,932	<b>(1,142,068)</b>	51.2
Licences and permits	216,000	-	<b>216,000</b>	1,629,941	<b>1,413,941</b>	51.3
Other income	12,757,000	(2,980,000)	<b>9,777,000</b>	837,768	<b>(8,939,232)</b>	51.4
Fair value adjustments	-	-	-	8,815	<b>8,815</b>	
Landfill site asset valuation	-	-	-	1,877,950	<b>1,877,950</b>	51.5
Interest received - investment	2,434,000	1,201,000	<b>3,635,000</b>	1,018,542	<b>(2,616,458)</b>	51.6
<b>Total revenue from exchange</b>	<b>18,797,00</b>	<b>(2,230,000)</b>	<b>16,567,000</b>	<b>7,163,368</b>	<b>(9,403,632)</b>	

##### Otransactions

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	29,083,000	(2,970,000)	<b>26,113,000</b>	21,084,219	<b>(5,028,781)</b>	51.7
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##### Transfer revenue

Government grants & subsidies	102,262,000	15,982,000	<b>118,244,000</b>	128,214,001	<b>9,970,001</b>	51.8
Fines, Penalties and Forfeits	-	-	-	211,081	<b>211,081</b>	51.9

<b>Total revenue from non-</b>	<b>131,345,00</b>	<b>13,012,000</b>	<b>144,357,000</b>	<b>149,509,301</b>	<b>5,152,301</b>	
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##### Oexchange transactions

<b>Total revenue</b>	<b>150,142,000</b>	<b>10,782,000</b>	<b>160,924,000</b>	<b>156,672,669</b>	<b>(4,251,331)</b>	
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#### Expenditure

Employee Related Costs	(40,048,000)	14,145,000	<b>(25,903,000)</b>	(31,854,036)	<b>(5,951,036)</b>	51.10
Remuneration of councillors	(20,464,000)	9,210,000	<b>(11,254,000)</b>	(9,468,583)	<b>1,785,417</b>	51.11
Transfer/donation - Electrification infills	-	-	-	(7,079,679)	<b>(7,079,679)</b>	
Depreciation and amortisation	(19,000,000)	(2,000,000)	<b>(21,000,000)</b>	(34,998,365)	<b>(13,998,365)</b>	51.12
Impairment loss	-	-	-	(3,622,976)	<b>(3,622,976)</b>	
Finance costs	(1,254,000)	(2,839,000)	<b>(4,093,000)</b>	(4,542,532)	<b>(449,532)</b>	51.13
Contracted Services	(37,897,000)	(17,652,000)	<b>(55,549,000)</b>	(34,862,765)	<b>20,686,235</b>	51.14
General Expenses	(30,480,000)	(821,000)	<b>(31,301,000)</b>	(21,008,241)	<b>10,292,759</b>	51.15
<b>Total expenditure</b>	<b>(149,143,000)</b>	<b>43,000</b>	<b>(149,100,000)</b>	<b>(147,437,177)</b>	<b>1,662,823</b>	
<b>Operating surplus</b>	<b>999,000</b>	<b>10,825,000</b>	<b>11,824,000</b>	<b>9,235,492</b>	<b>(2,588,508)</b>	
Fair value adjustments	-	-	-	(418,000)	<b>(418,000)</b>	

Dannhauser Local Municipality

(Registration number: KZ254)					
Surplus before taxation	999,000	10,825,000	11,824,000	8,817,492	(3,006,508)
Actual Amount on Comparable		10,825,000	11,824,000	8,817,492	(3,006,508)
	999,00				
0Basis as Presented in the Budget and Actual Comparative Statement					

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30,  
2021

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## 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003). The accounting framework as prescribed is determined in Directive 5 issued by the Accounting Standards Board.

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

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

These accounting policies are consistent with the previous period.

### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality the amounts have been rounded to the nearest rand.

### 1.2 Going concern assumption

These annual financial statements have been prepared on a going concern basis, i.e., the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

### 1.3 Significant judgements and sources of estimation uncertainty

The preparation of these annual financial statements in conformity with GRAP, requires the use of certain critical accounting estimates. Management is required to exercise judgement which affects amounts represented in the annual financial statements, related disclosures, the use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements, where applicable. Significant judgements include:

## Receivables



# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30,  
2021

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

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to balances in the portfolio and scaled to the estimated loss emergence period.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30,  
2021

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## 1.3 Significant judgements and sources of estimation uncertainty (continued)

### Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

### Value in use of cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

### Value in use of non-cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

### Provisions

Management determines an estimate based on the available information and additional disclosure of these estimates are included in note 15 Provisions.

### Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. These estimates are based on industry norms and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

### Post-employment benefits

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30,  
2021

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The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to settle the pension obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in note 6.

## Effective interest rate

The municipality uses the government bond rate to discount future cash flows.

## Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that could result in impairment. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30,  
2021

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## 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value can be measured reliably.

Investment property is initially recognised at cost including any transaction costs incurred.

Where investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently e.g., addition, replacement of a part, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

## Fair value

Subsequent to initial measurement investment property is measured at fair value. The fair value of investment property reflects market conditions at the reporting date. A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the derecognition of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Such a difference is recognised in surplus or deficit when the investment property is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

## 1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and

the cost of the item can be measured

reliably. Property, plant and equipment is initially

measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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

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

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## 1.5 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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

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

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

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

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

The Data Dictionary contained in the Asset Management Policy contains the details of the components and their specific useful life estimates.

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

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	30 - 50 years
Plant and machinery	Straight line	4 - 12 years
Furniture and fixtures	Straight line	9 years
Motor vehicles	Straight line	9 years
Infrastructure work in progress	Straight line	3 - 5 years
IT equipment	Straight line	7 years
Infrastructure	Straight line	50 years

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Landfill site	Straight line	15 years
Other vehicles	Straight line	9 years
Specialised vehicles	Straight line	10 years

The residual value, depreciation method and useful life are reassessed annually on an indicator basis with the effect of any changes in estimate accounted for on a prospective basis.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in accounting estimate.

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## 1.5 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

## 1.6 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

## 1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

## Recognition



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The municipality recognises a heritage asset as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 5 Heritage assets.

## Initial measurement

Heritage assets are initially recognised at cost.

Where a heritage asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

## Subsequent measurement

Subsequent to initial measurement heritage assets are carried at cost less any accumulated impairment losses.

## Impairment

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

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## 1.7 Heritage

### assets

(continued)

### Transfers

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

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

## Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

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## 1.8 Financial instruments

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

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

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

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the municipality estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is:

cash;

a residual interest of another entity;

or a contractual right to:

- receive cash or another financial asset from another municipality; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation  
to: deliver cash or another financial asset to another  
entity; or

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exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by the municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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## 1.8 Financial instruments

### (continued) Classification

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

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised
costReceivables from non-exchange transactions	Financial asset measured at amortised
costCash and cash equivalents	Financial asset measured at fair value

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

### Initial recognition

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

The municipality recognises financial assets using trade date accounting.

### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability, other than those subsequently measures at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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## Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the amortised cost. All financial assets measured at amortised cost, or cost, are subject to an impairment review.

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

## Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

## Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

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## 1.8 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

## Derecognition

### Financial

### assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell

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the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:

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

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

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

## Financial liabilities

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

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



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## 1.8 Financial instruments (continued)

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

## 1.9 Leases

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

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

### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

## 1.10 Value-added Tax (VAT)

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

## 1.11 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Useful life is either:

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

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## 1.11 Impairment of cash- generating assets (continued) Identification

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

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

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

## Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

## Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and

- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

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## 1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

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

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

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

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

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

## Identification

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

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

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is

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performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

## Value in use

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

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

## Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

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## 1.12 Impairment of non-cash- generating assets (continued)

### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating 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 a non-cash-generating 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. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

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

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

## 1.13 Statutory receivables

Statutory receivables are receivables that:

- arise from legislation, supporting regulations, or similar means;
- and require settlement by another entity in cash or another financial asset.

Statutory receivables for the Municipality constitute revenue receivable from property rates, fines, penalties, grants and fees charged in terms of legislation.

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23;
- if the transaction is not within the scope of either GRAP 9 or GRAP 23, the receivable is recognised when:
  - the definition of an asset is met; and
  - it is probable that future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

The municipality measures a statutory receivable initially at its transaction amount.

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The municipality measures all statutory receivables after initial recognition using the cost method. Under the cost method the amount recognised initially is only changed subsequently to reflect any:

- interest or other charges that may have accrued on the receivable; impairment loss; and
- amounts derecognised.

The municipality assesses at the end of each reporting period whether there is objective evidence that a statutory receivable or group of statutory receivables is impaired.

For amounts due the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default payments are all considered indicators of impairment.

If there is objective evidence that an impairment loss on statutory receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the estimated future cash flows - discounted if the effect of discounting is material - using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.



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## 1.13 Statutory receivables (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal does not result in a carrying amount of the statutory receivable that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where statutory receivables are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such receivables are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

The municipality derecognises a statutory receivable when:

- the rights to the cash flows from the statutory receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of 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:
  - derecognises the receivable;
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are considered for inclusion within the scope of GRAP 104 or another standard of GRAP. Any difference between the consideration received and amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

## 1.14 Employee benefits

### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

wages, salaries and social security contributions;

short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;

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bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and

non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

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## 1.14 Employee benefits

(continued) Post-

### employment benefits

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

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

### Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises, because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

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The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly; plus, any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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## 1.14 Employee benefits (continued)

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost; interest cost;
- the expected return on any plan assets and on any reimbursement rights; actuarial gains and losses, which is recognised immediately;
- past service cost, which is recognised immediately; the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material number of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

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Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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## 1.14 Employee benefits

### (continued) Actuarial

#### assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

Post-employment benefit obligations are measured on a basis that reflects: estimated future salary increases;

the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and

estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

those changes were enacted before the reporting date; or

past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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

### Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for long-term service awards is the net total of the following amounts: the present value of the defined benefit obligation at the reporting date;

minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

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The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost; interest cost;

- the expected return on any plan assets and on any reimbursement right recognised as an asset; actuarial gains and losses, which is recognised immediately;

- past service cost, which is recognised immediately; and the effect of any curtailments or settlements.



