

DRAFT ANNUAL REPORT 2019/2020







VISION

“A Spatial Integrated & Sustainable Local Economy by 2030”

MISSION

To ensure the provision of sustainable basic services and infrastructure to improve the quality of life of our people and to grow the local economy for the benefit of all citizen

VALUES

Transparency

Accountability

Responsive

Professional

Creative

integrity

TABLE OF CONTENTS

LIST OF ACRONYMS	8
CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	10
COMPONENT A: MAYOR'S FOREWORD	10
COMPONENT B: EXECUTIVE SUMMARY	12
1. MUNICIPAL MANAGER'S FOREWORD	12
1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	14
1.1.1. LOCATION	14
1.1.2. FUNCTIONS	17
1.2. SERVICE DELIVERY OVERVIEW	20
1.3. FINANCIAL HEALTH OVERVIEW	22
1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW	22
1.5. AUDITOR-GENERAL REPORT	23
1.6. STATUTORY ANNUAL REPORT PROCESS.....	24
CHAPTER 2: GOVERNANCE	25
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	25
2. INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE	25
2.1. POLITICAL GOVERNANCE STRUCTURE.....	25
2.1.1. ADMINISTRATIVE GOVERNANCE STRUCTURE AS AT 30 JUNE 2019.....	31
2.1.2. POLITICAL DECISION-MAKING	31
2.2. ADMINISTRATIVE GOVERNANCE	33
COMPONENT D: INTERGOVERNMENTAL RELATIONS	39
2.3. INTERGOVERNMENTAL RELATIONS	39
2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURER	39
2.3.2. MUNICIPAL ENTITIES	39
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	39
2.4. PUBLIC MEETINGS	39
2.4.1. WARD COMMITTEES.....	39
2.4.2. MAYORAL IMBIZO.....	40
COMPONENT D: CORPORATE GOVERNANCE	40
2.5. RISK MANAGEMENT	41
2.6. ANTI-CORRUPTION AND FRAUD.....	42
2.7. SUPPLY CHAIN MANAGEMENT.....	42
2.8. BY-LAWS	43
2.9. WEBSITES.....	43

2.10. PUBLIC SATISFACTION LEVELS	44
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	44
COMPONENT A: BASIC SERVICES	44
3. BASIC SERVICES.....	44
3.1. WATER PROVISION	44
3.2. ROADS OVERVIEW	45
3.3. STORM WATER	46
3.4. ELECTRICITY	47
3.5. PROJECT MANAGEMENT UNIT (PMU).....	49
3.6. HOUSING	50
3.7. FREE BASIC SERVICES.....	52
3.8. LICENSING.....	52
COMPONENT B: PLANNING AND DEVELOPMENT.....	54
3.9. PLANNING AND DEVELOPMENT.....	54
3.10. LOCAL ECONOMIC DEVELOPMENT.....	55
3.10.1. LOCAL ECONOMIC DEVELOPMENT FORUM	55
3.10.2. PROGRAMMES UNDER LED:	57
COMPONENT C: COMMUNITY & SOCIAL SERVICES	58
3.11 LIBRARIES LIBRARIES.....	58
3.12 PARKS AND CEMETERIES	60
3.13 MUNICIPAL BUILDING	61
COMPONENT D: EVENRONMENTAL PROTECTION	61
3.14 POLLUTION	61
3.15 CHILD CARE, AGED CARE AND SPECIAL PROGRAMMES.....	62
COMPONENT E: HEALTH SERVICES	63
3.16 HIV/AIDS.....	63
COMPONENT F: SECURITY AND SERVICES.....	64
3.17 TRAFFIC SERVICES.....	64
COMPONENT G: SPORTS AND RECREATION	66
3.18 SPORTS AND RECREATION.....	66
COMPONENT H: ORGANISATIONAL PERFORMANCE	67
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 11)	100
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	100
4. THE MUNICIPAL PERSONNEL.....	100
4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES:	100
4.2. POLICIES.....	101

4.3. INJURIES, SICKNESSES AND PERFORMANCE REWARD	101
COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE.....	102
4.4. SKILLS DEVELOPMENT AND TRAINING	103
CHAPTER 5: FINANCIAL PERFORMANCE.....	100
COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE	104
5. FINANCIAL PERFORMANCE.....	104
5.1. STATEMENT OF FINANCIAL PERFORMANCE	104
CHAPTER 6: AUDITOR - GENERAL FINDINGS	Error! Bookmark not defined.
APPENDICES.....	172
APPENDIX A: MPAC OVERSIGHT REPORT ON ANNUAL REPORT :2018/19 FINANCIAL YEAR	180
APPENDIX B: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE.....	181
APPENDIX C: REVENUE COLLECTION PERFORMANCE BY VOTE.....	188
APPENDIX D: LONG TERM CONTRACT AND PUBLIC PRIVATE PARTNERSHIP	190
APPENDIX E: AUDIT ACTION PLAN 2018/19	191
APPENDIX F: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES: INCLUDING MIG GRANTS:.....	199

LIST OF ACRONYMS

AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
CFO	Chief Finance Officer
CIBD	Construction Industry Development Board
CIlr	Councillor
CoGHSTA	Corporative Government Human Settlement and Traditional Affairs
CoGTA	Corporative Government and Traditional Affairs
DA	Democratic Alliance
DMP	Disaster Management Plan
DMS	Disaster Management Structure
DoE	Department of Education
DoRT	Department of Roads and Transport
DSCR	Department of Sports, Culture and Recreation
DSS	Department of Safety and Security
DWA	Department of Water Affairs
VDM	Vhembe District Municipality
EPWP	Expanded Public Works Programme
FBO	Faith Based Organisations
FBS	Free Basic Services
FY	Financial Year
GDS	Growth and Development Summit
HH	Households
HIV	Human Immunodeficiency virus
IDP	Integrated Development Plan
INEP	Integrated National Electrification Programme
ISF	Mpumalanga Integrated Spatial Framework
LED	Local Economic Development
KL	Kilolitre
KM	Kilometres
KPA	Key Performance Area
KPI	Key Performance Indicator
LAC	Local Aids Council

LED	Local Economic Development
LEDF	Local Economic Development Forum
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MNDs	Minimum Notified Demands
MPAC	Municipal Public Accounts Committee
MSA	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
MTEF	Medium Term Expenditure Framework
NGO	Non-Government Organisations
NPO	Non-Profit Organisations
PAFPA	Plator and Area Fire Protection Association
PCF	Premier Co-ordinating Forum
PGDS	Provincial Growth Development Strategy
PLHWA	People Living with HIV/AIDS
PMC	Provincial Management Committee
PMS	Performance Management System
PMU	Project management Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUM	Spatial Planning and Land Use Management Act
STI	Sexually Transmitted Infections
TB	Tuberculosis
CCLM	Collins Chabane Local Municipal
WSIG	Water Services Infrastructure Grants
YEAR – 0	Year 0: 2019/2020 Financial Year
YEAR – 1	Year -1: 2018/2019 Financial Year
YEAR – 2	Year -2: 2017/2018 Financial Year
AGSA	Auditor General South Africa
COIDA	

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

Collins Chabane Local Municipality (CCLM) hereby, in terms of Section 46 of Municipal System Act No.32 of 2000 (MSA) and sections 121 and 127(2) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), present to Council the 2019/20 Annual Report which outlines achievements and challenges for the year under review.

Collins Chabane Local Municipality is fully aware and committed to the fact that it needs to continuously search for mechanisms to identify its priorities, issues and problems in the quest for efficient and effective alternatives towards maximum and sustainable fulfilment of Council mandate as enshrined in the Constitution of the Republic of South Africa, Act 108 of 1996. The Municipality has engaged in a strategic planning session, as part of the Integrated Development Plan (IDP) review processes, and the current vision, mission and strategic objectives were reviewed and retained. This process of planning is guided by the following two (2) key national objectives:

- a) The need to set out the core principles, mechanisms and processes that give meaning to development, local governance and to empower the municipality to move progressively towards the social and economic upliftment of communities and the provision of basic services to all communities.
- b) The democratic imperative for local government to actively involve and engage communities.

This process, which in a way facilitates planning and delivery, should arrive at decisions on such issues as Municipal Budgets, Local Economic development and institutional transformation in a consultative, systematic and strategic manner.

Noting that the IDP does not only inform municipal management, but also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGO's and the private sector within the municipal area, the municipality embarked on a consultative process within very stringent timeframes to elicit the necessary input from various communities, to inform the compilation of this annual report. Emanating from this consultative engagement, the municipality was able to pick a basket of developmental issues which remain endowed to our communities ranging from roads, water, electricity, sanitation, housing, access to health facilities, sporting amenities, crime, unemployment etc.

These issues also find expression in the National Development Plan (NDP), the diagnostic document which points out that "while we have made some progress in reducing poverty, poverty is still pervasive. Millions of people remain unemployed and many working households live close to the poverty line".

Critical to the legislated parameters, is the Local Government Municipal Systems Act 32 of 2000, in particular, Chapter 5 which states that a municipality must undertake developmentally-oriented planning so as to ensure that it-

- a) Strives to achieve the objectives of local government set out in Section 152 of the Constitution;
- b) Give effect to its developmental duties as required by Section 152 of the Constitution.

For the municipality to monitor its performance for the realization of projects and programmes outlined in the IDP, Chapter 6 of the Local Government Municipal Systems Act requires that all municipalities must develop a Performance Management System (PMS) which will monitor the implementation of the IDP. The municipality in line with this legislated imperative has developed an Annual Report which gives account of municipal performance in terms of its own set predetermined objectives which set targets that need to be achieved at the end of that Financial Year. The Annual Report also indicates challenges for targets that were not achieved and the reasons for such non-achievement.

These are some of the achievements for 2019/20 Financial Year:

- Construction and connection of 08 flood lights at Malamulele
- Construction and connection of 70 Malamulele Town streets lights
- Connection of 20 High masts completed at 20 Villages
- Installation and Connection of 12 High Masts light at stadium completed Saselemani (4) , Mdabula(4) and Merwe(4) Stadium
- Connection of 600 households at Mbuti
- Construction of Bevhula Ring road
- Upgrading of Sasekani Ring Road
- DCO to Hospital road widening
- Nwa-Matatani ring road 2.8km
- Construction of Market Stalls
- Construction Tourism Inform Centre
- Xikundu Ring Road
- Construction of Community Hall at Malamulele

This was just few development highlights that the municipality is proud of delivering to our communities for the year under review. There were other projects which were also under-taken by other sectors which also contributed to the upliftment of the lives of our communities.

In conclusion, the municipality is calling all the stakeholders to assist the municipality in ensuring that they form part of the planning and development of the municipality by taking part in all the initiatives the municipality is coming up with, by paying for services and participation in the IDP process.

On the Institutional Governance. The municipality filled all six top management positions. The Position of the CFO was vacant till December 2019 and was filled in January 2020.

The Municipality received MIG funds of R94 031 000. The total MIG expenditure for the year under review was R94 031 000.

Mayor: Cllr.Maluleke Moses

COMPONENT B: EXECUTIVE SUMMARY

1. MUNICIPAL MANAGER'S FOREWORD

The new administration of Collins Chabane municipality has been mandated with a clear objective which is **“to clean up governance and enhance service delivery”** in improving the lives of the Collins Chabane communities. As part of our road map, we took note of the outcome 9 **“which is A Responsive, Accountable, effective Local Government”** further take a note of objectives of Local Government enshrined in section 152(1) of the constitution of the Republic of South Africa as follows:

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organizations in the matters of local government.

It is prudent for the municipality to strive within its financial and administrative capacity, to achieve the referred to objects set out here supra. The 2019/20 Annual Report reflects the strategic focus of the municipality and provides both the financial and non-performance of Collins Chabane Local Municipality. Council approved the 2019/20 Reviewed integrated Development Plan accompanied by the Medium-Term Expenditure Framework (MTREF) in May 2019. The Reviewed IDP outlined the plans for the financial year, while the MTREF provided resources for the accomplishment of the IDP objectives. The IDP and the MTREF was operationalized, monitored and evaluated through the Service Delivery and Budget Implementation Plan, which serves as a management tool.

The municipality has made commendable progress since its establishment in 2016 in improving the delivery of quality services in our areas of jurisdiction. The municipality is engaged in a medium to long term plan to improve the quality of service delivery in a form of improving timeliness and acceptable downtimes in terms of service disruptions. The Municipality continues to engage the traditional leaders in areas like Mhinga, Shikundu, Xigalo. Mulamula, Mudabula, Mukhomi, Mtititi, Madonsi, Tshikonelo, Mavambe, Ntlhavani, Gidjana, Mphamambo, Shigamano, Bungeni, Khomanani, Masakona, Masia, Mulenzhe and Ribungwane.