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## 1.14 Employee

### Termination

### benefits

### (continued)

### Termination

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

the location, function, and approximate number of employees whose services are to be terminated; the termination benefits for each job classification or function; and  
the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

## 1.15 Provisions and contingencies

Provisions are recognised when:

the municipality has a present obligation as a result of a past event;  
it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and  
a reliable estimate can be made of the obligation.

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The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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## 1.15 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when the municipality: has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of an activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both: necessarily entailed by the restructuring; and not associated with the ongoing activities of the municipality

The provision for landfill site is the cost of levelling the land in the next financial year. The landfill site is levelled on an annual basis, the provision is calculated based on the costs incurred in the current financial year in respect to levelling and this had been adjusted for inflation. The amount provided is the best estimate calculated.

A contingent asset is a possible asset 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 municipality.

A contingent liability:

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 municipality; or

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 or service potential will be required to settle the obligation;
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

## Decommissioning, restoration and similar liability

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

If the related asset is measured using the cost model:

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changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;

if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11 and 1.12.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

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

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## 1.15 Provisions and contingencies (continued)

### Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on municipalities in accordance with legislation (i.e., laws and/or regulations), other than:

those outflows of resources that are within the scope of other Standards; and fines or other penalties that are imposed for breaches of the legislation.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time.

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy, but does not yet have a present obligation to pay that levy.

## 1.16 Revenue from exchange transactions

Exchange transaction are transactions which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of service charges, rental, licences and permits, interest and other income

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, revenue is shown net of value added tax, returns rebates and discounts for the supply of services in the ordinary course of activities.

### Sale of goods

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

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

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the amount of revenue can be measured reliably;

it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

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

## Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

the amount of revenue can be measured reliably;

it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

the stage of completion of the transaction at the reporting date can be measured reliably; and

the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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## 1.16 Revenue from exchange

### transactions (continued) Interest

Revenue arising from the use by others of municipal assets yielding interest or similar distributions is recognised when:

it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

## Service charges

Service charges relating to electricity, water and sanitation are based on consumption. Waste removal is based on the size of the bin and the number of times it is collected. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period. Waste removal services are billed on a monthly basis.

## Services provided on a prepaid basis

Various services are provided on a prepaid basis in which case no formal billing takes place and revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

## Income from agency services

Income from agency services is recognised on a monthly basis, limited to the agency fees, once the income collected on behalf of the agents has been quantified. The income recognised is in terms of an agency agreement. Amounts collected on behalf of the principal are accounted for as liability in the statement of financial position.

## Housing rental and instalments

Income in respect of housing rental and instalments are accrued monthly in advance. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time-proportionate basis.

## Collection charges

Collection charges are recognised when such amounts are incurred/earned.

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## 1.17 Revenue from non-exchange transactions

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

Revenue from property rates is recognised when the legal entitlement to this revenue arises and that ratepayers have been duly notified. Interest unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective rate applicable.

Fines constitute both spot fines and summons. The revenue is recognised when the fine is issued. Government grants and subsidies are recognised in terms of the amount that has been received.



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## 1.17 Revenue from non-exchange

### transactions (continued)

#### Measurement

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

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

## Fines

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

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

## 1.18 Investment income

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

## 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

## 1.20 Comparative figures

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

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## 1.21 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:

- overspending of the total amount appropriated in the municipality's approved budget; overspending of the total amount appropriated for a vote in the approved budget; expenditure from a vote unrelated to the department or functional area covered by the vote;

- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

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

## 1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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

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## 1.23 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

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

## 1.24 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

## 1.25 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

## 1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments, which are disclosed in note 38.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed if both the following criteria are met:

- contracts are non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and

- contracts relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitment represents goods/ services that have been approved and / or contracted for, but where

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delivery has taken place at the reporting date. Commitments will consist of already contracted for but not provided for and not yet contracted for and authorised by accounting officer

## 1.27 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction; expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

## 1.28 Budget information

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

The approved budget covers the fiscal period from 7/1/2019 to 6/30/2020.

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## 1.28 Budget information (continued)

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

A 10% deviation on operational revenue and expenditure versus the final budget as material and for capital expenditure the percentage deviation is 5%. The percentage is based on management estimate and is considered to be appropriate. All material differences are explained in note 53 of the financial statements

## 1.29 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.

Management is regarded as a related party and comprises of the Executive Mayor, Councillors, Mayoral Executive Members, Municipal Manager and executive directors.

## 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Guideline: Guideline on Accounting for Landfill Sites	April 1, 2020	The impact of the is not material.
GRAP 1 (amended): Presentation of Financial Statements	April 1, 2020	The impact of the is not material.
GRAP 34: Separate Financial Statements	April 1, 2020	The impact of the is not material.
GRAP 18 (as amended 2016): Segment Reporting	April 1, 2020	The impact of the is not material.

#### 2.2 Standards and Interpretations early adopted

The municipality has chosen not to early adopt any standards and interpretations during the current financial year.

#### 2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (amended): Financial Instruments	Not yet finalised	Unlikely there will be a material impact
GRAP 25 - Employee Benefits	Not yet finalised	Unlikely there will be a material impact

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

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### 3. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	8,030,000	-	8,030,000	8,768,000	-	8,768,000

### Reconciliation of investment property - 2021

	Opening balance	Transfers	Fair value adjustments	Total
Investment property - Land and buildings	8,768,000	(320,000)	(418,000)	8,030,000

### Reconciliation of investment property - 2020

	Opening balance	Total
Investment property - Land and buildings	8,768,000	8,768,000

### Pledged as security

None of the above investment property have been pledged as security.

### Other Disclosures

- Rental revenue from investment property	13,635	42,558
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## Dannhauser Local Municipality

(Registration number KZ254)

During the year, the Municipality transferred Investment Property to the value of R320 000 to Land as the Municipality decided that the tax value that was constructed on the Land will not be classified as an Investment Property and hence the land should be transferred from Investment Property to Land.

### Notes to the Annual Financial Statements

2021

2020

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.

The last valuation was done on 30 June 2021 by PC Jacobs (Professional Valuer No. 5375) from Umhlaba Geomatics Inc.



# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

### 4. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	45,939,950	-	45,939,950	45,619,950	-	45,619,950
Buildings	294,399,558	(136,513,950)	157,885,608	273,573,226	(106,966,047)	166,607,179
Plant and machinery	4,407,376	(3,293,245)	1,114,131	3,657,051	(2,613,308)	1,043,743
Furniture and fixtures	3,276,889	(2,699,232)	577,657	2,925,449	(2,186,467)	738,982
Motor vehicles	23,095,702	(15,614,623)	7,481,079	19,988,442	(12,493,788)	7,494,654
Infrastructure work in progress	138,289,047	-	138,289,047	82,889,758	-	82,889,758
IT equipment	3,184,087	(2,041,276)	1,142,811	2,725,927	(1,492,528)	1,233,399
Infrastructure	429,833,767	(299,943,515)	129,890,252	437,588,910	(291,231,665)	146,357,245
Landfill site	15,524,141	(9,887,753)	5,636,388	13,979,762	(9,744,194)	4,235,568
<b>Total</b>	<b>957,950,517</b>	<b>(469,993,594)</b>	<b>487,956,923</b>	<b>882,948,475</b>	<b>(426,727,997)</b>	<b>456,220,478</b>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Transfers	Revaluation	Depreciation	Impairment loss	Total
Land	45,619,950	-	320,000	-	-	-	45,939,950
Buildings	166,607,179	-	-	-	(7,507,946)	(1,213,625)	157,885,608
Plant and machinery	1,043,743	446,579	-	-	(376,191)	-	1,114,131
Furniture and fixtures	738,982	31,210	-	-	(192,535)	-	577,657
Motor vehicles	7,494,654	2,116,397	-	-	(2,129,972)	-	7,481,079
Infrastructure work in progress	82,889,758	56,096,464	-	-	-	(697,175)	138,289,047
IT equipment	1,233,399	366,912	-	-	(457,500)	-	1,142,811
Infrastructure	146,357,245	7,737,244	-	-	(24,204,237)	-	129,890,252
Landfill site	4,235,568	-	-	1,533,181	(132,361)	-	5,636,388
	<b>456,220,478</b>	<b>66,794,806</b>	<b>320,000</b>	<b>1,533,181</b>	<b>(35,000,742)</b>	<b>(1,910,800)</b>	<b>487,956,923</b>

## Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

### Notes to the Annual Financial Statements

#### 4. Property, plant and equipment

(continued) Reconciliation of

property, plant and equipment - 2020

	Openin g balance	Additions changes,	Disposals	Transfers	Other movements	Depreciation nt	Impairme loss	Tota l
Land	45,619,950	-	-	-	-	-	-	45,619,950
Buildings	151,223,283	6,209,453	-	16,579,437	-	(6,650,043)	(754,951)	166,607,179
Plant and machinery	783,287	402,611	(31,980)	-	-	(110,175)	-	1,043,743
Furniture and fixtures	903,226	23,084	(269)	-	-	(187,059)	-	738,982
Motor vehicles	7,609,530	1,613,767	(24,527)	-	-	(1,704,116)	-	7,494,654
IT equipment	1,489,254	187,798	(16,355)	-	-	(427,298)	-	1,233,399
Infrastructure	157,266,418	22,393,137	-	1,788,000	-	(32,143,381)	(2,946,929)	146,357,245
Infrastructure work in progress	76,607,331	24,649,864	-	(18,367,437)	-	-	-	82,889,758
Landfill site	5,724,090	-	-	-	(1,315,065)	(173,457)	-	4,235,568
	<b>447,226,369</b>	<b>55,479,714</b>	<b>(73,131)</b>	<b>-</b>	<b>(1,315,065)</b>	<b>(41,395,529)</b>	<b>(3,701,880)</b>	<b>456,220,478</b>

#### Pledged as security

None of the above property, plant and equipment have been pledged as security.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 4. Property, plant and equipment (continued)

#### Work in progress taking significantly longer to complete

	Project Start date	Initial planned Completion date	Reason for delay	Total
Construction of Dannhauser testing ground contractor	10 June 2020		The	9,855,175
			withdrew from the project. A new contractor was appointed.	
Hall February	5 August 2018	28 2019	The delay was a result of site location negotiations.	565,875
Management further notes that no official decision has been taken to halt these projects and as such there is no impairment loss				
				<b>10,421,050</b>

#### Expenditure incurred to repair and maintain property, plant and equipment

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

Contracted services	21,720,981	17,390,963
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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.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 5. Heritage assets

	2021		2020	
	Cost	Carrying value	Cost	Carrying value
	Accumulated impairment losses		Accumulated impairment losses	
Mayoral chain	106,000	-	97,185	-

### Reconciliation of heritage assets 2021

	Opening balance	Revaluation increase/(decrease)	Total
Mayoral chain	97,185	8,815	106,000

### Reconciliation of heritage assets 2020

	Opening balance	Total
Mayoral chain	97,185	97,185

### Age and/or condition of heritage assets

The heritage assets were assessed for impairment in the current year and no impairment was considered necessary.

### Pledged as security

Heritage assets are not pledged as security.

# Dannhauser Local Municipality

(Registration number KZ254)

Revaluati

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

Mayoral

Chain

The effective date of the revaluation was 6/30/2021. Revaluations were performed by independent valuer, Mr Umesh AJivan from Sonals jewellery.

The method used to determine fair value is current retail replacement value. The heritage assets' fair values were determined directly by reference to observable prices in an active market.

No significant assumptions were applied in estimating the assets' fair

value. The revaluation surplus relating to the heritage asset is as

follows:

Opening balance	97,815	97,815
Change/movement	8,815	-
Closing balance	106,630	97,815

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 6. Employee benefit obligations

#### Defined benefit plan

#### Post-retirement medical aid plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death in retirement, the surviving dependents may continue membership of the medical scheme.

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependents receive a 60% subsidy.

Upon a member's death in service, surviving dependents are not allowed to commence receipt of the subsidy. Upon a member's death in retirement, surviving dependents are allowed to continue to receive the same subsidy. All post-employment subsidies are subject to a maximum of R4964.64 per member per month, for the year ending 30 June 2022. The maximum subsidy amount has been assumed to increase in future at 75% of salary inflation.

#### Long service awards

The municipality offers employees long service awards for every 5 years of service completed, from 5 years of service to 45 years of service. The provision is an estimate of the long service awards based on historical staff turnover, taking into account management's estimate of the likelihood that staff may leave before long service awards become due. No other long service benefits are provided to employees.

#### The amounts recognised in the statement of financial position are as follows:

##### Carrying value

Present value of the long service award liability	2,213,000	2,517,000
Present value of the post-employment medical aid subsidy liability	5,133,000	4,360,000
	<b>7,346,000</b>	<b>6,877,000</b>
Non-current liabilities	6,973,000	6,202,000
Current liabilities	373,000	675,000
	<b>7,346,000</b>	<b>6,877,000</b>

The Council and its employees contribute to the Natal Joint Municipal Pension Fund's which constitute three funds providing retirement benefits to such employees.

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

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The funds are subject to the Pension Funds Act 1956, and are self-administered, defined benefit plans. Pensions are calculated on the average annual pensionable emoluments during the last years of service. Current contributions are charged against operating income on the basis of current service costs. Full actuarial valuations are performed every three years. Certain employees of the municipality belong to the Natal Joint Municipal Pension Fund (retirement), Natal Joint Municipal Pension Fund (provident) and Natal Joint Municipal Pension Fund (superannuation) which are administered by the Province.

Changes in the present value of the post employment medical aid subsidy liability are as follows:

Opening balance	4,360,000	4,642,108
Service cost	213,000	250,861
Finance cost	446,000	430,394
Benefits paid	(180,000)	(169,517)
Actuarial loss/gain	294,000	(793,846)
	<b>5,133,000</b>	<b>4,360,000</b>

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 6. Employee benefit obligations (continued)

Net expense of the defined benefit obligation recognised in the statement of financial performance

#### Changes in the present value of the Long service awards liability

Opening balance	2,517,000	2,125,263
Current service cost	232,000	249,715
Actuarial gains/ (losses)	(142,000)	11,014
Interest cost	160,000	172,600
Expected benefit vesting	(495,000)	(41,592)
Policy amendments	(59,000)	-
	<b>2,213,000</b>	<b>2,517,000</b>

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out as at 30 June 2021 by Independent Actuarial Arch Actuarial Consulting CC, Fellow of the Actuarial Society of South Africa. A long service award is payable after 5 years of continuous service and every 5 years thereafter to employees. Furthermore a retirement gift is payable on retirement to employees with service of 10 years or more. The provision is an estimate of the long service awards based on historical staff turnover, taking into account management's estimate of the likelihood that staff may leave before long service awards become due. No other long service benefits are provided to employees.

### Key assumptions used

Assumptions used at the reporting date:

Discount rates used Long service award	9.27 %	7.05 %
General Earnings inflation Rate (Long Term)	5.79 %	3.77 %
Net Discount Rate	3.29 %	3.16 %
Discount rates used Medical Aid	10.13 %	10.44 %
Health Care Costs inflation rate	6.81 %	6.49 %
Net of health care cost inflation discount rate	3.11 %	- %
Maximum subsidiary inflation rate	4.73 %	- %
Net of maximum subsidy inflation discount rate	5.15 %	- %
Other material actuarial assumptions	0.79 %	0.79 %



# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 6. Employee benefit obligations

#### (continued) Other assumptions

The long service award and the medical aid subsidy liability trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost and medical subsidy liability trends rates would have the following effects:

Assumption - Long Service Award	One percentage point increase	Current service cost	Interest cost	Total	% change
Central assumptions		232,000	160,000	392,000	-
General earnings inflation rate plus 1%	1	250,000	171,000	421,000	7
General earnings inflation rate minus 1%	(1)	215,000	151,000	366,000	(7)
Discount rate plus 1%	1	217,000	172,000	389,000	(1)
Discount rate minus 1%	(1)	248,000	147,000	395,000	1
Average retirement age plus 2 years	2	261,000	183,000	444,000	13
Average retirement age minus 2 years	(2)	209,000	146,000	355,000	(9)
Withdrawal rates	x2	170,000	126,000	296,000	(24)
Withdrawal rates	x0.5	277,000	184,000	461,000	18
		-	-	-	-
Assumption - Medical Aid Subsidy	Change	Current service cost	Interest cost	Total	% Change
Central assumptions		213,000	446,000	659,000	-
Health care inflation rate	1%	245,000	490,000	735,000	12
Health care inflation rate	-1%	180,000	399,000	579,000	(12)
Discount rate	1%	179,000	428,000	607,000	(8)
Discount rate	-1%	257,000	465,000	722,000	10
Post employment	-1year	218,000	457,000	675,000	2
Average retirement age	-1year	238,000	476,000	714,000	8
	-10%	152,000	374,000	526,000	(20)

#### Summary of accrued liabilities for the current and previous four periods for long service awards

	2021	2020	2019	2018	2017
Accrued liability - long service award	2,213,000	2,517,000	2,125,000	1,301,000	972,000
Fair value of plan assets	0	0	0	0	0
Surplus (deficit)	(2,213,000)	(2,517,000)	(2,125,000)	(1,301,000)	(972,000)
Accrued liability - medical subsidy	5,133,000	4,360,000	4,642,000	3,683,000	3,651,000
Fair value of plan assets	0	0	0	0	0
Surplus (deficit)	(5,133,000)	(4,360,000)	(4,642,000)	(3,683,000)	(3,651,000)

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 7. Inventories

Electrification infills	3,381,191	6,323,505
Inventories (write-downs)	-	-
	<b>3,381,191</b>	<b>6,323,505</b>

#### 7.1 Non - Financial information - Inventory

Carrying value of inventories carried at fair value less costs to sell	3,381,191	6,323,505
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Dannhauser municipality entered into an Electrification programme with Eskom, whereby the municipality electrifies projects in the Eskom area of supply and hand over on completion. The Municipality incurred expenditure during the year to construct pre-paid meters in different households. On completion of the prepaid meters, the Municipality will hand over these meters to Eskom and Eskom will provide the Municipality with a hand over certificate. Upon project completion and final handover, the municipality is required to provide Eskom with a Project Close-Out Report. The Municipality needs to complete a checklist and handover to Eskom before a Hand over certificate is issued. These prepaid meters are treated as Inventory until a handover certificate is issued by Eskom. Once a handover certificate is issued by Eskom, the Inventory(Pre- paid meters) are then expensed resulting in the Inventory being reduced and the expense being increased in the financial

statements. These expenses are disclosed as Transfer/donation Electrification infills in the statement of financial performance.

#### Inventory pledged as security

Inventory was not pledged as security for liabilities.