It is prudent to mention that the report would reflect more on following **Key Performance Areas of Local Government**:

- Municipal Transformation and Organizational Development;
- Spatial Planning;
- Basic Service Delivery and Infrastructure Development;
- Local Economic Development;
- Municipal Financial Viability and Management.
- Good Governance and Public Participation

In conclusion on behalf of the management and enter staff, we appreciate the community willingness to see the municipality improving its governance systems and accelerate quality service at a required speed for better lives for all. Further applaud the working relations with municipal organized labour. i.e. SAMWU and IMATU during period under review

SHILENGE R.R

Acting Municipal Manager

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

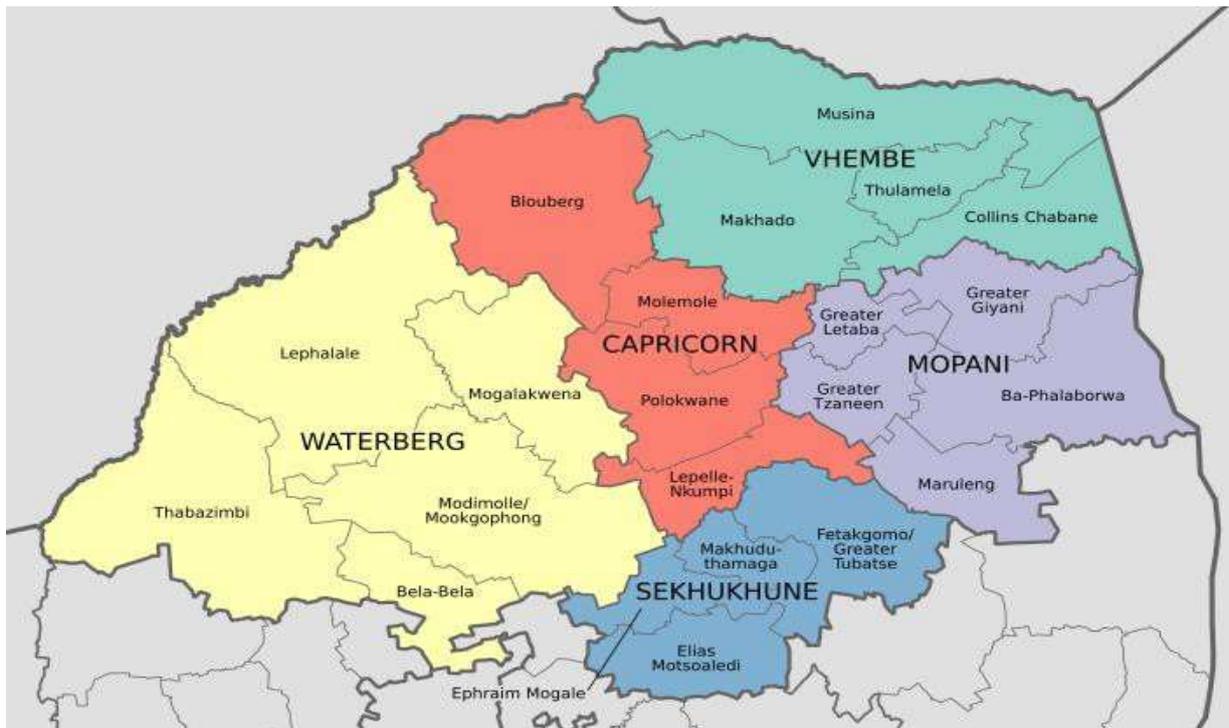
1.1.1. LOCATION

Provincial context

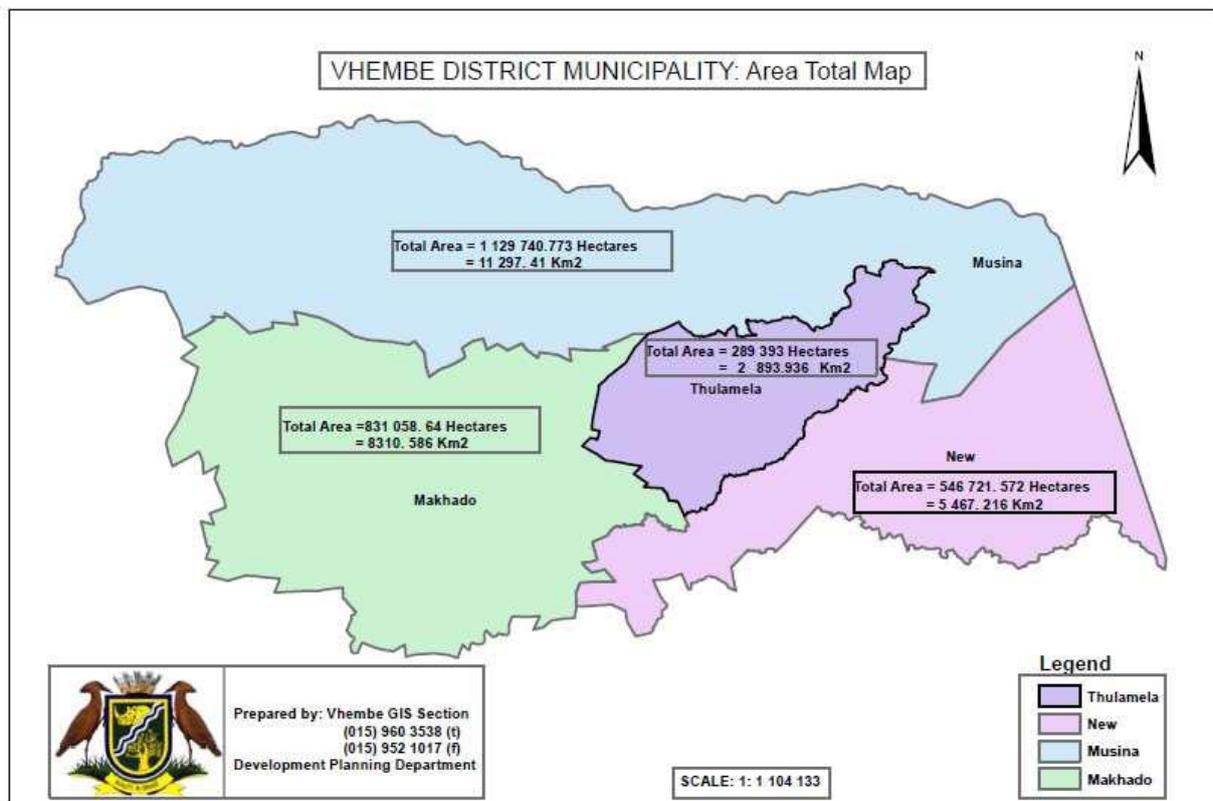
The Collins Chabane Local Municipality is one of the four municipalities of the Vhembe District Municipality (VDM) of Limpopo province. CCLM is located on the far north of the VDM. I. The map below demonstrates the location of the municipality from the provincial context.

Municipal Context

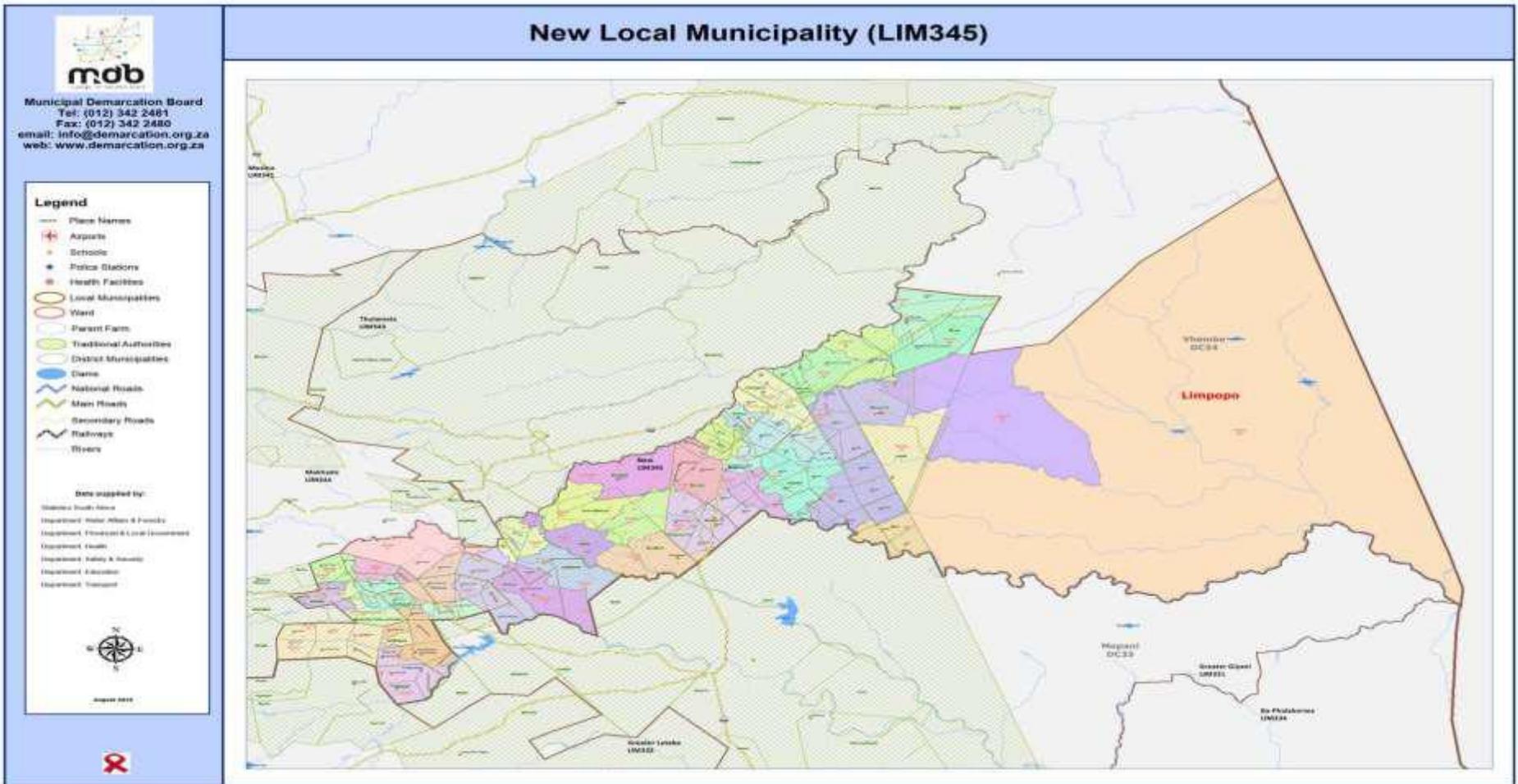
Collins Chabane Local Municipality is a newly established Municipality in the Northern part of Limpopo Province and is situated about 191km from Polokwane City. The Municipality is part of the Vhembe District and is situated between Greater Giyani, Thulamela, and Makhado municipalities. To the north-east the Municipality's borders extend to Mozambique and on the south east to Kruger National Park. The Municipality is flanked by two dominant roads, namely D4 that connects the Municipality to the N1 to Musina and Gauteng. Whilst the R81, connects the Municipality via Giyani to Polokwane. The Municipal land area covers 5 467.216km² (22° 35' S 30° 40' E) in extent with a population of approximate of 347 974 inhabitants. Apart from the two main towns namely, Malamulele and Vuwani Town; and 173 Villages, the municipal area also includes 3 informal settlements.



Map 1: Provincial Context (Source VDM)



Map 2: (Source VDM)



Map 3: (Source MDB,2016)

1.1.2. FUNCTIONS

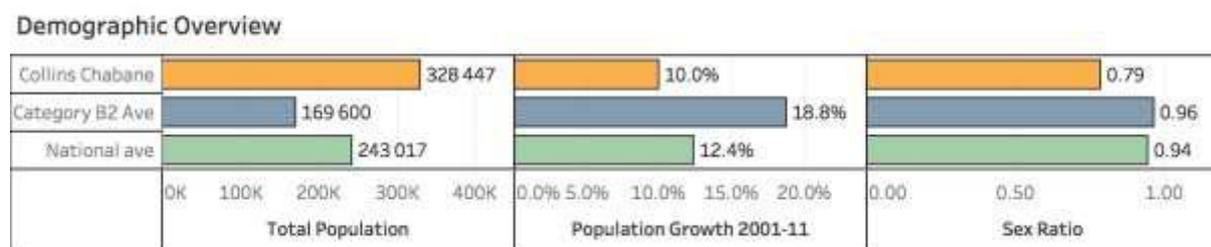
The municipality derives its mandate from section 152 Of the Constitution and provides most of the services as stated in the powers and functions of Local Municipalities in the Constitution schedule A, part B.

1.1.3 POPULATION SIZE AND COMPOSITION

The figure below contains details of population dynamics within the municipality. This includes the total population and growth rate, the gender breakdown of this population and total number of households. It provides information on the following¹:

- Population: The total number of people living within a specified area of jurisdiction;
- Population growth rate: The overall growth rate in population between the 2001 and 2011 censuses;
- Sex Ratio: The sex ratio provides an indication of the gender breakdown in an area, and it is suggestive of the composition of the labour force. Sex ratios will be affected by sex-selective out-migration such as men migrating. Migrant labour-receiving areas usually have higher sex ratio figures (i.e. more males to females) as the migrants are usually male. South Africa’s average sex ratio is around 0,95, that is 95 men to 100 women. Lower sex ratios are found in areas with a higher number of female-headed households, where household sizes are generally larger, with higher dependency levels².