#### Electrification infill reconciliation

Opening balance	6,323,505	2,414,415
Electrification infills capitalised	4,137,365	8,604,497
Electrification infills expensed	(7,079,679)	(4,695,407)
<b>Closing balance</b>	<b>3,381,191</b>	<b>6,323,505</b>

### 8. Receivables from exchange transactions

Billing	1,860,480	5,825,717
Collections	(948,433)	(999,065)
Interest charge	-	109,783
	<b>912,047</b>	<b>4,936,435</b>

#### Trade and other receivables pledged as security

Trade and other receivables from exchange and non exchange receivables were not pledged as security.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 9. VAT receivable

Value Added Tax

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1,958,485

1,482,249

VAT is accounted for on the payments basis.

All VAT returns were submitted throughout the year.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 10. Receivables from non exchange transactions

#### Gross balances

Rates	49,219,516	38,512,914
Fines	202,000	533,464
	<b>49,421,516</b>	<b>39,046,378</b>

#### Less: Allowance for impairment

Rates	(32,249,835)	(30,281,439)
Fines	(198,900)	(455,120)
	<b>(32,448,735)</b>	<b>(30,736,559)</b>

#### Net balance

Rates	16,969,710	8,231,472
Fines	3,100	78,349
	<b>16,972,810</b>	<b>8,309,821</b>

#### Rates

Current (0 -30 days)	1,498,705	1,235,118
31 - 60 days	1,294,736	1,039,860
61 - 90 days	1,033,078	1,101,712
91 - 120 days	1,137,864	1,070,996
121 - 365 days	7,026,348	5,842,203
> 365 days	37,228,785	28,223,025
	<b>49,219,516</b>	<b>38,512,914</b>

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 10. Receivables from non exchange transactions (continued) Summary of

#### receivables by customer classification

##### Consumers

Current (0 -30 days)	1,094,814	1,035,464
31 - 60 days	925,296	858,728
61 - 90 days	684,214	940,492
91 - 120 days	798,161	917,621
121 - 365 days	4,814,623	4,861,229
> 365 days	26,518,684	24,492,244
	34,835,792	33,105,778
Less: Allowance for impairment	(32,245,584)	(30,281,439)
	<b>2,590,208</b>	<b>2,824,339</b>

##### National and provincial government

Current (0 -30 days)	403,890	199,655
31 - 60 days	369,440	181,132
61 - 90 days	348,863	161,219
91 - 120 days	339,704	153,375
121 - 365 days	2,211,725	980,974
> 365 days	10,710,102	3,730,778
	14,383,724	5,407,133
Less: Allowance for impairment	(4,252)	-
	<b>14,379,472</b>	<b>5,407,133</b>

##### Total

Current (0 -30 days)	1,498,705	1,235,118
31 - 60 days	1,294,736	1,039,860
61 - 90 days	1,033,078	1,101,712
91 - 120 days	1,137,864	1,070,996
121 - 365 days	7,026,348	5,842,203
> 365 days	37,228,786	28,223,022
	49,219,517	38,512,911
Less: Allowance for impairment	(32,249,836)	(30,281,439)
	<b>16,969,681</b>	<b>8,231,472</b>

##### Total debtor past due but not impaired

Current (0 -30 days)	729,177	1,418,885
31 - 60 days	1,205,629	1,223,626
61 - 90 days	1,554,493	1,295,841
	<b>3,489,299</b>	<b>3,938,352</b>

##### Reconciliation of allowance for impairment

Balance at beginning of the year	30,736,559	12,436,976
Contributions to allowance	1,712,176	18,299,583
Reversal of allowance	(30,736,559)	-
	<b>1,712,176</b>	<b>30,736,559</b>

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	200	783
Bank balances	1,349,532	15,948,508
Short-term deposits	10,916,721	13,272,768
	<u>12,266,453</u>	<u>29,222,059</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2021	June 30, 2020	June 30, 2019
FNB - Primary Bank Account - 62369194106	1,314,800	2,896,908	3,987,558	1,314,800	2,896,908	3,987,558
Standard Bank - Primary Bank Account - 060032073	34,920	417,230	266,453	34,920	417,230	266,453
FNB - Call Account - 62392884659	403,350	393,692	374,964	403,350	393,692	374,964
Standard Bank - Notice Deposit - 068483295002	20,413	3,583	1,184,699	20,413	3,583	1,184,699
Standard Bank - Call Account - 068480520001	74,713	7,338,457	608,231	74,713	7,338,457	608,231
FNB Bank - Call Account - 62084062894	30,459	9,109	242,522	30,459	9,109	242,522
STANDARD BANK - Equitable Share - 068480520 - 002	60,469	58,795	56,001	60,469	58,795	56,001
ABSA BANK - Housing Call Account - 9259916188	565,727	547,663	517,505	565,727	547,663	517,505
ABSA BANK - Fixed Deposit Account (MPRA) - 2072034421	3,846,351	3,718,345	3,500,396	3,846,351	3,718,345	3,500,396
FNB Bank -Municipal Infrastructure Grant - 62392885855	12,115	1,995	1,917	12,115	1,995	1,917
FNB - Call Account - (Electrification ) 62422725682	389,519	874,728	833,710	389,519	874,728	833,710
NEDBANK - Call Account (MIG) - 7165020829	540,422	5,130,717	13,675	540,422	5,130,717	13,675
Investec Fixed Deposits 1100532894-450	-	10,246	-	-	10,246	-
STANDARD BANK - Call account - 268436894001	1,555,778	1,505,097	1,422,495	1,555,778	1,505,097	1,422,495
Nedbank - Call Account - 7165022015	42,609	1,026,814	970,367	42,609	1,026,814	970,367
Investec: 1100-532894500	-	-	541,980	-	-	541,980
Equitable Share (Call Account)	-	2,014,155	2,856,955	-	2,014,155	2,856,955
ABSA 2074015596 (Fixed Deposit)	-	-	3,000,000	-	-	3,000,000
Nedbank Fixed Deposit account(7881147458-001)	-	-	-	-	-	-
Standard Bank call account (	3,259,319	3,162,015	68,016	3,259,319	3,162,015	68,016

## Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

### Notes to the Annual Financial Statements

					2021	2020
068480520-004)						
Nedbank call account	115,489	111,727	105,585	115,489	111,727	105,585
(7881147458)						
<b>Total</b>	<b>12,266,453</b>	<b>29,221,276</b>	<b>20,553,029</b>	<b>12,266,453</b>	<b>29,221,276</b>	<b>20,553,029</b>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 12. Statutory receivables

Rates

16,969,710

8,309,821

Fines

3,100

78,349

Transactions arising from statute: Property Rates is levied in terms of the Local Government Municipal Property Rates Act No 6 of 2004, approved Property Rates Policy and by-laws.

Transactions arising from statute: Fines is levied in terms of the National Road Traffic Act 1996. Section 156 (1) of the Constitution states that: "A municipality has executive authority in respect of, and has the right to administer - the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5" Part B of Schedule 5 includes amongst others Traffic and Parking matters.

Therefore, municipalities have the executive mandate over Traffic and Parking. Determination of transaction amount: Tariffs are reviewed annually as part of the MTREF process and applied as per Property Rates Policy which is guided by the Local Government Property Rates Act No6 of 2004.

Determination of transaction amount fines: Based on the guidance issued to the traffic department from local government.

Interest or other charges levied/charged: According to the Credit control and Debt Collection policy, interest is levied on arrear municipal debt in excess of 120 days. Interest is levied at 2.3% per month. During the 2021 financial year, no interest was charged on overdue accounts as a result of the Covid pandemic.

Interest or other charges levied/charged Traffic fines: No interest is charged on outstanding traffic fines.

Basis used to test and assess whether a statutory receivable is impaired for rates: GRAP 104 financial instruments sets out the requirements and guidelines for the impairment of financial assets subsequently carried at amortised cost. (Refer to the impairment methodology.

Basis used to test and assess whether a statutory receivable is impaired for traffic fines: The municipality receives the schedule for all traffic fines issued for the financial year and compares these schedules with the previous years issued and the income received. Refer to detailed Impairment methodology for traffic fines.

Discount rate applied to the estimated future cash flow for rates: A discount rate of 10% was used.

Discount rate applied to the estimated future cash flow of traffic fines: The municipality does not estimate future cash flows. It applies an impairment rate based on past recoveries.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables rates: Recognition is as per GRAP 104 requirements and guidelines. Reversal will be due to the amount being settled which will automatically be excluded from future impairment calculations.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables fines: There was no reversals of traffic fine impairments.

Significant impairment losses recognised rates: The impairment loss recognised for the year ended 30 June 2021 is R32 249 835.

Significant impairment losses recognised traffic fines: The impairment loss for traffic fines recognised for the year ended 30 June 2021 is R198 900

### 13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:



# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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Unspent conditional grants and receipts

Municipal Infrastructure Grant

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- 3,674,458

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

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### 13. Unspent conditional grants and receipts (continued)

#### Movement during the year

Balance at the beginning of the year	-	217,781
Additions during the year	-	3,456,677
	-	<b>3,674,458</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited. All grants that do not have movements are roll over grants.

### 14. Other financial liabilities

#### Long term liability

DBSA Loan	33,770,932	37,875,300
-----------	------------	------------

The above is funding capital project for the period of ten years and paid quarterly at the fixed interest rate of 10.685%.

The municipality has entered into a new finance lease agreement with DBSA during the 2017/2018 financial year. The above loan is funding capital project for the period of ten years and paid quarterly at the fixed interest rate of 10.685%. The municipality expenses borrowing costs incurred on qualifying assets only when the commencement date for capitalisation is on or after the effective date of GRAP 5 for any assets acquired after the initial adoption of this Standard. No withdrawals may be made from the Debt Service Reserve Account by the Cedent, except only in respect of making debt service payments due to the Cessionary, as and when such payments become due and payable as per provisions of the Loan Agreement.

#### Non-current liabilities

DBSA Loan	28,575,404	32,679,772
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#### Current liabilities

DBSA Loan	5,195,528	5,195,528
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#### Reconciliation of long term liability

Opening balance	37,875,300	13,478,758
Additions	1,091,160	28,619,890
Interest	3,936,534	3,193,605
Repayments made	(9,132,062)	(7,416,953)
	<b>33,770,932</b>	<b>37,875,300</b>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

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### 15. Provisions

#### Reconciliation of provisions - 2021

	Opening Balance	Interest cost	Change in discount factor	Reduction due to re- measurement or settlement without cost to entity	Total
Landfill sites	4,593,912	201,213	960,177	573,004	6,328,306

#### Reconciliation of provisions - 2020

	Opening Balance	Utilised during the year	Total
Landfill sites	5,724,089	(1,130,177)	4,593,912
Non-current liabilities		6,094,792	4,392,699
Current liabilities		233,514	201,213
		<u>6,328,306</u>	<u>4,593,912</u>

#### Provision for rehabilitation:

The Municipality engages in disposal of general waste, garden waste and garden rubble from the residents and businesses in Dannhauser and surrounding areas.

A new Waste Management Licence for operation of Dannhauser waste disposal facility was issued in terms of Section 49(1) of the National Environmental Management: Waste Act 29 of 2008. The Waste Management Licence (WML) was issued to Dannhauser Local Municipality in February 2014 for continued operation of the landfill site at the above subject to the conditions stated in section 5 of the licence.

The amount of rehabilitation is dependent on future cost technology, inflation and site consumption. The discount rate for the provision is 9.94% (2020: 11.28%).

## Dannhauser Local Municipality

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The consumer price inflation is 6.03% (2020:

Annual Financial Statements for the year ended June 30, 2021

6.61%). Net discount rate is 3.69% (2020:

### Notes to the Annual Financial Statements

4.38%).

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The following is proposed for the rehabilitation of the landfill:

- Upgrade and maintain existing
- Rehabilitation and closure costs
- Post-closure monitoring and maintenance costs (aftercare)

The amount provided is the best estimate calculated. The financial implications of rehabilitating the landfill site were determined by an independent valuator One Pangaea Expertise and Solutions as at 30 June 2021.

#### 16. Payables from exchange transactions

Trade payables	3,802,577	28,628
Accrued leave pay	2,137,545	2,014,164
Retentions on contracts with customers	13,576,212	7,527,249
Trade accruals	14,249,677	10,526,780
Advance payment debtors	(342,297)	-
	<b>33,423,714</b>	<b>20,096,821</b>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 17. Revenue

Fines	211,081	568,900
Government grants and subsidies	128,214,001	114,814,326
Interest received - investment	1,018,542	1,925,835
Licences and permits	1,629,941	1,435,794
Other income	837,768	179,184
Agency services	530,932	1,076,831
Property rates	21,084,219	26,598,703
Investment Property - Fair value adjustment	8,815	-
Rental income	13,635	42,558
Service charges	1,245,785	1,144,638
	<b>154,794,719</b>	<b>147,786,769</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Interest received	1,018,542	1,925,835
Licences and permits	1,629,941	1,435,794
Agency services	530,932	1,076,831
Other income	837,768	179,184
Investment Properties -Fair value adjustment	8,815	-
Rental of facilities and equipment	13,635	42,558
Service charges	1,245,785	1,144,638
	<b>5,285,418</b>	<b>5,804,840</b>

The amount included in revenue arising from non-exchange transactions is as follows:

#### Taxation revenue

Property rates	21,084,219	26,598,703
----------------	------------	------------

#### Transfer revenue

Fines	211,081	568,900
Government grants and subsidies	128,214,001	114,814,326
	<b>149,509,301</b>	<b>141,981,929</b>

### 18. Service charges

Service charges	1,245,785	1,144,638
-----------------	-----------	-----------

### 19. Rental income

#### Premises

Rental of investment properties	13,635	42,558
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### 20. Fines, Penalties and Forfeits

Traffic fines	205,100	553,714
Library fines	71	626
Pound fees	5,910	14,560
	<b>211,081</b>	<b>568,900</b>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 21. Rendering of services

Fresh farm products	311,258	874,707
Sundry income	196,632	162,344
Valuation certificates	14,859	12,738
Sale of goods	8,183	27,042
	<b>530,932</b>	<b>1,076,831</b>

### 22. Licences and permits

#### Municipal licences and permits

Drivers licences	261,384	294,691
Learners licences	209,222	60,784
Drivers licences card	1,159,335	1,080,319
	<b>1,629,941</b>	<b>1,435,794</b>

### 23. Lease rentals on operating lease

#### Premises - Rental of Land

Contractual amounts	179,092	262,165
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#### Equipment - Rental of office machine

Contractual amounts	445,330	566,596
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#### Premises - Rental of Land

Not later than 1 year	179,092	262,165
-----------------------	---------	---------

Later than 1 year and not later than 5 years	214,282	179,092
than 5 years	-	-

#### Equipment - Rental of office machine

Not later than 1 year	445,330	566,596
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Later than 1 year and not later than 5 years	560,110	445,330
than 5 years	-	-

The municipality is renting Land from Transnet. The land that is being rented is portion of Erf 125 Dannhauser with improvements thereon known as Taxi Rank Office. The monthly rental is R13 000 per month excluding VAT with an annual escalation of 10% per annum. The lease commenced on the 1 March 2019 and will terminated on the 29 February 2024. No contingent rent is payable.

The Municipality is also renting office machinery from Nashua. The Municipality leases out 8 printers per month from Nashua at different monthly amounts per printer owing to the specifications. The monthly lease payments range from R561 per month (excluding VAT) to an amount of R 3 473 per printer excluding VAT. The lease period with Nashua is for 3 years. No contingent rent is payable.

### 24. Other income

Cemetery fees	18,743	11,986
Local Government Sector Education and Training Authority (LGSETA)	32,533	54,209
Insurance	778,710	57,559
Building plans	7,282	5,430
Donation	500	50,000
	<b>837,768</b>	<b>179,184</b>

Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

Notes to the Annual Financial Statements

	2021	2020
25. Investment revenue		
Interest revenue		
Interest received	1,018,542	1,925,835

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 26. Property rates

#### Rates received

Assessment rates	21,084,219	26,598,703
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#### Valuations

Commercial	1,735,323,000	1,741,203,000
Residential	439,697,000	436,342,000
State	256,798,000	259,187,000
	<b>2,431,818,000</b>	<b>2,436,732,000</b>

### 27. Government grants and subsidies

#### Operating grants

Cyber Cadet Grant	226,000	202,000
Covid 19 grant	-	735,000
Equitable share	110,538,000	91,758,000
Expanded Public Works Program (EPWP)	1,000,000	1,021,000
Sports and recreation	-	20,530
Financial Management Grant (FMG)	1,900,000	1,900,000
Small Town Rehabilitation	-	197,251
Library provincialisation	905,000	889,000
	<b>114,569,000</b>	<b>96,722,781</b>
Municipal Infrastructure Grant	13,645,001	18,091,545
	<b>128,214,001</b>	<b>114,814,326</b>

#### Small Town Rehabilitation

Balance unspent at beginning of year	-	197,251
Conditions met - transferred to revenue	-	(197,251)
	<b>-</b>	<b>-</b>

Conditions met, transferred to revenue.

The Department of Co-Operative Governance and Traditional Affairs has a constitutional obligation to support and develop capacity in municipalities, in order to enable them to perform their constitutional functions and duties, The Department of Co-Operative Governance and Traditional Affairs will support Dannhauser Municipality to implement projects to enhance and rehabilitate Dannhauser Town.

### Covid 19 Grant

Current-year receipts	-	735,000
Conditions met - transferred to revenue	-	(735,000)

Conditions met, transferred to revenue.



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## Notes to the Annual Financial Statements

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The purpose of the Covid 19 grant funding will ensure savings of people's lives, restoration of the local economy, restoration of livelihoods, minimized and/or mitigated spread of corona virus, clean and virus free amneties,

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 27. Government grants and subsidies (continued)

#### Equitable share

Current-year receipts	110,538,000	91,758,000
Conditions met - transferred to revenue	(110,538,000)	(91,758,000)
	-	-

Conditions met, transferred to revenue.

In terms of the Constitution , this grant is used to subsidise the provision of basic services to indigent community members.

### Sports and Recreation Grant

Balance unspent at beginning of year	-	20,530
Conditions met - transferred to revenue	-	(20,530)

Conditions met, transferred to revenue.

The purpose of this grant is to provide the Municipality with a maintenance grant in order to maintain the sport facility within the Dannhauser Municipality, the Municipality requires the grant to meet the financial obligations associated with the maintenance of the sport facility.

#### Municipal Infrastructure Grant (MIG) Grant

Balance unspent at beginning of year	3,674,458	-
Current-year receipts	13,645,000	21,766,000
Conditions met - transferred to revenue	(13,645,000)	(18,091,542)
Rollover not approved	(3,674,458)	-
	-	3,674,458

The purpose of the municipal infrastructure grant is to provide basic residential infrastructure for poor households. The grant can be used for new infrastructure, upgrading bulk and connector infrastructure, or the rehabilitation of existing infrastructure.

### Financial Management Grant

Current-year receipts	1,900,000	1,900,000
Conditions met - transferred to revenue	(1,900,000)	(1,900,000)
	-	-

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## Notes to the Annual Financial Statements

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### 27. Government grants and subsidies (continued)

The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA). The FMG Grant also pays for the cost of the Financial Management Internship Program (e.g. salary costs of the Financial Management Interns).