FIGURE 1: DEMOGRAPHIC OVERVIEW

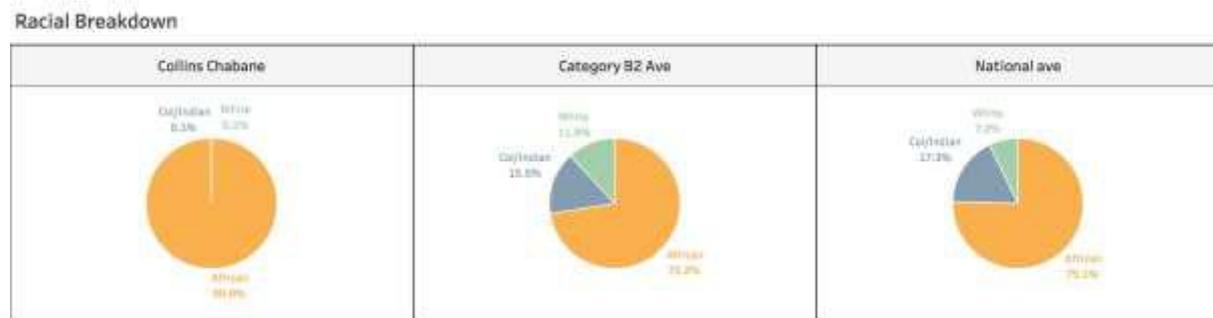


The following figure further breaks down the broad population by race. It indicates the proportion of people of African origin, as well as other black South Africans (people designated previously as Coloured and Indian) as well as people previously designated as white. Given the history of apartheid, places with generally higher proportions of minorities (such as whites) have been massively advantaged in economic and other terms.

¹ Stats SA: Census

² Demographics and Social; Stats SA: Census

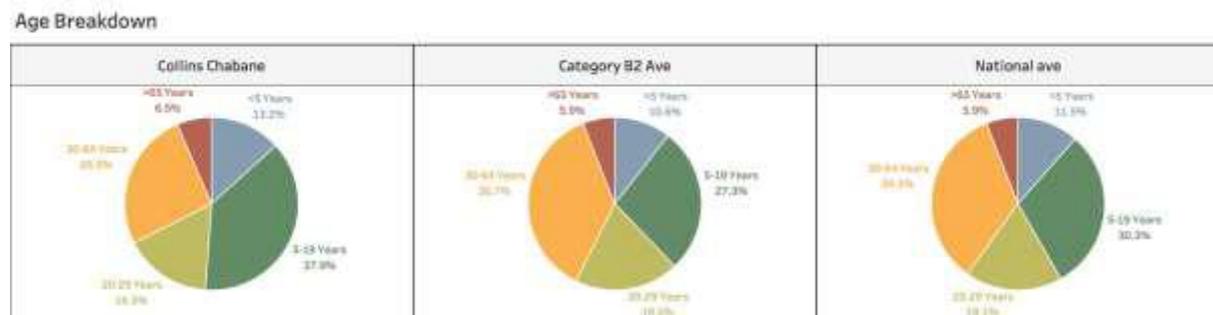
FIGURE 2: RACIAL BREAKDOWN



Age structure

The distribution of the population by age is also provided in the figure below with age groups including those younger than school-going age (0-4 years), school going (5-19 years), youth (20-29), general working age (30-64) and elderly (over 65 years of age).

FIGURE 3: AGE BREAKDOWN

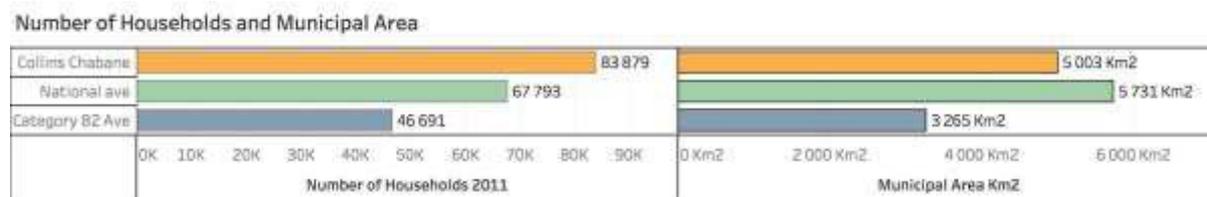


Households and density

In examining the distribution of households, it is important to consider the definition of households by Statistics SA. A household is seen as a group of persons who live together and provide themselves jointly with food or other essentials for living, or a single person who lives alone. Live-in domestic workers and live-in employees are regarded as separate households. This is important in that when one examines consumer units provided by municipalities in the sections below, such units could consist of more than one household.

The following figure indicates the overall number of households in the municipality compared with its area.

FIGURE 4: NUMBER OF HOUSEHOLDS AND MUNICIPAL AREA

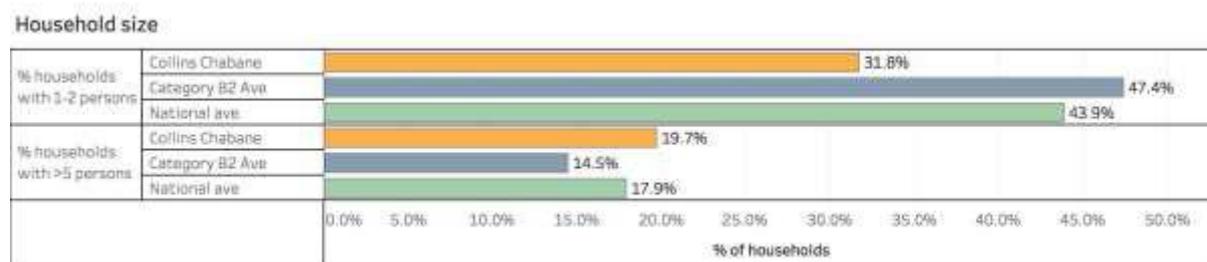


Importantly, though, the relative size of households and the density of population are more useful indicators of human settlements and the extent to which municipalities need to respond to challenges. This is particularly the case for relatively small households (1-2 persons) and large (over 5 persons) households. Both provide challenges for municipal planning and service delivery: small households hold out the possibility, if linked to chain migration, that larger households will come into the municipalities once a person’s employment becomes more stable, and larger households often place an additional strain on the delivery of basic network services. In other words, these data indicate the degree to which there could be migrancy operating, particularly in the larger urban areas where one could find a higher proportion of 1-2 persons households than in other areas. Likewise, larger households could also indicate a degree of mutual aid existing not just for familial reasons, but to cope with the effects of apartheid and unemployment.

The following figure provides information on:

- The proportion of households consisting of one or two persons; and
- The proportion of households consisting of over five persons.

FIGURE 5: HOUSEHOLD SIZE



1.2. SERVICE DELIVERY OVERVIEW

The municipality is committed to providing quality and sustainable roads and electricity by ensuring consistent supply of services.

PUBLIC MEETINGS

For the year ended 30 June 2020 the municipality had the following meetings summarised in the following of the IDP and Budget consultations.

IDP AND BUDGET REPRESENTATIVE FORUM			
No.	Date	Venue	Wards
1.	18 September 2019.	Saselamani Library	27, 28, 29, 30, 31, 32, 33, 34, 35 & 36
2.	19 September 2019.	Njhakanjhaka Community Hall	1, 2, 3, 4, 5, 6, 7, 8, 9 & 10
3.	20 September 2019.	Davhana Sports Ground	11, 12, 13 & 14
4.	21 September 2019.	Malamulele Boxing Gym	15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 & 26

Below is the summary of issues raised by community members:

Service delivery issues/concerns

- Unfunded projects
- No land for residential development and other development
- No feedback from projects implemented by province, national and Eskom
- Maintenance of infrastructure services and social services (streets lights, community parks, halls and sports fields) little progress
- Limited budget for basic infrastructure projects
- Employment of local skills in local projects
- No feedback on services relating to provincial departments
- No feedback on land issues that has been raised in the previous IDPs (provincial department information)
- Basic needs issues have been re-raised as contained in the ward priority needs

Institutional issues

- Feedback reports not regular reported to communities by Councillors
- Absence of municipal deployed officials in most IDP meetings
- Absence of political (mayoral committee) leadership in most IDP meetings
- Absence of national, provincial and district representatives in all meetings

Participation related issues

- No proper loud hailing in some areas/villages
- Poor planning of meetings

Recommendations

- CCLM gives attention as soon as possible to operational services that require no/less budget e.g. maintenance which includes street lights, Internal Streets, sports fields and other related services that affect communities on a daily basis.
- A service delivery and implementation plan (SDBIP) be enforced on the implementation of the outlined issues of a financial year.
- Quarterly reports on institutional and service delivery projects and programmes are reported to communities by Councillors on a quarterly basis as per the quarterly reports of the SDBIP.

1.3. FINANCIAL HEALTH OVERVIEW

For the year under review, municipal budgeted surplus was R 82 130 774 and incurred an actual surplus of R 122 035 081.

Financial Overview: 2019/20		
Summary: Statement of financial Performance		
Description	Description	Description
Total Revenue by Source (Excluding Capital Transfers)	Total Revenue by Source (Excluding Capital Transfers)	Total Revenue by Source (Excluding Capital Transfers)
Less: Total Expenditure	Less: Total Expenditure	Less: Total Expenditure
Equals: Surplus/ deficit	Equals: Surplus/ deficit	Equals: Surplus/ deficit

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipal Manager is the head of the organisation supported by four Senior Managers. The approved organisational structure provides for six Senior Managers positions (including the positions of the Municipal Manager and Chief Finance Officer).

SECTION 56/7 POSITIONS:

Directorate/ Department	Filled/ Vacant
Municipal Manager	Filled
Director Technical and Engineering Services	Filled
Director Corporate Services	Filled
Director Community Services	Filled
Chief Finance Officer	Filled
Director Planning and Development	Filled

The office of the Mayor is supported by a Personal Assistant, Secretary and Manager Political Support. On a Continuous basis office of the Municipal Manager and all Senior Managers supports office of the Mayor.

1.5. AUDITOR-GENERAL REPORT

Collins Chabane Local Municipality has received a qualified audit opinion from the Auditor General for the 2018/2019 financial year. For the year under review the municipality received an unqualified audit opinion. An Action Plan is developed to address the AGSA audit findings.

1.6. 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	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report including Annual Financial Statements and Performance Report to Auditor-General	September
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Municipal entities submit draft annual reports to MM (The municipality doesn't have entities)	
7	Auditor General Audits Annual Report including Annual Financial Statements and Performance data	September - October
8	Municipalities receive and start to address the Auditor General's findings	
9	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
10	Receive management letter and provide final comments on findings	November
11	Auditor-General submit audit opinion.	
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
13	Audited Annual Report is made public and representation is invited	February
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	March
16	Council table next financial year Budget / IDP and invite public representation	
17	Oversight report is made public	April
18	Oversight report is submitted to relevant provincial councils	
19	Council approve next financial year Budget / IDP	May
20	Make public approved Budget and IDP	June
21	Finalize SDBIP and Performance Agreements for next financial year.	
22	Make public SDBIP and Performance Agreements.	July

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2. INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The executive and legislative authority of a municipality is vested in its Municipal Council. In terms of Section 151 (3) of the Constitution of the Republic of South Africa, a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

Collins Chabane Local Municipality is a category C Municipality in terms of Section 10 (b) of the Municipal Structures Act which defines the Municipality with a Mayoral Executive System. The Municipality has Section 80 Committees, Section 79 Committees, Mayoral Committee and Council.

The Council is composed of 71 Councillors of which 36 are Ward Councillors and 35 are PR Councillors. Administration is headed by the Municipal Manager who acts as a link between the Political Office Bearers and Administration.

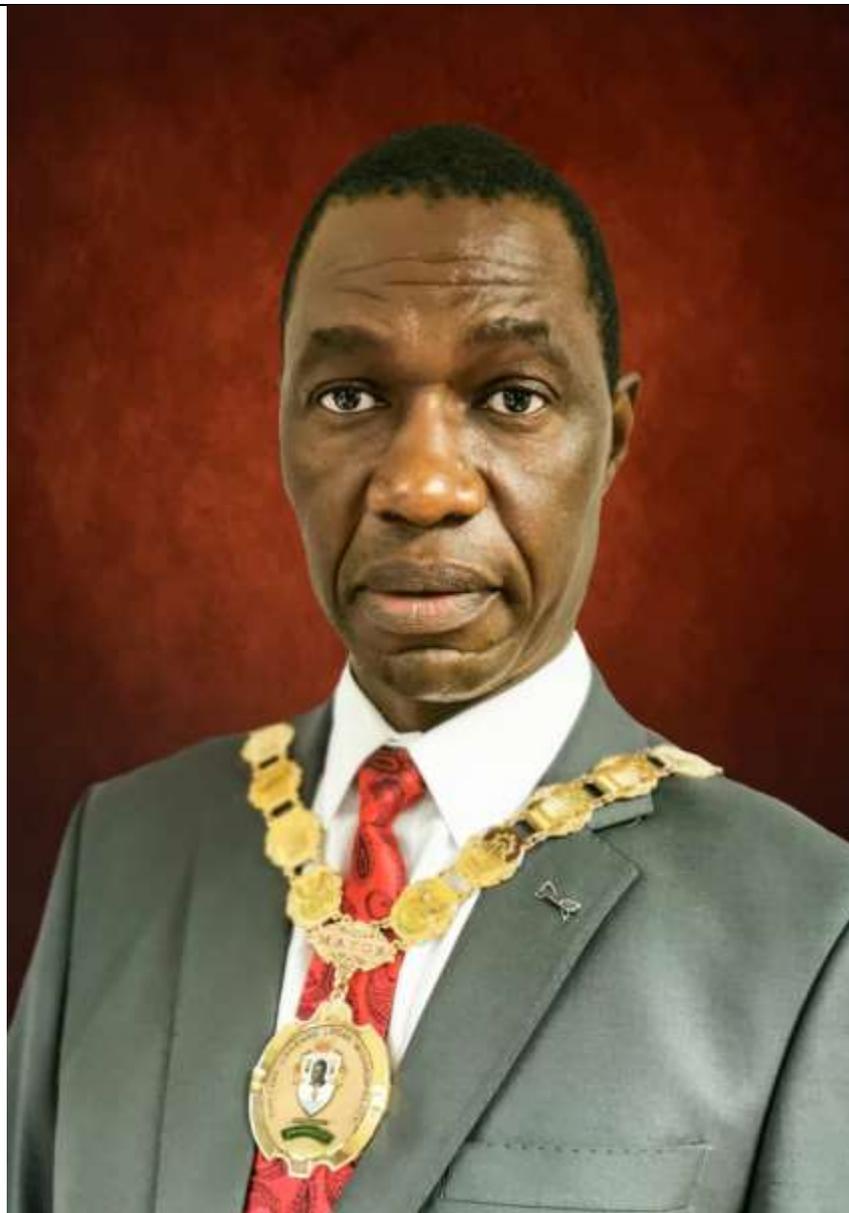
2.1. POLITICAL GOVERNANCE STRUCTURE

The Municipal Council is comprised of 71 Councillors and is chaired by the Honourable Speaker wherein decisions are taken through Council resolutions as per the recommendations of the Executive Mayoral Committee.