The balance of the grant whose condition(s) have not yet been met has been transferred to liabilities (see note 11 unspent conditional grants and receipts).

Conditions met, transferred to revenue.

# Dannhauser Local Municipality

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## Notes to the Annual Financial Statements

2021

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### 27. Government grants and subsidies (continued)

#### Library Provincialisation Grant

Current-year receipts	905,000	889,000
Conditions met - transferred to revenue	(905,000)	(889,000)
	-	-

The purpose of the community library services grant, administered by the Department of Co-operative governments and traditional affairs, is to help South Africans access knowledge and information, so that their socioeconomic situation can be improved. The grant is allocated to the relevant provincial department and either administered by that department or through a service-level agreement with municipalities.

Conditions met, transferred to revenue.

#### Expanded Public Works Program (EPWP)

Current-year receipts	1,000,000	1,021,000
Conditions met - transferred to revenue	(1,000,000)	(1,021,000)
	-	-

The purpose of the grant is to incentivise municipalities to expand job creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Program (EPWP) guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure); other economic and social infrastructure.

Conditions met, transferred to revenue.

#### Cyber Cadet

Current-year receipts	226,000	202,000
Conditions met - transferred to revenue	(226,000)	(202,000)
	-	-

The purpose of the Cyber Cadet grant, which is administered by the Department of Co-operative Governance and Traditional Affairs, is to assist in the cost of appointing the library computer assistant for the Dannhauser Community Library.

Conditions met, transferred to revenue.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 28. Employee related costs

Employee related costs – salaries and wages	24,847,186	21,868,373
Housing benefits and allowances	145,016	218,132
Medical aid, Pension and UIF	3,862,569	3,529,678
Overtime payments	276,607	437,557
Bargaining and group life	13,588	12,831
Bonuses	1,457,060	1,414,809
Post-employment benefits	597,000	1,740,748
Skills Development Levy (SDL)	236,822	232,018
Other Allowances (Travelling, Cellphone)	1,196,579	1,349,179
	<b>32,632,427</b>	<b>30,803,325</b>

### Remuneration of Municipal Manager (Nkosi WB)

Annual Remuneration	1,044,930	788,522
Car Allowance	291,408	391,534
Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	55,097	51,817
Back pay	245,333	815,917
Subsistence and Travel	28,744	96,064
Housing	-	10,893
Skills	13,370	20,028
Other	119	112
	<b>1,679,001</b>	<b>2,174,887</b>

### Remuneration of Chief Finance Officer (Mohapi DM)

Annual Remuneration	817,370	645,211
Car Allowance	237,301	347,421
Bonus	70,311	53,768
Telephone	18,000	18,000
Contributions to UIF, Medical and Pension Funds	219,764	181,443
Subsistence and travel	-	77,069
Skills	10,598	11,128
Other	119	130,121
Housing	11,574	-
	<b>1,385,037</b>	<b>1,464,161</b>

### Remuneration of Technical Service Director (Nene MR)

Annual Remuneration	629,680	497,052
Car Allowance	182,810	267,643
Bonus	54,166	41,421
Contributions to UIF, Medical and Pension Funds	119,958	103,840
Subsistence and Travel	21,431	40,884
Housing	11,574	10,893
Telephone	18,000	18,000
Other	119	11,005
Skills	9,432	8,254
Leave	51,999	-
	<b>1,099,169</b>	<b>998,992</b>

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## Notes to the Annual Financial Statements

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2020

### 28. Employee related costs (continued)

#### Remuneration of Corporate Services Director (Narothum S)

Annual Remuneration	629,680	497,052
Car Allowance	182,810	267,643
Bonus	44,010	41,421
Contributions to UIF, Medical and Pension Funds	147,870	116,890
Subsistence and Travel	25,351	83,144
Skills	8,191	8,020
Telephone	18,000	18,000
Other	119	77,231
Housing	-	10,893
Leave	51,999	-
	<b>1,108,030</b>	<b>1,120,294</b>

#### Remuneration of Community Services Director (Naidoo S)

Annual Remuneration	629,680	497,052
Car Allowance	182,810	267,643
Bonus	44,010	41,421
Contributions to UIF, Medical and Pension Funds	143,684	95,823
Other	119	41,592
Skills	8,608	8,138
Subsistence and travel	36,129	44,900
Housing	11,574	10,893
Telephone	18,000	18,000
Leave	38,999	-
	<b>1,113,613</b>	<b>1,025,462</b>

# Dannhauser Local Municipality

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## Notes to the Annual Financial Statements

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### 29. Remuneration of councillors

Mayor	909,753	912,934
Deputy Mayor	431,858	445,993
Speaker	751,578	859,455
Councillors	6,127,399	7,054,538
Executive Committee Members	1,247,995	1,431,573
	<b>9,468,583</b>	<b>10,704,493</b>

### June 2021

Annual remuneration	Cellphone allowance	Data card allowance and other	Total
860,860	40,800	8,094	909,754

Cllr. Mayor: Phakathi JP

Annual Remuneration	Cellphone allowance	Data card allowance and other	Total
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Cllr. Deputy Mayor: Msibi SD

384,198	40,800	6,860	431,858
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Annual Remuneration	Cellphone allowance	Data card allowance and other	Total
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Cllr. Speaker: Ngubeni ZS

516,516	40,800	22,090	751,578
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# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 29. Remuneration of councillors (continued)

June 2021 Councillors	Annual remuneratio n	Travel allowanc e	Cellphon e allowanc e	Data card allowanc e	Subsistenc e allowance	Total
Sect. 79 Chair Cllr Ndaba VM	262,214	87,405	40,800	3,600	13,322	407,341
Cllr Radebe AN	204,323	68,107	40,800	3,600	13,267	330,097
Cllr Manyathi NGJ	204,323	68,107	40,800	3,600	7,722	324,552
Cllr Buthelezi MA	204,323	68,107	40,800	3,600	9,141	325,971
Cllr Dubazana XM	204,323	68,107	40,800	3,600	11,125	327,955
Cllr Dube NS	136,215	45,405	27,200	2,400	-	211,220
Cllr Nair PG	204,323	68,107	40,800	3,600	-	316,830
Cllr Hlatshwayo NS	204,323	68,107	40,800	3,600	9,906	326,736
Cllr Hlatshwayo VR	119,188	39,730	23,800	2,100	7,664	192,482
Cllr Sibisi S S	204,323	68,107	40,800	3,600	8,608	325,438
Cllr Kumalo N.P	272,430	-	40,800	3,600	11,020	327,850
Cllr Kunene M	272,430	-	40,800	3,600	8,612	325,442
Cllr Ngidi MA	272,430	-	40,800	3,600	7,630	324,460
Cllr Matlaba MN	272,430	-	40,800	3,600	3,610	320,440
Cllr Mazibuko RN	204,323	68,107	40,800	3,600	10,888	327,718
Cllr Mfusi ES	272,430	-	40,800	3,600	3,260	320,090
Cllr Mkhize MS	204,323	68,107	40,800	3,600	7,690	324,520
Cllr Mkhumane MS	204,323	68,107	40,800	3,600	13,029	329,859
Cllr Dlamini SD	272,430	-	40,800	3,600	11,020	327,850
Cllr Made RN	68,108	22,703	13,600	1,200	4,937	110,548
	<b>4,263,535</b>	<b>876,313</b>	<b>758,200</b>	<b>66,900</b>	<b>162,451</b>	<b>6,127,399</b>

June 2021 Executive Committee members	Annual remuneration	Travel allowance	Cellphone allowance	Data card allowance	Subsistence allowance	Total
Ndlovu SN	270,145	90,048	40,800	3,600	12,692	417,285
Nene PP	270,145	90,048	40,800	3,600	13,881	418,474
Sithole SG	270,145	90,048	40,800	3,600	7,643	412,236
	<b>810,435</b>	<b>270,144</b>	<b>122,400</b>	<b>10,800</b>	<b>34,216</b>	<b>1,247,995</b>

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

### 30. Depreciation and amortisation

Property, plant and equipment	34,998,365	41,395,525
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# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 31. Impairment of assets

#### Impairments

Property, plant and equipment

1,213,625 3,701,880

Dannhauser local Municipality has completed the construction of the taxi rank during the financial year ended 30 June 2020. The taxi rank although completed during the 30 June 2020 financial year has not been brought into use during the financial year ended 30 June 2021. As this taxi rank has not been brought into use for the year ended 30 June 2021, Management considered the statement of GRAP 21 (impairment of non-cash-generating-assets) and impaired the taxi rank.

Although the rank will generate some income, (tuck shop rental and levy income per taxi and bus) it was constructed primarily for service delivery and not commercial revenue generation and was therefore classified as a non-cash generating assets per GRAP 21.

Owing to factors beyond the control of Dannhauser Municipality, the taxi rank although completed was not operational for the year ended 30 June 2021.

Management believes that the taxi rank will be operational for the financial year ended 30 June 2023.

An impairment test has been performed for the year ended 30 June 2021 as the taxi was not operational for more than one year after its completion. The recoverable service amount of the asset was based on its fair value less costs to sell. Refer detailed methodology provided.

Work in progress

697,175 -

Dannhauser local Municipality is currently busy with the construction of the testing grounds. The costs incurred to date for the construction of the testing ground are currently recorded under Work in Progress. During the financial year ended 30 June 2021, no further construction has taken place and construction was halted. As no construction was performed for the financial year ended 30 June 2021, management considered whether the costs that are included under work in progress should be impaired and hence performed an impairment test.