Items are prepared by administration to serve before the Portfolio Committees, Mayoral Committee and finally before Council with recommendations for either adoption or noting depending on the nature of the items. The Municipality has Audit Committee which provides opinions and recommendations on financial processes and performance and afford comments to the Oversight Committee on the Annual Report.

The Municipality has established Municipal Public Accounts Committee (MPAC) which plays an Oversight role. The Committee is comprised of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on the Annual Report.

MPAC prepared an oversight report which served before Council on the 29 of March 2019 in compliance with the MFMA.



POLITICAL STRUCTURE

MAYOR

Hon Cllr Maluleke M

Functions of the Mayor

- Promote the image of the municipality
- To ensure that the executive committee meetings performs its functions properly
- To lead and promotes social and economic development in the municipality
- To preside over public meetings and hearings
- To promote inter- governmental and inter institutional relations
- To ensure in consultation with the municipal manager, that a proper committee service responsible for
- The agendas minutes is in place for the executive and other committees and that they meet regularly. And submit reports to the executive committee
- To take responsibility for the quality and speed of decision making in the executive committee



SPEAKER

Cllr M.E. LEBEA

Functions of the Speaker

- Presides at meetings of council
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the local Government: Municipal system Act, 2000 (Act 32 of 2000):
- Must ensure that the council meets at least quarterly
- Must ensure compliance in the council and council committee with the code of conduct set out in schedule 1 to the local Government: Municipal system Act, 2000 (Act 32 of 2000); and must ensure that council meetings are conducted in accordance with the rules and orders of the council.



CHIEF WHIP

Cllr M.G CHAUKE

Functions of the Chief Whip

- Political management of council meetings and committee meetings
- Inform councillors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate
- Advises the Speaker and Mayor on the Council agenda
- Informs councillors on important matters on the relevant agenda
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the Council
- Ensures that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council
- Assisting the Speaker in the counting of votes
- Advising the Speaker and the Mayor of urgent motions
- Advising the Speaker and Mayor on how to deal with important items not disposed of at a Council meeting

Collins Chabane Local Municipal Council is comprised of 71 Councillors. These Councillors are categorised in the table below.

WARD COUNCILLORS:

INITIALS AND SURNAME	WARD	PARTY REPRESENTATION
Cllr M.R Ngobeni	Ward 1	ANC
Cllr M.J Shandukani	Ward 2	ANC
Cllr L. Ngobeni	Ward 3	ANC
Cllr G.M Rikhotso	Ward 4	ANC
Cllr P.F Mashimbye	Ward 5	ANC
Cllr D. Mahlangu	Ward 6	ANC
Cllr M.S Thovhakale	Ward 7	ANC
Cllr T.M Mutele	Ward 8	ANC
Cllr V.N Mukhomi	Ward 9	INDEPENDENT
Cllr H.D Ndove	Ward 10	ANC
Cllr K.E Rivombo	Ward 11	ANC
Cllr T.N Mulaudzi	Ward 12	ANC
Cllr T. Mudau	Ward 13	ANC
Cllr M.P Mathoma	Ward 14	ANC
Cllr T.E Maluleke	Ward 15	ANC
Cllr S.X Mavikane	Ward 16	ANC
Cllr T.E Vukeya	Ward 17	ANC
Cllr M.P Maluleke	Ward 18	ANC
Cllr N. Munyai	Ward 19	ANC
Cllr G. D Masangu	Ward 20	ANC
Cllr D. Mabasa	Ward 21	ANC
Cllr H.R Baloyi	Ward 22	ANC
Cllr N.L Baloyi	Ward 23	ANC
Cllr S. Mahlale	Ward 24	ANC
Cllr H.M Chauke	Ward 25	ANC
Cllr M.J Baloyi	Ward 26	ANC
Cllr S. Shivambu	Ward 27	ANC
Cllr J. Mabasa	Ward 28	ANC
Cllr M.T Moyo	Ward 29	ANC
Cllr H.G Chauke	Ward 30	ANC
Cllr M.W Sithole	Ward 31	ANC
Cllr N.P Mathonsi	Ward 32	ANC
Cllr M.C Mabunda	Ward 33	ANC
Cllr M.R Simango	Ward 34	ANC
Cllr T.C Chabangu	Ward 35	ANC
Cllr P.J Chavane	Ward 36	ANC

PR COUNCILLORS

INITIALS AND SURNAME	PARTY REPRESENTATION
Cllr M. Maluleke	ANC
Cllr M.E Lebea	ANC
Cllr M.G Chauke	ANC
Cllr S.G Maluleke	ANC
Cllr T.G Khosa	ANC
Cllr R.P Mudau	ANC
Cllr L.R Maluleke	ANC
Cllr S.G Hlongwani	ANC
Cllr N.E Ngobeni	ANC
Cllr S.M Rekhotso	ANC
Cllr F.F Mudau	ANC
Cllr R.G Nkanyani	ANC
Cllr Z.Q Miyambu	ANC
Cllr D.T Nkuna	ANC
Cllr K.E Mashakeni	ANC
Cllr T.M Sambo	ANC
Cllr Z.W Sunduza	ANC
Cllr A.J Mukhaha	ANC
Cllr T.J Bila	ANC
Cllr M.S Matamela	ANC
Cllr M.C Fungheni	ANC
Cllr T.R Chauke	ANC
Cllr N.G Ndzovela	ANC
Cllr Mabasa R.C	ANC
Cllr Maswanaganyi T.C	ANC
Cllr T.M Masia	DA
Cllr M.C Radzivoni	EFF
Cllr T.L Hlabangwani	EFF
Cllr C.E Tshiredo	EFF
Cllr H.T Makhubela	EFF
Cllr D. Baloyi	EFF
Cllr H.J Khosa	EFF
Cllr O.C Baloyi	XIMOKO
Cllr K.K Mabasa	ACDP
Cllr S. Muavha	DA

2.1.1. ADMINISTRATIVE GOVERNANCE STRUCTURE AS AT 30 JUNE 2020

DIRECTORATE/ DEPARTMENT	FILLED/ VACANT	COMMENTS
Municipal Manager	FILLED	T.C NGOBENI
Senior Manager Technical and Engineering Services	FILLED	R.I MABUNDA
Senior Manager Corporate Services	FILLED	R.R SHILENGE
Senior Manager Community Services	FILLED	G.L MALULEKE
Chief Finance Officer	FILLED	N.V MALULEKE
Senior Manager Development & Planning	FILLED	MR. H.C. MUKWEVHO

2.1.2. POLITICAL DECISION-MAKING

The Municipal Council is chaired by the Speaker. Policy decisions and resolutions are taken by the Council as per recommendation of the Executive Committee.

The Mayor and the members of the Mayoral Committee have a responsibility to ensure that council resolutions are implemented as required by section 44 of the Municipal Structures Act.

The Administration headed by the Municipal Manager and the Senior Managers are responsible for the implementation of council and Executive Committee resolutions.

Reports regarding policy matters and non-delegated administrative matters are prepared by the administration with the recommendations from the Municipal Manager then submitted to section 80 Committees (Portfolio Committees), Executive Committee where such reports are considered and recommendations are made to Council for final decision making.

COUNCIL RESOLUTIONS FOR THE YEAR THE PERIOD 1 JULY 2019 – 30 JUNE 2020

Powers of local government are vested in the municipal council and as a result Council has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). Council adopts its own policies, by-laws and takes resolutions to ensure smooth operation of the Municipality and take its own decisions through Council resolutions with the recommendations of the Mayoral Committee.

The Executive Committee has responsibility to ensure that Council resolutions and decisions are implemented as provided for in terms of Section 44 of the Municipal Structures Act.

Reports regarding Policy developments and non-delegated administrative matters are prepared by Administration with the recommendations of the Municipal Manager and submitted to Portfolio Committees and Executive Committee where such reports are considered before they are served to council for final decision making.

COUNCIL RESOLUTIONS AS AT OF JUNE 2020

	FINANCE	TECHNICAL SERVICES	CORPORATE SERVICES	OFFICE OF THE MUNICIPAL MANAGER	COMMUNITY SERVICES	DEVELOPMENT & PLANNING	TOTAL
RESOLUTIONS TAKEN	22	9	46	0	4	11	92
IMPLEMENTED	22	9	46	0	4	11	92

For the 2019/20 Financial Year a total of Zero (0) Resolutions were deferred/withdrawn.

2.2. ADMINISTRATIVE GOVERNANCE

The Administration is led by the Municipal Manager who is appointed by Council in terms of the Municipal Systems Act. The Municipal Manager and Senior Managers/Directors directly accountable to the Municipal Manager sign Annual Performance Agreements with performance objectives, targets and procedures for Evaluating Performance.

This is to ensure that the Municipality achieves its Constitutional objectives in terms of Section 152 (1) of the Constitution of the Republic of South Africa.



TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

MS. T.C NGOBENI

Functions of the Municipal Manager

- Strategic Management Planning of Corporate Support Services
- Strategic Management
- Strategic Management Support of Finance Services – Budget and Treasury
- Strategic Management Support of Technical and Engineering Services
- Strategic Management Support of Local Economic Development and Planning
- Strategic Leadership for Risk Management Services
- Strategic Leadership for Internal Audit Services
- Operational Leadership of Institutional Performance Management and Reporting
- Administrative Leadership of Mayor and EXCO Support
- Coordinate Intergovernmental Relations
- Operational Leadership Communication Services



SENIOR MANAGER: Corporate Services

R.R SHILENGE

Functions of Director Corporate Services

- Render Human Resources Management and Development Services
- Render Legal Services support
- Render Records Management and Auxiliary Services
- Render Council Support
- Render Facilities Management
- Performance Management
- ICT Management



SENIOR MANAGER: Technical Services

R.I MABUNDA

Functions of Director Technical Services

- Manage Municipal Development Projects
- Manage the maintenance of Roads and Storm Water Systems
- Manage the provision of Engineering Services
- Manage maintenance of Municipal Infrastructure
- Manage Service Delivery Units



**CHIEF FINANCIAL OFFICER: Budget and Treasury
MALULEKE N.V**

Functions of the CFO

- Render Management Accounting Services
- Render Financial Accounting Services.
- Render Supply Chain Management Services
- Manage Municipal Assets



SENIOR MANAGER: PLANNING AND DEVELOPMENT

H.C. MUKWEVHO

Functions of Director Planning and Development

- Manage and Coordinate the development and implementation of IDP.
- Promote Local Economic Development
- Management of Spatial Planning and Land Use Management
- Management of Housing, Property and Building Control



SENIOR MANAGER: Community Services

G.I. MALULEKE

Functions of Director Community Services and Safety

- Coordinate the rendering of Environmental and Waste Management Services
- Render Traffic Management Services (Law Enforcement) & Road Safety Promotion
- Coordinate the provision of vehicle and Drivers Licensing Services
- Render Disaster and Emergency Management Services
- Coordinate Arts, Culture, Sport and Recreation Services
- Manage Transversal and Special Needs Programmes

COMPONENT D: INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURES

CCLM maintains constant communication with National treasury, Provincial departments and also participates in various district, provincial and national programs.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Collins Chabane Local Municipality participates in PCF [Premier Coordinating Forum meetings which comprises of the Premier as the chair and members of the Executive Council and all the Mayors supported by their heads of Department and Municipal Managers as well as SALGA. Through the PCF both the provincial and local sphere of government are able to inform and take decisions on policy and development issues that emanates from national, Provincial and local government level.

2.3.2. MUNICIPAL ENTITIES

The Municipality does not have Municipal Entities

DISTRICT INTERGOVERNMENTAL STRUCTURES

Besides the PCF the CCLM participates in established Vhembe District Municipality Forums. The established forums are important for the purpose of integrated development planning and strengthening governance processes within the district.

THE FOLLOWING INTERGOVERNMENTAL RELATIONS FORUMS THAT CCLM PARTICIPATES IN:

- Mayor's Forum
- Speaker's forum
- Municipal Manager's forum and other Technical fora
- Governance Cluster
- Social and Economic Cluster
- District MPAC

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

2.4.1. WARD COMMITTEES

The municipality had established ward committees in all 34 wards during the 2019/20 financial year and they are functional. The 2 remaining wards are not yet established due to community resistance however there is progress towards establishing the remaining ward committees.

THE FUNCTIONALLY THEREOF IS SUMMARIZED IN THE TABLE BELOW:

DESCRIPTION	NUMBER
No. of wards	36
No. of ward committees	34
No. of ward committee members	340
No. of functional ward committee members	340
No. of non-functional ward committees' members	0
No. of ward committees' meetings	408

Ward Committees meeting were held once a month during the year under review, except ward 7 and 8 that were not yet launched.

2.4.2. MAYORAL IMBIZO

Below is the summary of mayoral Imbizo that took place for the year under review:

NO.	DATE	VENUE
1.	23 rd August 2019	Mphambo Village
2.	4 th December 2019	Makhubele Village

Comment on imbizo

-Due to Covid 19 regulations most of imbizo were held through media, including Facebook and radio stations

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

For the 2019/20 financial year the following governance were established and functional:

- Internal Audit Unit is functional
- Risk Management unit is functional
- Performance Management Unit is Functional
-

Collins Chabane Local Municipality is currently having delegation of powers which were approved by council. The reason for these delegations was to delegate powers. The municipality is implementing these delegations.

2.5. RISK MANAGEMENT

The risk management unit functions are guided by the following legislations:

- MFMA
- Treasury Regulations
- Codes of good corporate governance practices such as COSO
- National Treasury Public Sector Risk Management Framework
- Chapter 4 of the King III Report on Good Corporate Governance
- ISO 31000.

Risk Management is a continuous, proactive and systematic process effected by a Municipality's Council, Accounting Officer, Management and other personnel, designed to identify potential events that may affect the achievement of the Municipality's objectives. This process involves identification of potential events, assessments and prioritization of risks (effect of uncertainty on objectives) followed by coordinated and economical application of resources to minimize, monitor the probability and/or impact of unfortunate events or to maximize the realization of opportunities. When conducting the risk assessment, management considered the following Key Performance Areas (KPA's):

- Municipal Transformation and Organizational Development
- Spatial Rationale
- Basic Service Delivery and Infrastructure Development
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation

Management identified the below ten top risks:

- Inability to grow revenue base
- Increase in irregular expenditure
- Fraudulent activities/expenditure
- Inability to retain investment
- Health Hazard
- Delays and failure to complete service delivery projects on time
- Lack of business continuity plan and disaster recovery plan
- Illegal and land invasion, Illegal land use
- Ageing of infrastructure due to inadequate repairs and maintenance
- Underutilization of the website

Risk Management Committee

The Municipality has established Risk Management Committee chaired by independent person. The Committee is functional and the had four meeting in 2019/2020 financial year, one meeting per quarter.

2.6. ANTI-CORRUPTION AND FRAUD

The Municipality is currently using the District Anti- Fraud and Corruption hotline and Premier hotline for reporting of Fraud and Corruption. The Anti-Fraud and Corruption workshop was conducted for some officials by the Department of Transport.

2.7. SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy adopted by the Municipal Council is in compliance with the guidelines set out in the Supply Chain Management Regulations 2005.

The municipality established three bid committees which are functional and Councillors are not members of these committees.

PROCUREMENT FOR THE FINANCIAL YEAR 2019/2020		
NAME OF THE COMPANY	NUMBER	AMOUNT
Geshom Construction	CCLM/03/2019/20/TSE.	R 5 653 354.00
Geshom Construction	CCLM/08/2019/20/TSE	R 543 086. 35
Mnp Engineering Projects	CCLM/01/2019/20/TSE	R 2 541 386. 20
Rivisi Electrical Contractors	CCLM/07/2019/20/TSE	R7 883 360,40
Vukona Bya Yena Trading Enterprise	CCLM/09/2019/20/TSE	R 4 200 950.00
Zevofusion (Pty) Ltd	CCLM/02/2019/20/TSE	R 4 675 486.00
Anaka Group (Pty) Ltd	CCLM/06/2019/20/CPS	R 6 602 950.08

2.8. BY-LAWS

The municipality approved and gazetted 9(nine) by-laws for planning and development .

2.9. WEBSITES

OVERVIEW OF MUNICIPAL WEBSITES COMPLIANCE

The Municipal Website is a communications tool that seeks to use to communicate all municipal information to the public. The Municipal Website is functional.

In terms of Section 75 of the MFMA, Municipal Website should include the following:

Documents published on the municipality`s /entity`s website	Yes/No
Current annual and adjustment budgets and all budget related documents	Yes
All current budget related policies	Yes
The previous annual report (2018/19)	Yes
The annual report (2019/20) to be published	Yes
All current performance agreements required in terms of section 54/56 (1) (b) of the MSA and resulting score cards	Yes
All service delivery agreements (2019/20)	Yes
All long term borrowing contracts (2019/20)	No
All supply chain management contracts above a prescribed value (give value) for 2019/20	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2019/20	N/A
Contracts agreed in 2019/20 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A
PPP agreements referred to in section 120 made in 2019/20	N/A
All quartely reports tabled in the council in terms of section 52 (d) during 2019/20	YES

Access to Municipal Website

Municipal Website:
www.collinschabane.gov.za

2.10. PUBLIC SATISFACTION LEVELS

Collins Chabane Local Municipality has not conducted the public satisfaction survey in the year under review.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I

COMPONENT A: BASIC SERVICES

3. BASIC SERVICES

3.1. WATER PROVISION

INTRODUCTION

Vhembe District Municipality (VDM) is responsible for water and sanitation services as the Water Services Authority (WSA) in accordance with the Water Services Act 108 of 1997. However, Collins Chabane have procured two water tankers for watering of streets to eradicate dust for health purpose and maintenance of gravel roads.

3.2. ROADS OVERVIEW

Municipality has the primary responsibility to provide for the availability of road services. This responsibility is embodied in the legislation as well as policy statements. Municipalities are however experiencing financial difficulties that are impacting on its ability to provide for new or extended services on demand.

The total kilometres of roads within Collins Chabane local municipality is 3476,5 km which 1 049 km are provincial roads, 128km are national roads and 2 299,5 km belongs to the municipality.

The table below highlight the categories of roads within Collins Chabane

	Road pavement type	Length(km)
1	Block	0
2	Concrete	0
3	Asphalt	60
4	Unpaved	2 299,5

Total Unpaved Gravel Road infrastructure Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/Maintained
Year -2	2 288	0	32	60
Year -1	2 299,5	0	11.5	60
Year -0				

Tarred Road infrastructure Kilometres					
	Total tarred roads	New Tarred roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	46	0	0	0	0
Year -1	57,5	11,5	4	4	6
Year -0	65,7	8,2	1	3	3

Cost of construction/Maintenance R'000			
	Tar/Paving		
	New	Re-worked	Maintained
Year -0	72 000 000	36 906 286	0

Capital Expenditure year 0: Road service R'000					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project values
Year -0	R83 480 000	104 8090 000	R101 850 000.	21 500 000	104 8090 000

The Municipality has procured a service provider who is assisting in developing maintenance plans. The plan will give us the status quo of our roads and also guide on the type of maintenance to embark on

3.3. STORM WATER

Storm water management is defined by the Red Book (Guidelines for Human Settlements and Design, 2000) as “the science of limiting negative impacts on the environment and enhancing the positive impacts, or catering for the hydraulic needs of a development while minimizing the associated negative environmental impacts”.

Any development will have an impact on its environment in some way or form and therefore needs to be managed—storm water is no exception and should be considered an important resource. The goals of storm water management are therefore aimed at supporting the philosophy of reducing the impact of storm water flow through and off developed areas. Local authorities are entrusted with the power to construct infrastructure to manage the flow (quantity, quality and velocity) of storm water discharge.

A Storm Water Drainage System is defined as “All the facilities used for the collection, conveyance, storage, treatment, use and disposal of runoff from a drainage area to a specified point.” - Red Book, 2000. A typical storm water drainage system in a formal urban setting involves minor storm water runoff as a result of frequent storms that is drained. Budget allocated for roads include stormwater.

The storm water in Collins Chabane were long designed and were never upgraded, the storm water network in Collins Chabane has to be upgraded to minimum size of 600mm diameter. The municipality has started with project registration processes for project funding through MIG to upgrade the storm water network in Collins Chabane

3.4. ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The municipality does not have a license to provide electricity. Currently Eskom is responsible for the provision of electricity. For 2019/20 Financial year the municipality electrified 600 households at Mbuti through funding from INEP, the houses were low cost Houses and informal settlements, 20A supply was installed in all the houses as per the indigent policy of the municipality. The Municipality is planning to apply for an electricity distribution license.

DESCRIPTION	YEAR 2	YEAR 1	YEAR 0
	ACTUAL NO.	ACTUAL NO.	ACTUAL NO.
Electricity (at least min service level)	1160	1443	600
Electricity-prepaid (min service level)	1160	1443	600
Minimum service level and above sub-total	0	0	0
Minimum service level and above percentage	0	0	0
Electricity-prepaid (<min service level)	1160	1443	600
Electricity-prepaid (>min service level)	0	0	0
Below minimum service level sub-total	0	0	0
Below minimum service level percentage	0	0	0
Total number of households	1160	1443	600

HOUSEHOLDS - ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM HOUSEHOLDS					
DESCRIPTION	2017/18	2018/19	2019/20		
	ACTUAL NO.	ACTUAL NO.	ORIGINAL BUDGET NO.	ADJUSTED BUDGET NO.	ACTUAL NO.
Formal Settlements					
Total Households	1160	1443	600	600	600
Households below minimum service level	1160	1443	600	600	600
Proportion of households below minimum service level	0	0	0	0	0
Informal Settlements					
Total households	1160	1443	600	600	600
Households below minimum service level	1443	1443	600	600	600
Proportion of households below minimum service level	0	0	0	0	0

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The was 1 capital projects that were implemented by Collins Chabane Municipality in the 2019/2020 financial year. The project was at Mbuti (600). The projects reached practical completion stage and are currently awaiting energization by Eskom.

BELOW IS A LIST OF OTHER ELECTRIFICATION PROJECTS THAT WERE IMPLEMENTED BY ESKOM:

- Tshimbupfe
- Phaweni
- Xihosana
- Mulenzhe
- Mphakati
- Josepha
- Masia/Majozi
- Malonga
- Plaje
- Nghomunghomu
- Gumbani
- Jerom(maxeleni),navela block B,Roodhuise ext2(xidumezani),Roodhuise(hluvukani
- Mahonisi
- Sereni
- Ribumgwani
- Doli(Mashau)

In summary, an additions 16 villages were serviced with new electricity connections by Eskom towards contributions of national goal for obtaining universal access of electricity services to household in South Africa

3.5. PROJECT MANAGEMENT UNIT (PMU)

The Municipality PMU is responsible for the implementation of Capital Projects within various departments to ensure that they are handed-over to the users upon completion for functionality purposes.

The table below indicates projects that were implemented for Technical Services Directorate as part of the Capital Projects in the financial year under review.