Management considered the statement of GRAP 21 (impairment of non-cash-generating-assets) as the testing ground is primarily built for service delivery and not for generation of income.

Although the testing ground will generate some income (testing fees) it was constructed primarily for service delivery and not commercial revenue generation and was classified as a non-cash generating assets per GRAP 21.

An impairment test has been performed for the year ended 30 June 2021 as no further construction took place during the financial year ended 30 June 2021. The recoverable service amount of the asset was based on its fair value less costs to sell. Refer to detailed methodology provided.

Trade and other receivables

1,712,176 18,299,583

**3,622,976 22,001,463**

### 32. Finance Charges

Interest on post retirement benefit

606,000 602,994

Finance Instruments at Amortised costs

3,936,532 3,193,605

Fair value adjustments: Interest on Landfill site obligation

201,213 184,888

**4,743,745 3,981,487**

**Dannhauser Local Municipality**

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

**Notes to the Annual Financial Statements**

	2021	2020
Interest on post retirements relate to the employee benefit obligations. Refer to note 6 for details.		

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 32. Finance Charges (continued)

Finance Instruments at Amortised costs relate to interest paid on the repayment of DBSA loan. Refer to note 14 for details. Interest on landfill site relates to the Landfill site provisions. Refer to note 15 for details.

### 33. Contracted services

Information Technology Services	621,399	563,647
Repairs and Maintenance	21,720,982	17,390,963
<b>Outsourced Services</b>		
Security Services	4,833,456	6,158,249
<b>Consultants and Professional Services</b>		
Business and Advisory	7,686,928	6,258,315
	<b>34,862,765</b>	<b>30,371,174</b>

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 34. General expenses

Advertising	734,622	802,666
Auditors remuneration	2,977,358	3,455,758
Bank charges	115,785	80,985
Burial of destitute	185,717	155,631
Catering	85,209	120,725
Promote public participation	154,858	200,231
Cleaning material	500,817	349,471
Conferences and seminars	479,693	2,176,463
Disaster management	133,388	125,795
Electricity	3,028,126	2,776,375
Entertainment	81,490	114,452
Plans	168,530	21,750
Bursaries	-	204,450
Insurance	716,115	12,348
Legal costs	258,930	171,266
Municipal partnership	14,668	7,400
Leave pay accrual	-	628,033
Maps and plans	6,748	1,011
Marketing and corporate	180,500	66,500
Mayoral expenses	630,198	1,457,428
Membership fees	500,000	522,654
Postage fees	-	541
Printing and stationery	589,786	744,475
Professional fees	-	23
Project Launch cost	46,741	4,729
Provision for landfill site	-	(1)
Rental of land	179,092	262,165
Rental office machine	445,330	566,596
Road marking	-	12,746
Covid expense	335,556	813,300
Senior citizen	230,851	59,700
Travel and subsistence	615,352	605,143
Telephone	534,572	500,833
Training direct expense	209,364	407,447
Transport official vehicles	1,252,390	1,489,263
Uniforms	405,261	369,552
Utilities - Other	111,820	23,130
Valuation costs - interims	272,848	163,956
Ward council committee	2,200,132	1,519,934
Youth	113,609	223,974
	<b>18,495,456</b>	<b>21,218,898</b>

### 35. Auditors' remuneration

Fees	2,977,358	3,455,758
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# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021 2020

### 36. Cash generated from operations

Surplus (deficit)	8,472,723	(16,945,364)
<b>Adjustments for:</b>		
Depreciation and amortisation	34,998,365	41,395,525
Loss on sale of assets and liabilities	-	(439,639)
Landfill site liability	201,213	184,889
Fair value adjustments	409,185	-
Impairment deficit	3,622,976	22,001,463
<b>Changes in working capital:</b>		
Inventories	2,942,314	(3,909,090)
Receivables from exchange transactions	4,024,390	(3,111,971)
Receivables from non-exchange transactions	(10,375,165)	(4,287,378)
Payables from exchange transactions	13,329,261	915,845
VAT Receivable	(476,236)	(131,151)
Unspent conditional grants and receipts	(3,674,458)	3,456,677
Other financial liabilities	-	3,609,792
Employee benefit obligation	469,000	463,891
	<b>53,943,568</b>	<b>43,203,489</b>

### 37. Financial instruments disclosure

#### Categories of financial instruments

#### 2021

#### Financial assets

	At amortised cost	Total
Cash and cash equivalents	12,266,453	12,266,453
Receivables from exchange transactions	912,047	912,047
Receivables from non exchange transactions	16,972,810	16,972,810
	<b>30,151,310</b>	<b>30,151,310</b>

#### Financial liabilities

	At fair value	At amortised cost	Total
Employee benefit obligation	7,346,000	-	7,346,000
Trade and other payables from exchange transactions	-	31,286,170	31,286,170
Other financial liability	-	33,770,932	33,770,932
	<b>7,346,000</b>	<b>65,057,102</b>	<b>72,403,102</b>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 37. Financial instruments disclosure (continued)

2020

#### Financial assets

	At amortised cost	Total
Cash and cash equivalents	29,222,059	29,222,059
Receivables from exchange transactions	4,936,435	4,936,435
Receivables from non exchange transactions	7,195,911	7,195,911
	<b>41,354,405</b>	<b>41,354,405</b>

#### Financial liabilities

	At fair value	At amortised cost	Total
Employee benefit obligation	6,877,000	-	6,877,000
Other financial liabilities	-	37,875,150	37,875,150
Trade and other payables from exchange transactions	-	20,096,833	20,096,833
	<b>6,877,000</b>	<b>57,971,983</b>	<b>64,848,983</b>

### 38. Commitments

#### Authorised Capital and Operating / Current Expenditure

##### Already contracted for but not provided for

Capital expenditure	68,269,403	71,643,572
Operating / Current expenditure	16,341,212	5,149,594
	<b>84,610,615</b>	<b>76,793,166</b>

##### Not yet contracted for and authorised by accounting officer

Infrastructure	50,244,000	42,563,000
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##### Total capital commitments

Already contracted for but not provided for	84,610,615	76,793,166
Not yet contracted for and authorised by accounting officer	50,244,000	42,563,000
	<b>134,854,615</b>	<b>119,356,166</b>

##### Total commitments

##### Total commitments

Authorised capital expenditure	134,854,615	119,356,166
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This committed expenditure relates to Infrastructure assets and other assets and will be financed by available bank facilities, small town rehabilitation grant, retained surpluses, existing cash resources and internally generated funds, etc.

## Investment properties

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

	2021	2020
The municipality has entered into a maintenance contract for the investment properties. Commitments regarding themaintenance are as follows.		

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

2021

2020

### 39. Contingencies

There is a current pending litigation against Dannhauser Municipality (Defendant) and NAW Nkosi (Applicant) with regard to a collision that occurred at an area that might be under the jurisdiction of the Municipality. The main cause of the collision was due to a pothole on the road, therefore Dannhauser Municipality is being sued for damages caused with an estimated value of R200 000.

### Contingent liabilities

Litigation is in the process against Dannhauser Municipality relating to a collision caused in an area that may be under the jurisdiction of Dannhauser Municipality. Damages of R200 000 are being sought by the plaintiff. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

NAW NKOSI ( case number 105/2019)

200,000

-

### 40. Related parties

Accounting Officer

Refer to accounting officer's report note

Close family member of key management

Dookies Electrical (brother of S Narothen who is the director of Corporate Services) and Niksha Industries (nephew of S Narothen who is the director of Corporate Services)

### Related party balances

#### Awards to close family members

Dookies Electrical - The owner is the brother of Mrs. S Narothen who is employed by Dannhauser Municipality as Manager Corporate Services  
Niksha Industries - Nephew of Mrs. S Narothen ( Manager Corporate Service) who is employed by Dannhauser Municipality.

43,125

-

187,166

312,170

### Key management information

Class	Description
Community Services Director	Senior Management
Corporate Services Director	Senior Management
Chief Financial Officer	Senior Management
Technical Services Director	Senior Management



## Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

### Notes to the Annual Financial Statements

2021 2020

Councillors	Ward councillors (acting as representatives of the community they serve, act as custodians or guardians of public finances.
Municipal Manager	Accounting officer

#### Remuneration of management

#### Councillors/Mayoral committee

#### members

Refer to note "Remuneration of councilors". Refer to the general information page for full list of Councillors.

#### Executive management

Refer to note "Employee related costs"

Payment of remuneration of senior managers and councillors - detail payments are set out in notes 26 and 27.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 41. Change in

estimate Property,

plant and equipment

The useful lives and residual value of all assets were reviewed and adjusted during the financial year to more accurately reflect the period of economic benefits or service potential derived from these assets. The effect of this revision has increased the depreciation charges for the current and future periods by R3 313 for moveable assets and has decreased the depreciation charges for the current and future periods by R3 434 448 for immovable assets.

### 42. Prior period errors

Inventory

During the year, the municipality expensed the electrification infills in the prior year instead of capitalising it as Inventory in the financial statements. The Inventory amount disclosed for the year ended 30 June 2020 increased to R7 529 079 while the expenditure decreased by R5 114 663 resulting in an increase in Accumulated surplus of R5 114 663. The municipality also restated the 2019 financials by increasing Inventory to R2 414 415 resulting in Accumulated surplus for 2019 increasing by R2 414 415.

Leases

During the year, the municipality disclosed the detail operating leases for the printers and the Land that it rents from Eskom. The detailed disclosure note was not disclosed in the prior year financial statements. There is no effect on the net income as the amounts were disclosed in the financial statements however detailed disclosure was not disclosed in the notes to the financial statements. Refer note 41 for the detailed operating lease disclosure.