PROJECT NAME	CONSULTANT / CONTRACTOR	BUDGET	COMMENTS
CONSTRUCTION OF DAVHANA STADIUM PHASE 01	ROSPA TRADING 49 (PTY) LTD	R13 253 582,10	Construct Davhana stadium Phase 1 up to practical completion not done, Due to Lock down regulations, the milestones to be completed when the lock down level is lifted.
CONSTRUCTION OF MALAMULELE MARKET STALLS	SASAVONA – OXIOR JV	R 7 864 617,33	30 Market Stalls Constructed at Malamulele
CONSTRUCTION OF MALAMULELE COMMUNITY HALL	NTSHIZA'S TECHNICAL SERVICEA CC	R 19 778 415,87	Construct Malamulele Community not completed, Due to Lock-down restrictions
CONSTRUCTION OF NEW COLLINS CHABANE LOCAL MUNICIPAL OFFICES	MPFUMELELO MM INDUSTRIAL JV	R173 182 466,81	Encountered adverse soil condition/ unsuitable soil condition that was not anticipated & there was also existing asbestos pipes which was supposed to be relocated prior receiving approval from Vhembe District Municipality
XIKUNDU RING ROAD PROJECTS: UP-GRADING AND COSTRUCTION OF 7.7KM XIKUNDU RURAL ROAD-FROM GRAVEL TO TAR.	FG NGWENYA CONSRUCTION AND PLANT HIRE CC	R 4 542 418,93	Construction and finishing of Xikundu ring road completed
CONSTRUCTION OF MALAMULELE TOURISM INFORMATION CENTRE	DALAS BUSINESS ENTERPRISE	R 8 481 036,91	Tourism Information Centre Constructed up to Window Level

3.6. HOUSING

OVERVIEW HOUSING

Collins Chabane Local Municipality Human Settlements Section is entrusted with the overseeing, facilitation of integrated human settlements, management of Council owned rental stock, management of informal settlements and ensuring security of tenure through issuing of Title Deeds. Our strategy is to provide housing in line with the deliverable of Outcome 8, which is to develop spatial plans to ensure new housing developments are in line with national policy on intergraded Human Settlements and to accelerate the delivery of housing

THE FOLLOWING HUMAN SETTLEMENTS PROGRAMME ARE CURRENTLY BEING PRIORITISED BY COLLINS CHABANE MUNICIPALITY:

- Formalisation of informal settlements
- Social Housing
- Rural Housing Subsidy Scheme
- Urban Housing Subsidy Scheme
- Community Residential Units
- Financial-Linked Individual Subsidy Programme

THE MUNICIPALITY FULFILLS THE FOLLOWING ROLES IN RESPECT OF THE PROVISION OF HOUSING:

- Provision of serviced land for housing development
- To compile housing needs surveys for housing delivery purpose
- To facilitate the development of housing
- To ensure that the houses that are built conform to the minimum standards for residential houses.
- Since the new dawn, the municipality has approved development in relation to residential settlement.
- This has been done in accordance with the promise in our manifesto to “provide a better life for all”.
- Successes achieved are the following:
- 570 Housing Units were built for approved beneficiaries during 2019/20 Financial Year

BELOW ARE THE CHALLENGES THAT THE MUNICIPALITY EXPERIENCED IN RELATION TO HUMAN SETTLEMENT:

- Mushrooming of informal settlements
- Unregistered land parcels in the proclaimed townships (Malamulele/Vuwani)
- No Human Settlement Strategy
- Insufficient service sites for housing developments

- No Housing Sector Plan

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
YEAR END	TOTAL HOUSEHOLDS	HOUSEHOLDS IN FORMAL SETTLEMENTS	PERCENTAGE OF HHS IN FORMAL SETTLEMENTS
	(INCLUDING IN FORMAL AND INFORMAL SETTLEMENTS)		
2018/19	91936	69952	76%

HOUSING				
SERVICE OBJECTIVE	SERVICE INDICATOR	SERVICE TARGET	2019/20	
			TARGET	ACTUAL
To build 760 Units for approved beneficiaries	Number of Units build to approved beneficiaries		760	246

3.7. FREE BASIC SERVICES

The municipality has an Indigent Policy that was adopted in 2019

The policy states the below as the criteria for which a debtor needs to meet before qualifying as indigent:

CRITERIA

A household who meets the criteria contained in the paragraph below may apply to be registered as indigent.

THE FOLLOWING CONDITIONS SHOULD BE MET IN ORDER TO QUALIFY TO BE REGISTERED:

- The applicant must be a natural adult person.
- The gross total monthly household income of all persons ordinarily residing at the premises concerned from all sources may not exceed an amount of the combined older person grant as stipulated in the national budget for two senior citizens or as may be determined by the council from time to time.
- The applicant may not own, either on her/his own or together with other persons, more than one fixed property.
- The applicant must ordinarily reside at the premises concerned.
- The amount written off will be reinstated should the owner sell the property

CUSTOMERS QUALIFY FOR SERVICES LEVELS AS FOLLOWS:

ELECTRICITY

Indigent households with electricity supplied by the ESKOM will receive the first 50 kWh units free each month.

All registered indigent debtors **MUST** be on a prepaid electricity meter

ASSESSMENT RATES

The first R15 000 of the property value of residential households is exempted from tax.

Registered indigents will get a 100% rebate on assessment rates.

REFUSE REMOVAL

It is within Local Government mandate that Collins Chabane provide refuse removal services daily in town and once a week per households in proclaimed areas. Collins Chabane Local Municipality is rendering refuse removal services at Saseleman, Hlanganani and Malamulele and Vuwani on a daily basis. Other than the National Environmental Management Act & Waste Act, the department is guided

by the municipal IWMP (Integrated Waste Management Plan) which is approved and endorsed by the MEC.

Extending access to basic refuse removal services

The municipal has set a target of providing all households access to refuse removal services and the progress has been made with few challenges identified.

Due to lack of refuse services within rural areas where community dispose waste in an unregulated manner causing illegal dump, the municipality has identified all strategic illegal dumping and skip bins where purchased to be placed within those illegal dumping areas. Other than skip bins the municipality managed to purchase refuse bins which are now placed along the roads

Sustaining access to basic services

The municipality has shown a commitment during the previous financial year by addressing backlogs in domestic solid waste collection services, however as services has been expanded and sustained the municipality is sitting with a low revenue-income on refuse removal services.

The Municipality has managed to sustain refuse collection services using the following refuse vehicles:

- 06 Compactor Trucks
- 01 Half Trucks
- 02 TLB

Environmental Education & Awareness

12 environmental educations, awareness and Clean-up Campaign were conducted within municipal different wards during the previous financial year, the municipality has also managed to render four quarterly training to recyclers within municipal 36 wards.

22 participants and 01 Coordinator were appointment by DEFF (Department of Environment, Forestry and Fisheries) under the Good Greed Project and placed within the municipality to deal with environmental challenges, this initiative has assisted the municipality in addressing environmental issues.

LANDFILL SITE

Collins Chabane Local Municipality has managed to obtain a licence to operating Xigalo landfill site, and due to construction currently taking place/ not in completion stage the municipality is disposing its waste at Thulamela Municipality Landfill site.

Sewerage

The sewerage services not a Municipal Function but the function of the Vhembe District Municipality

3.8. LICENSING

The Municipality was performing the function of Licensing & Registration Services and the following services were rendered to the community for the year under review.

APPLICATION FOR LEARNER'S LICENSE

NUMBER APPLIED	PASS	FAIL	ABSENT	DIFFERED	TOTAL TESTED
7119	5254	1616	245	04	6870

DRIVER LICENSES AND APPLICATION

NUMBER APPLIED	PASS	FAIL	ABSENT / DIFFERED	TOTAL TESTED
1675	1008	548	119	1556

MOTOR VEHICLES TESTED

NUMBER APPLIED	PASS	FAIL	RETEST	TOTAL TESTED
307	275	00	32	307

COMPONENT B: PLANNING AND DEVELOPMENT

3.9. PLANNING AND DEVELOPMENT

In terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and the regulations thereof, Collins Chabane Local Municipality has established a Municipal Planning Tribunal and the Appeals Tribunal to determine its land use and land development applications. The Municipal Tribunal consists of 5 external members and 2 internal members. Furthermore, the Appeals Tribunal consists of 4 external members and 2 internal members. The tables below show the members serving in these tribunals.

MUNICIPAL PLANNING TRIBUNAL

NAME	DESIGNATION	FIELD
Tshisamphiri Madima	Chairperson	Town & Regional Planning
Justice Khosa	Deputy Chairperson	Town & Regional Planning
Mary Rosey	Member	Legal
Richard Rikhotso	Member	Engineering
Avathendi Maiyana	Member	Environmental Sciences
Senior Manager: Planning and Development	Member	Senior Manager: Planning & Development (CCLM)
Manager: Spatial Planning and Land Use	Designated Officer	Manager Spatial Planning and Land Use (CCLM)

Senior Manager: Planning and Development (VHEMBE)	Member	Senior Manager: Planning and Development (VHEMBE)
---------------------------------------------------	--------	---------------------------------------------------

APPEALS TRIBUNAL

NAME	DESIGNATION	FIELD
Municipal Manager	Member	Municipal Manager: CCLM
Muligwe Livhuwani	Member	Capricorn District Municipality
Mmaphuti Julia Nare	Chairperson	Town and Regional Planning
Magezi Noel Mathonsi	Deputy Chairperson	Town and Regional Planning
Cedrick Baloyi	Member	Legal
Tsunduka Hatlane	Member	Environmental Sciences

SITE DEMARCATIONS

AREA	NUMBER OF SITES DEMARCATED
Nwamatatani	100
Mbhalati	100
Merwe	300
Tshikonelo	200
Makhasa	200
Tiyani-West	1000
Tshikonelo-Lombard	500
TOTAL	2400

3.10. LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is central to the Integrated Development Plan of a Municipality. CCLM has prioritised tourism as the main key driver of LED hence the Vision explicitly stated that ‘Tourism home to scenic wonders of Africa.’ Other key drivers included Agriculture, trade, Manufacturing and Mining. LED is an ongoing process which incorporates various stakeholders, identifying local resources and stimulating economic growth. The aim of the LED process is to create employment, alleviate poverty, redistribute resources and most importantly keep money generating in the Local Municipality.

The Municipality developed and approved the LED strategy and that will guide the economic development within the Municipality.

3.10.1. LOCAL ECONOMIC DEVELOPMENT FORUM

An LED Forum can be defined as a platform (institutional arrangement) where residents (individuals, private organizations, government, NGO’s, CBO’s, Traditional authorities) within a particular locality

gather, with an aim to share information and experiences, pool resources and solve problems which come up in the course of implementing LED projects.

The Municipality established its own LED Forum and is functional and one LED Forum held after established. The Quarterly meeting were supposed to have been held but because of covid 19 all meetings were suspended.

Local Economic Development (LED) and the LED Forum thereof offers local government, the private sector, the non-for-profit sectors and the local community the opportunity to work together to improve the local economy. It aims to enhance competitiveness and thus encourage sustainable growth that is inclusive.

Structures that constitutes the LED forum are as follows

STRUCTURES	GOVERNMENT DEPARTMENTS
Collins Chabane Business Chamber	Cooperative governance and traditional affairs
Tourism association	Limpopo Economic Development, Tourism and Environment
Agricultural association	Office of the Premier
Women in tourism	Vhembe District Municipality

3..10. 2 Tourism association

The associations were launched on the 17 October 2017. The associations play an important role in coordinating tourism activities. Among others it has the responsibility to ensure that all tourism establishments are supported, accommodation establishment are graded according to grading council. Tourism sector is a main contributor in job creation within the Municipality, it also contributes to skills development as many interns are trained in hospitality management and It has managed to organise and ensure that Collins Chabane participates in all the trade shows.

The following members were elected and constitutes the associations committee.

NAME AND SURNAME	POSITION
Vusi Mahlale	Chair Person
Basil Mabasa	Member
Thandi Mazuboko	Secretary
Abigail Maluleke	Member
Languta Chauke	Member
George Hlungwane	Deputy Chair person

3.10.3 Hawkers association

The association was launched on 30 March 2018. Trade is one of the most important vehicle through which much jobs are created. Informal traders form the economic back bone of the Collins local Municipality. The association ensures that all street traders are regulated and observe the bi-laws of the Municipality. The Municipality has been able to support street traders by constructing market stalls which accommodates 90 traders. The associations play an active role in ensuring coordination of all trade activities.

The following members were elected and constitutes the associations committee.

NAME AND SURNAME	POSITION
Vusi Mahlale	Deputy Chair Person
Phineas Mathebula	Chair person
Rachel Baloyi	Secretary
Mavis Chauke	Member
Elsie Ndlovu	Member
Mashangu Hasane	Member

3.10.2. PROGRAMMES UNDER LED:

COOPERATIVE SUPPORT PROGRAMME: The Municipality has initiated cooperative support programme as part of the initiative to alleviate poverty and unemployment. In the year under review 34 (Thirty-Four) Cooperatives has been supported with equipment's. Most of the Cooperatives that have been supported are able to produce products that are meant for commercial purposes, and they able to create a number of jobs for local people. The Municipality support is once off and the Municipality is able to do continuous monitoring and evaluation to avoid the collapse of the projects.

SMME MENTORSHIP SUPPORT PROGRAMME: Collins Chabane Local Municipality in partnership with the district treasury conducted workshops on tendering, financial management and SARS compliance. Entrepreneurs were equipped with skills that enables them to participate and do business with the government departments. In the year under review three workshops were held at Malamulele, Saselemani and Hlanganani. Participants were awarded certificates of participations.

COMMUNITY WORKS PROGRAMME: This government programme that provides an employment safety net. It supplements livelihood strategies by providing basic level of income security through work. The programme targets unemployed underemployed men and women of working age. Within the Municipality the programme has created 1191 work opportunities since its inception in April 2018. CWP focuses on five sectors:

1. Agriculture, which includes community gardens
2. School support, provides services such as supervision of home work classes and sports activities, labour for school-based food gardens and other support activities.
3. Health and social services, this includes cleaning and cooking in vulnerable households, care programmes for the orphans and child headed families
4. Infrastructure, includes paintings, repairs. Paving and buildings

BUSINESS REGISTRATION: Collins Chabane Municipality has taken over the function of business registration from the department of Economic development. Since 2018 the Municipality has been receiving applications and registering businesses from people across the length and breadth of the

of the Municipality. Most of the business are operating using Municipality business certificate which is renewable annual.

Expanded Public Works Programme: For the year under review EPWP recruits were appointed. The recruited EPWP are mostly employed in the basic service in the Community and Technical Services Department.

SUMMARY OF JOBS CREATED		
JOBS CREATED THROUGH EPWP		
FINANCIAL YEAR	EPWP PROJECTS	NUMBER OF JOBS CREATED THROUGH EPWP
2020/2021	Refuse Removal & Routine Roads Maintenance	62
2020/2021	Capital projects	445

COMPONENT C: COMMUNITY & SOCIAL SERVICES

3.11 LIBRARIES

The library function lies within the Department of Culture, Sport and Recreation. The role of the municipality is coordinating the programme and ensuring that the library is being utilised by Collins Chabane municipality residence.

The following are Functions/ Priorities done by the department:

- Provide Internet and e-mail service
- Provide printing and photocopy service
- Provide computer access
- Provide library information
- Marketing libraries

The relationship with the Department of Culture, Sport and Recreation is based on the following factors/ functions:

- Staffing
- IT facilities
- Marketing campaign/ library promotion
- Collection development
- Logistical support

LIBRARY POLICY OBJECTIVES

It is worth to mention that the Libraries' Contribute to the realizing and maintaining of the freedom of investigation and though as the expression of thought, for the sake of science and cultural and

personal development. To provide for the recreational needs of the individual, the family and other community groups and to encourage the healthy employment of leisure.

BURSARIES

The Class of 2020 Grade 12 Graduates received Bursaries among from Collins Chabane

Name	University
Baloyi Ducan	University of Venda
Twanano Brenoel Ndobe	University of Johannesburg
Wisani Wesly Baloyi	University of cape town
Sambo N.M	University of cape town
Tsundukani Sharon Maluleke	Sefaki makgatlo
Singita Trust Hlungwani	University of Limpopo
Akani Mhangani	University of Johannesburg
Vuyelo Anneth Zaba	Nelson Mandela
Khosa T. E	Vaal university of technology
Mabunda Nyeleti Precious	University of western cape
Nhluvuko Sambo	University of Pretoria
Mokone Shibambu	University of Cape Town
Masia N	University of Cape Town
Dunisani Calfonia Baloyi	University of Limpopo
Twanano Mabasa	University of Limpopo
Maluleke provide hlurile	University of Johannesburg

It is important to indicate that Collins Chabane Local Municipality has awarded these top achievers the bursaries which covered their tuition fees, accommodation and meals.

BACK TO SCHOOL CAMPAIGNS

The Mayor of Collins Chabane has during this period under review embarked on Back to School campaigns. The following schools were visited:

Shikundu High School
Shitlhangoma High School
Fumani Primary School
Hlengani Primary School
Radzambo Secondary School
Tshikonelo Primary School
Mashaa Primary
Khomanani Secondary School
Magangeni Primary School
Shirilele High school
George Hasani primary school
Muhuvhini Primary

3.12 PARKS AND CEMETERIES

PARKS

The primary principle of the parks and cemetery section is to beautify the surrounding areas, and to take respectful care of our departed loved ones, museum garden, office gardens, halls, and stadiums, all of the above needs the attention of the parks and cemetery section one way or another. The municipality currently has no recreational parks, and is planning to have them in future.

CEMETERIES

THE MUNICIPALITY HAS (02) CEMETERIES:

NUMBER OF CEMETERIES	LOCATION
One	Malamulele at Xitlhelani Village
One	Vuwani

The Cemeteries are continuously kept clean by the Horticulture section by the General Assistance and EPWP staff.

SERVICE STATISTICS FOR GRAVES 2019/20 FINANCIAL YEAR:

Location:	2017/18	2018/2019	2019/2020
Malamulele Cemetery	76 graves	160	190b
Vuwani	There are no statistics from Vuwani due to the unrest in the area	There are no statistics from Vuwani due to the unrest in the area	There are no statistics from Vuwani due to the unrest in the area

3.13 MUNICIPAL BUILDING

This division provided horticulture and landscaping services along the roads and within all Municipal Buildings including traffic Stations, community halls, Municipal offices, stadiums.

COMPONENT D: ENVIRONMENTAL PROTECTION

3.14 POLLUTION

WASTE MANAGEMENT AND ENVIRONMENT PROTECTION

WASTE MANAGEMENT AND ENVIRONMENT PROTECTION

The municipality has developed the CCLM's IWMP that was adopted or approved by the council. The following items have been addressed:

- Mitigation of illegal dumping
- Control of land invasion
- Rehabilitation of all old landfill sites
- Control of our river banks
- Environmental awareness campaigns
- Monitoring of emissions from pollution

3.15 CHILD CARE, AGED CARE AND SPECIAL PROGRAMMES

INTRODUCTION

Collins Chabane Local Municipality is relatively improving in responding to challenges that are faced by the marginalized group such as Children. The marginalization trend is derived from generation to generation and subsequently elevated into a culture. This becomes a greater responsibility for the current generation, to restore dignity to these affected groups of the communities, hence every stakeholder has to contribute directly or indirectly in order to restore or achieve equality in the society

DISABILITY

The Municipality is constantly in interaction and collaboration with the disability forum to promote the human rights of a persons living with disabilities and to promote a conducive environment for all. Due to cost containment the municipality was unable to host any disability workshops during the year under review.

SENIOR CITIZENS

Collins Chabane Local Municipality's Senior citizen forum participated in many meetings in District, Province and National during this period under reviewed. The Chairperson of the Collins Chabane Senior Citizens was elected as the Treasurer of the Provincial Forum of the Senior Citizens. Collins Chabane senior citizens didn't participate in any activities during 2019/20 financial year due to cost containment and Covid-19 restrictions.

WOMEN

Annually in August Collins Chabane Municipality celebrate to commemorate the concept of generation gender equality and all women living within the Municipality. As the municipality we believe in women empowerment to assist all women to contribute positively and productively. The Municipality fight against any form of Women abuse, unemployment, domestic violence and gender inequality. During 2019/20 financial year Honourable Mayor Cllr Maluleke M released a statement supporting and encouraging all women within the municipality. A women celebration event was not held due to Covid-19 restrictions.

GENDER FORUM

The forum was launched within the municipality with five focal areas targeting men and women to have equal opportunities and to benefit equally in all developments. The municipality was unable to host any gender forum during previous financial year due to cost containment policy and covid-19 restrictions.

YOUTH

A Municipal youth council prepares young people within Collins Chabane to be future leaders, no event or workshop was held during previous financial year due to cost containment and covid-19 restriction

COMPONENT E: HEALTH SERVICES

3.16 HIV/AIDS

The CCLM had during this period had a responsibility to provide a conducive environment and protect human dignity as outlined in Constitution of South Africa, Act, No. 108 of 1996 that protect Human rights on HIV / Aids (Section 23(1)). CCLM launched both the Local Aids Technical Committee and the Aids Council during this period under review and Aids Council meeting are continuously held.

COMPONENT F: SECURITY AND SERVICES

3.17 TRAFFIC SERVICES

The Collins Chabane Local Municipality had during this period under launched its Traffic and law enforcement.

The national road traffic act 93/1996 ensures that all road users are safe on the road. Traffic law enforcement, traffic signage and road safety education are the components to assist in terms of road safety.

The following programme were implemented to reduce accident on our roads.

- Arrive alive awareness campaign
- Speed monitoring
- Joint roadblocks with SAPS
- Road safety awareness campaign.
- Stray animal awareness
- Child in traffic education
- Pedestrian safety education
- Monitoring of scholar patrol points
- VIP escort (Ministers, premiers, MEC AND MAYORS)

Arrive alive campaign

02 Arrive Alive campaigns were conducted. The Easter Arrive Alive campaign was conducted at Njhakanjhaka, whereas the Festive Arrive Alive campaign was conducted at Saselamani.

Transport council meeting conducted

04 Transport meeting council were conducted in every quarter of the 2019-2020 financial year.

Roadside check Deployment

514 were conducted across the entire municipality during 2019/20 financial year.

Speed deployment

109 Speed deployments were conducted within the municipality during 2019/20 financial year.

Roadblock deployment

The total of 13 joint roadblocks were conducted around the municipality. The road blocks were conducted in conjunction with Provincial Traffic and SAPS

Total traffic summons issued.

The total of 1908 summonses were issued across the municipality during 2019/20 financial year. The amount of issued summonses is R1, 001, 200

Funeral escort conducted

16 funeral escorts were conducted across the municipality as per the formal written requests from members of the community.

Sport and marathon escort conducted

06 Sports escorts were conducted in various places across the municipality during 2019/20 financial year.

VIP escort

12 VIP escorts were conducted by traffic officials across the entire municipality.

Number of scholar patrol conducted

18 scholar patrols were conducted across the entire municipality. Other schools where the patrols were conducted included:

- (i) Vongani primary school in Saselamani
- (ii) Xigalo Primary School
- (iii) Joas Mphahlele Primary school in Makuleke
- (iv) George Hasani primary at Mukhomi
- (v) Lawrence Hasani Primary at Mukhomi.
- (vi) Xithlelani Primary, and
- (vii) Mphambo High school

25 strays' animals' campaign were conducted with livestock farmers in the following areas:

- (i) Mhinga Village, comprising of Maphophe, Matiyani and Botsoleni.

03 driver Educations were conducted during 2019/20 financial year.

Safety education campaigns conducted in the following schools:

- (i) Jim Chavani high school
- (ii) Ripambeta High school
- (iii) Nwanati high school
- (iv) Dlhamani high Svchool

Road inspections were conducted along the following roads:

- (i) R524 Malamulele to Punda Maria gate
- (ii) R81 Malamulele to Mphakathi and Malamulele to Mphambo
- (iii) D4 road, Malamulele to Vuwani road

(iv) D4 road, Malamulele to Altein, and Mhinga to Bevhula

The municipality have a functional unit during financial year under review.

Service Statistics for Traffic Services 2019/20 Financial Year:

LOCATION	MALAMULELE	VUWANI	SASELAMANI	HLANGANANI
Number of vehicle road accidents 2019/2020 FY	467	131	68	129
Number of Vehicle fatalities 2019/2020 FY	34	02	06	03
Number of By-law infringements	Currently, the officers are only conducting Traffic Law Enforcement. By-law Enforcement Officers are not yet appointed.			
Number of traffic officers on duty on an average day	03	-	02	02

COMPONENT G: SPORTS AND RECREATION

3.18 SPORTS AND RECREATION

ARTS AND CULTURE

As part of municipal mandate to promote and cultivate local artists, cultural development and preserve the cultural heritage of residence, the municipality hosts a range of activities that are aimed at developing the Arts industry within the municipality. The municipality was unable to host or celebrate any cultural activity during due to cost containment chapter 10 of the act

SPORTS

The municipality gives support to those communities that have interest in any sporting codes to access sport facilities and building capacity to all citizens. Due to cost containment and Covid-19 restrictions, no sports events were done within financial year

COMPONENT H: ORGANISATIONAL PERFORMANCE

The 2019/20 SDBIP had 102 Key Performance Indicators (KPIs), and reported below is performance results:
 A total 66 out of 102 KPIs were achieved which results to 65% of the SDBIP KPIs being achieved and 36 were not achieved.

KPA ANALYSIS					
KPA	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	09	07	02	78%	22%
Spatial Rationale	07	05	02	71%	29%
Basic Service Delivery and Infrastructure Development	51	31	20	61%	39%
Local Economic Development	02	02	0	100%	0%
Municipal Finance Management and Viability	11	09	02	82%	18%
Good Governance and Public Participation	22	13	09	59%	41%
Total	102	66	36	65%	35%

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION															
01	To develop and review municipal policies and submit to Council for approval by 30 June 2020	88 policies reviewed and approved	44 municipal policies reviewed and 6 Policies developed and approved by Council by 30 June 2020	Municipal Policies review	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	44 municipal policies reviewed and 6 Policies developed and approved by Council	None	None	Q1-Q4: Policy and Council Resolution -Q4	CORPS
02	To review and submit the Organogram to Council for approval by 30 June 2020	Organogram for 2018/2019 reviewed and approved by Council.	Organogram reviewed and approved by Council by 30 June 2020	Organogram review	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	Organogram reviewed and approved by Council	None	None	Q3-Draft Organogram submitted & council resolution Q4-Final Organogram submitted & council resolution	CORPS
03	% litigation cases attended to by 30 June 2020 (Number of Litigation cases received by Number of Litigation Cases attended to)	100% litigation cases attended to (16 Litigation cases received and 16 Litigation Cases attended to)	100% litigation cases attended to by 30 June 2020 (Number of litigation cases received by number of litigation cases attended to)	Management of litigations	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	100% litigation cases attended to (08 Litigation cases received and 08 Litigation Cases attended to)	None	None	Q1-Q4 Litigation Register	CORPS/OM
04	To fill 20 posts in lign with Organogram by 30 June 2020	57 Posts Filled	20 posts filled in lign with the approved Organogram	Personnel Recruitment	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	11 posts filled in lign with Organogram	Budget Constraint	Posts freezed until the Municipality is in a financial	Q2: Appointment letters, Adverts	CORPS

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			by 30 June 2020										good state to appoint		
05	Number of LLF Meetings convened by 30 June 2020	12 LLF Meetings held	12 LLF Meetings convened by 30 June 2020	LLF Meetings	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	12 LLF Meetings convened	None	None	Q1-Q4 minutes and attendance register	CORPS
06	To develop and Submit the workplace skills plan and Annual Training Report to LGSETA 30 April 2020	Workplace Skills Plan and Annual Training Report submitted to LGSETA	Workplace skills plan and annual training report developed and submitted to LGSETA by 30 April 2020	Workplace skills plan	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	Workplace skills plan and Annual Training report developed and submitted to LGSETA	None	None	Q4: Acknowledgement letter from LGSETA	CORPS
07	Number of organisational performance reports developed by 30 June 2020	8 Organizational reports	8 organisational performance report developed by 30 June 2020	Organisational performance reports	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	8 organisational performance report developed	None	None	Q1-2018/19 Annual Performance report .2018/19 4th quarter report. Q2 2019/20 1st quarter SDBIP report. Q3 2019/20 2nd quarter SDBIP report ,2019/20 Mid-year Report,2019/20 Annual Report & Oversight report Q4 2019/20 3rd quarter SDBIP report.	CORPS
08	% of Section 57 Managers with signed performance agreements by 30 June 2020(Number of	6 Section 57 Managers with signed	100% Section 57 Managers with signed performance agreements	Performance Agreement	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	100% Section 57 Managers signed performance agreements	None	None	Q1- Signed performance Agreements	CORPS/OM