Landfill site Asset

During the year, the municipality recognised the movement in the Landfill site obligation in the statement of financial performance instead of it being capitalised to the Landfill site Asset in the statement of financial position. This error resulted in the Landfill asset increasing by R358 347 and the statement of financial position increasing by R358 347. The amounts have been corrected in the current year to correctly account for the movement in the Landfill site obligation.

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

The correction of the error(s) results in adjustments as follows:

### Statement of financial position

Increase in Inventory	-	7,529,079
Decrease in Landfill site asset	-	(358,347)
	-	<u>7,170,732</u>

### Statement of financial performance

Decrease in provision for Landfill site obligation and decrease in Landfill site Asset	-	(358,347)
Decrease in Electrification expense (transfer/donation)	-	(5,114,663)

### Cash flow statement

#### Cash flow from operating activities

Increase in Landfill site expense	-	358,347
Decrease in Landfill site asset	-	(358,347)
Increase in Inventory	-	5,114,663
Decrease in Electrification expense (transfer/donation)	-	(5,114,663)
	-	<u>-</u>

# Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

### 43. Comparative figures

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by reallocations, as well as the new classification of expenses in terms of Municipal Standard Chart of Accounts (MSCOA) between general expenses and contracted services.

#### Statement of financial position

##### 2019

	Note	Correction of error	Restated
Inventories		2,414,415	2,414,415

##### 2020

	Note	As previously reported	Correction of error	Re-classification	Restated
Inventory		-	7,529,079	-	7,529,079
Landfill site assets		4,593,912	-	(358,347)	4,235,565
		<b>4,593,912</b>	<b>7,529,079</b>	<b>(358,347)</b>	<b>11,764,644</b>

#### Statement of financial performance

##### 2020

	Note	As previously reported	Correction of error	Restated
Electrictrification expense ( transfer/donation)		8,604,497	(5,114,664)	3,489,833
Provision for Landfill site movement		(173,460)	358,348	184,888
<b>Effect on surplus for the year</b>		<b>8,431,037</b>	<b>(4,756,316)</b>	<b>3,674,721</b>

### 44. Comparative figures

Certain comparative figures have been reclassified.

Electrification expenses were no handover certificates have been received have been classified as Inventory and not expensed.

The effect of the reclassification is as follows:

Inventory increased to R 7 529 079 in the prior year and resulted in an increase in Accumulated surplus of R 5114 664.

Inventory increased in the 2019 financial year to R2 414 415 resulting in an increase in Accumulated surplus by R 2 414415.

# **Dannhauser Local Municipality**

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Annual Financial Statements for the year ended June 30, 2021

## **Notes to the Annual Financial Statements**

### 45. Risk management

#### Financial risk

#### management

The municipality's activities expose it to a variety of financial risks: credit risk and liquidity risk and market risk (including currency risk, fair value interest rate risk, cashflow interest rate risk and price risk).

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 45. Risk management

#### (continued) Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and 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 twelve months equal their carrying balances as the impact of discounting is not significant.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management.

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

Financial instrument	2021	2020
Receivables from exchange transactions	912,047	4,936,435
Cash and cash equivalents	12,266,453	29,222,059
Receivables from non-exchange transactions	16,972,810	8,309,821

### 46. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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

# **Dannhauser Local Municipality**

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## **Notes to the Annual Financial Statements**

municipality. In performing the going concern assessment, the accounting officer has considered available information about the future, the possible outcomes of events and the changes in conditions affecting the Municipality.

Since the COVID-19 pandemic and the lockdown started at the end of March 2020, the municipality has experienced lower levels of financial performance and under collected revenue, with key financial indicators signaling a need for closer monitoring of the Municipality's finances. Although improvements have been seen since the lifting of the lockdown restrictions, the financial health of the Municipality is still a work in progress and will remain a key priority in responding to the challenges being presented by COVID-19. The liquidity and solvency are also receiving strict monitoring to ensure that the municipality remains able to pay its creditors in the short term and also able to settle its obligations in the medium to long term. Based on management assessment of the Cash flow projections, the municipality is still able to meet its financial demands.

### **47. Events after the reporting date**

The accounting officer is not aware of any matter or event arising since the end of the reporting period and the date of this report, which will significantly affect the financial position and results of the municipality's operations.

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 48. Disclosure on the impact of COVID -19

The Municipality is aware of fiscal policies which were introduced by Government and there is none that has any bearing on Dannhauser Local Municipality's financial instruments. The SARB eased monetary policy through a cumulative repo rate reduction of 300 basis points. This move will reduce the Municipality's cost of borrowing on existing loans. There are no new risks emanating from the recent actions of SARB.

The Municipality has not defaulted on any of its obligations and it has not modified financial assets. The Municipality has not suffered any credit losses, all its financial instruments counterparties are financial institutions whose long term credit rating is at least AA.

There are no new risks arising in the Municipality's financial instruments as a result of Covid-19. The risk associated with the Municipality's financial instruments are disclosed in the financial statements.

#### Trade Receivables

The impact of the COVID-19 pandemic is evident in the payment levels from 1 July 2020 till 30 June 2021. The average monthly payments were lower than the average for the previous years. This is also evident in the higher impairment calculation for Trade Receivables.

#### Revenue

The rental of facilities has decreased from R42 558 in the prior year to R13 635 in the current year, as there was cancellation of hall hire due to lockdown.

The ongoing closing of the licencing department during the year also impacted the revenue.

The revenue from fines also decreased as fines owing to stricter lockdown regulations throughout the year.

### 49. Unauthorised expenditure

<b>Opening balance as previously reported</b>	-	-
Add: Unauthorised Expenditure - current	-	520,904
Less: Amount written off	-	(520,904)
<b>Closing balance</b>	-	-



## Dannhauser Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

### Notes to the Annual Financial Statements

Unauthorised expenditure is due to Emergency procurement of personal protective equipment to prevent the spread of Covid-19.

Incidents / cases identified in the current year:

Unauthorised Expenditure (Emergency procurement of PPE to prevent the spread of Covid-19)	-	520,904
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# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

### 50. Irregular expenditure

Opening balance as previously reported	8,296,627	-
<b>Opening balance as restated</b>	<b>8,296,627</b>	<b>-</b>
Add: Irregular Expenditure - current	21,639,030	8,296,627
Less: Amount written off - prior periods	(8,296,627)	-
<b>Closing balance</b>	<b>21,639,030</b>	<b>8,296,627</b>

Incidents/cases identified in the current year include those listed below:

Non compliance with SCM - Awards made to service provider with non tax compliant status at date of award	21,639,030	-
Bid Adjudication Committee did not have the required number of senior managers at meetings required by SCM regulations	-	8,926,627
	<b>21,639,030</b>	<b>8,926,627</b>

### 51. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Current year subscription / fee	500,000	500,000
Amount paid - current year	(500,000)	(500,000)
	-	-

#### Audit fees

Current year subscription / fee	3,026,488	3,455,758
Amount paid - current year	(3,026,488)	(3,455,758)
	-	-

#### PAYE and UIF

Current year subscription / fee	5,442,940	4,136,485
Amount paid - current year	(5,442,940)	(4,136,485)
	-	-

#### Pension and medical aid deductions

Opening balance	2,946,952	2,767,764
Current year subscription / fee	(2,946,952)	(2,767,764)
	-	-

#### VAT

VAT receivable	1,958,485	1,482,249
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All VAT returns have been submitted by the due date throughout the year.

#### Councillors' arrear consumer accounts

No councillors had arrear accounts outstanding for more than 90 days at June 30, 2021:

# Dannhauser Local Municipality

(Registration number KZ254)

Annual Financial Statements for the year ended June 30, 2021

## Notes to the Annual Financial Statements

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### 51. Additional disclosure in terms of Municipal Finance

#### Management Act (continued) Supply chain management regulations

In terms of Section 36 of the Municipal Supply Chain Management (SCM) Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

##### Incident

Information technology upgrade ( Single source quote- Appointed service provider for the financial system)	583,582	-
Repairs to vehicles and equipment (Impractical to follow normal SCM processes- Agents)	238,806	200,372
Advertising ( Impractical to follow normal SCM processes)	21,245	4,035
Services for vehicles and equipment ( Impractical to follow normal SCM processes)	180,255	66,146
Supply and delivery of various equipment (Impractical to follow normal SCM processes)	207,138	767,255
	<b>1,231,026</b>	<b>1,037,808</b>

### 52. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

### 53. Budget differences

#### Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 15%. There were no other material differences between the final budget and the actual amounts.

51.1 Rental of facilities decreased as a result of less facilities being rented out.

51.2 Rendering of services decreased as a result of inflation.

51.3 The increase in licence and permits is due an increase in demand during the second quarter.

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# **Dannhauser Local Municipality**

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Annual Financial Statements for the year ended June 30, 2021

## **Notes to the Annual Financial Statements**

- 51.4 Owing to Covid, we did not meet the budget for other income.
- 51.5 Landfill site asset valuation was not budgeted for.
- 51.6 The interest received decreased as a result of money being frequently withdrawn from the investment.
- 51.7 The property rates decreased as a result of more consumers being added to the indigent list.
- 51.8 The government grants and subsidies increased as a result of the allocation increasing
- 51.9 Fines, penalties and forfeits were not budgeted for.
- 51.10 Employee related costs increased as a result of inflation.
- 51.11 The remuneration of councillors decreased as a result of less meetings that were attended as a result of COVID.
- 51.12 This decreased as a result of reassessment of useful lives and increase in asset acquisitions.
- 51.13 The increase in finance costs is as a result of additional amounts being received during the year.

# VOLUME II

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Figures in Rand

2021

2020

## 53. Budget differences (continued)

51.14 Contracted services increased as a result of inflation.

51.15 General expenses decreased as a result of MSCOA versions being updated.

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