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	Section 57 Managers with signed performance agreements by number of appointed section 57 Managers)	performance agreements	by 30 June 2020 (Number of Section 57 Managers with signed performance agreements by number of appointed section 57 Managers)								(5 Section 57 Managers signed performance agreements)				
09	To implement 16 training and development programmes by 30 June 2020	New Indicator	16 training and development programmes implemented by 30 June 2020	Training and development	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved.	7 training and development programmes implemented not done	Due to Covid-19 restrictions on prohibition of indoors gatherings and outdoors gatherings	To be implemented after Lock Down restrictions lifted to level 1 wherein gatherings will be prohibited	Q1-Q4 Invitation, Attendance Register	CORPS

SPATIAL RATIONALE

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: INTEGRATED SPATIAL AND HUMAN SETTLEMENT															
10	To Name streets in Malamulele by 30 June 2020	New Indicator	Named streets in Malamulele by 30 June 2020	Naming of streets in Malamulele	Own Funding	1 500 000,00	999 996	01/07/2019	30/06/2020	Target Achieved	Naming of Streets in Malamulele done and Street naming boards have been erected	None	None	Q1: Specs & Appointment Letter Q2: Attendance Register & Public Notice Q3: Draft Report Q 4: Council Resolution	P&D
11	To Conduct Professional Studies for Formalization of Saselemani Settlement by 30 June 2020	Feasibility Report	Professional Studies for Formalization of Saselemani Settlement conducted by 30 June 2020	Formalization and proclamation, Saselemani Settlement	Own Funding	7 500 000,00	5 500 000	01/07/2019	30/06/2020	Target not achieved	Professional Study report have been finalised and Formalization of Saselemani not yet done	Due to Covid-19 lockdown and regulations which prohibited indoors and outdoors gatherings and formalization was to happen after public participation was conducted	Public Participation meetings to be conducted after the lockdown restrictions are lifted to level 1 which allows indoors and outdoors gatherings for the Formalization to be finalized	Q1: Specifications and Appointment letter Q2: Inception Report Q3: Status quo report Q4: Attendance Register and Professional Study Report	P&D
12	Number of Sites demarcated at Mabodhalongwa, (200) Jilongo,(100) Mititititi-Plange,(100) Xidumezani, (300) Khombo, (200) and Makuleke(110) 30 June 2020	New Indicator	1010 Sites demarcated at Mabodhalongwa, (200) Jilongo,(100) Mititititi-Plange,(100) Xidumezani, (300) Khombo, (200) and Makuleke(110) 30 June 2020	Demarcation of sites	Own Funding	2 500 000,00	2 500 000,00	01/07/2019	30/06/2020	Target Not Achieve	Demarcation of Sites not done.	Consultation with Communities for Community Resolution not done to enable the demarcation of sites to be finalized due to Covid-19 lockdown	Public Participation meetings to be conducted after the lockdown restrictions are lifted to level 1 which allows indoors and outdoors gatherings	Q1: Appointment Letter Q2: Inception Report Q3: Draft Lay out Plan Q4: Attendance Register	P&D

SPATIAL RATIONALE

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
												and regulations which restricted indoors and outdoors gatherings	for the community resolution		
13	To develop and submit the sustainable Human Settlement Strategy and submit to Council for approval by 30 June 2020	New Indicator	Human Settlement Strategy developed and approved by Council by 30 June 2020	Development of human settlement strategy	Own Funding	500 000,00	475 000	01/07/2019	30/06/2020	Target Achieved	Human Settlement Strategy developed and approved by Council	None	None	Q1: Appointment letter and specs Q2: Inception Report Q3: Draft Report Q4: Human Settlement Strategy and Council Resolution.	P&D
14	To develop Supplementary Valuation Roll by 30 June 2020	2018/2019 Supplementary Valuation Roll	Supplementary Valuation roll developed by 30 June 2020	Supplementary of valuation roll across the municipality	Own Funding	1 500 000,00	1 000 000	01/07/2019	30/06/2020	Target Achieved	Supplementary Valuation roll developed	None	None	Q1: Appointment letter Q2: Inception Report Q3: Draft Report Q4: Final Report	P&D
15	Number of Tribunal Meetings Held by 30 June 2020	New Indicator	Two (2) Tribunal Meetings Held by 30 June 2020	Implementation of SPLUMA	Own Funding	1 000 000	1 000 000	01/01/2020	30/06/2020	Target Achieved	Two (02) Tribunal Meeting held.	None	None	Q3-Q4 Attendance Registers and Minutes	P&D
16	To Review and Submit IDP to Council for approval by 31 May 2020	2018/2019 IDP	IDP reviewed and approved by Council by 31 May 2020	IDP	Operating Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	IDP reviewed and approved by Council	None	None	Q1: Process Plan & Council Resolution Q2:	P&D

SPATIAL RATIONALE

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
														Attendance Register Q3: Strategic Planning Report & Attendance Register Q4: Attendance Register, Draft IDP & Final IDP.	

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: IMPROVED ACCESS TO SUSTAINABLE BASIC SERVICES															
17	To construct and connect 08 flood lights at Malamulele Town by 30 June 2020	New Indicator	Construction and connection of 08 flood lights completed at Malamulele by 30 June 2020	Construction of Flood Lights	Own Funding	2 000 000	1 500 000	01/07/2019	30/06/2020	Target Achieved.	Construction and connection of 08 flood lights completed	None	None	Q1: Terms of Reference, Specification. And Minutes for Portfolio Committee Meeting Q2: Tender advert and Appointment Letter. Q3: Progress Report. Q4: Progress Report and Completion Certificate	TECH
18	To construct and connect 70 Malamulele Town streets lights by 30 June 2020	New Indicator	Construction and connection of 70 Malamulele Town streets lights completed by 30 June 2020	Construction of Malamulele Street Lights	Own Funding	4 000 000	3 700 000	01/07/2019	30/06/2020	Target Not Achieved	Construction and connection of 70 Malamulele Town streets lights not completed Project done up to Commissioning	Due to the extension in the scope of work	Extension time requested and the project will be Rolled Over to 2021 Financial Year	Q1: Terms of Reference, Specification. And Minutes of Portfolio Committee Q2: Tender advert and Appointment Letter. Q3: Progress Report. Q4: Progress Report and Completion Certificate	TECH
19	To Construct and Connect 20 High Mast Lights at 20 Villages by 30 June 2020	New Indicator	Construction and Connection of 20 High masts completed at 20 Villages by 30 June 2020	Construction of Highmasts Lights	Own Funding	8 000 000	6 000 004	01/07/2019	30/06/2020	Target Achieved	Construction and Connection of 20 High masts completed at 20 Villages	None	None	Q1: Terms of Reference, Specification. And Minutes from Tribal Authority Meeting Q2: Tender advert and Appointment Letter. Q3: Progress	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
														Report.Q4: Progress Report and Completion Certificate	
20	To Install and Connect 12 High Masts Lights at Saselemani (4), Mdabula (4) and Merwe (4) Stadium by 30 June 2020	New Indicator	Installation and Connection of 12 High Masts light at stadium completed Saselemani (4) , Mdabula(4) and Merwe(4) Stadium by 30 June 2020	Highmasts Lights at Stadium	Own Funding	4 000 000	3 000 000	01/07/2019	30/06/2020	Target Achieved	Installation and Connection of 12 High Masts light at stadium completed	None	None	Q1: Terms of Reference and Specification. Q2: Tender advert and Appointment Letter. Q3: Progress Report.Q4: Progress Report and Completion Certificate	TECH
21	To Connect 600 households at Mbuti by 30 June 2020	New Indicator	Connection of 600 households at Mbuti by 30 June 2020	Electrification of Mbuti	INEP	10 000 000	10 000 000	01/07/2019	30/06/2020	Target Not Achieved	Connection of 600 Households at Mbuti not yet completed. Stringing, Installation of transformers, House Connections done and Commissioning not yet done	Due to Covid-19 restrictions wherein work stopped and only essential services were allowed	Extension of time was requested and the project will be rolled over to 2020/2021	Q1: Terms of Reference, Specification and Beneficiary List from Ward Councillors List Q2: Tender advert and Appointment Letter. Q3: Progress Report.Q4: Progress Report, Approved Beneficiary List from Eskom and Completion Certificate	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
22	To develop the Detailed Designs for Connection of 100 Households at Malamulele B Extension by 30 June 2020	New Indicator	Detailed designs developed for Connection of 100 Households at Malamulele B Extension by 30 June 2020	Electrification of Malamulele B Extension	Own Funding		1 900 000	01/01/2020	30/06/2020	Target Achieved	Detailed designs developed for Connection of 100 Households at Malamulele B Extension	None	None	Q3: Appointment Letter of the Engineer Q4: Preliminary Designs & Detailed Designs	TECH
23	To Upgrade Municipal Workshop by 30 June 2020	New indicator	Municipal Workshop Upgraded by 30 June 2020	Upgrading of municipal workshop	Own Funding	1 000 000	1 000 000	01/07/2019	30/06/2020	Target Achieved	Municipal Workshop Upgraded	None	None	Q1: Specification and Appointment Letter. Q2 -Q3: Progress Report Q4: Completion Certificate	TECH
24	To Purchase and Install Workshop tools by 30 June 2020	New indicator	Workshop tools purchased and Installed by 30 June 2020	Purchase of workshop tools	Own Funding	600 000	600 000	01/07/2019	30/06/2020	Target Achieved	Workshop tools purchased and Installed	None	None	Q1: Terms of Reference and Specification. Q2: Tender advert and Appointment Letter. Q3: Delivery Note Q4: Completion Certificate	TECH
25	Construction of Municipal Office Building Main Structure up to Foundation Level by 30 June 2020	Designs completed	Municipal office building main structure constructed up to Foundation level by 30 June 2020	Municipal office building	Own Funding	30 000 000	45 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Construction of Municipal Office Building Main Structure up to Foundation Level not yet done	Encountered adverse soil condition/ unsuitable soil condition that was not anticipated & there was also existing asbestos pipes which was	Piling on the area that has unsuitable soil to be done & approval to relocate the asbestos pipe was granted and the pipe	Q1: Appointment Letter, Minutes of Site Hand Over & Progress Report. Q2-Q4: Progress Report	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
												supposed to be relocated prior receiving approval from Vhembe District Municipality	was relocated		
26	To Develop Detailed designs for Construct Mahatlane Access Bridge by 30 June 2020.	New Indicator	Detailed Designs for Construction of Mahatlane Access bridge developed by 30 June 2020	Construction of Mahatlane Access Bridge	Own Funding	1 000 000	600 000	01/07/2019	30/06/2020	Target Achieved	Detailed Designs for Construction of Mahatlane Access bridge developed	None	None	Q1: Terms of Reference and Specification. Q2: Tender advert and Appointment Letter. Q3: Preliminary Designs Q4: Detailed Designs	TECH
27	To Develop Detailed Design for Construction of 4.5 km Bevhula Ring Road and Construction of the road up to Road Bed level by 30 June 2020.	New indicator	Development of detailed design for 4.5 km Bevhula ring road and construction of the road up to Road Bed by 30 June 2020	Construction of Bevhula Ring road	MIG	1 000 000	1 000 000	01/07/2019	30/06/2020	Target Achieved.	Development of detailed design for Bevhula ring road completed and the municipality went further to appoint the contractor and do the Site hand over to the contractor done	None	None	Q1-appointment letter of engineer Q2-preliminary designs Q3-Final designs & tender document Q4- Appointment letter of Contractor, site handover minutes and Progress Report	TECH
28	To Develop Detailed Design for Construction of 2.4 km R81 to Xithlelani Graveyard Road and Construction	New indicator	Development of Detailed Design for 2.4 km R81 to Xithlelani Graveyard road and	Upgrading of R81 to Xithlelani Graveyard road	MIG	1 000 000	1 000 000	01/07/2019	30/06/2020	Target Achieved.	Development of Detailed Design for R81 to Xithlelani Graveyard road	None	None	Q1-appointment letter of engineer Q2-preliminary designs Q3-Final designs & tender document Q4- Appointment	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	up to Road Bed by 30 June 2020		Construction up to Road Bed by 30 June 2020								completed and the municipality went further to appoint the contractor and Site hand over to the contractor done			letter of contractor and site handover minutes and Progress Report	
29	To Upgrade 1.8 km at Sasekani Ring Road up to Kerbs and Paving by 30 June 2020	New Indicator	1.8 KM Ring road Upgraded at Sasekani up to Kerbs and Paving by 30 June 2020	Upgrading of Sasekani Ring Road	Own Funding	15 000 000	15 000 000	01/07/2019	30/06/2020	Target Achieved	1.8 KM Ring road Upgraded at Sasekani up to Kerbs and Paving	None	None	Q1: Appointment Letter of contractor, Minutes of Site Establishment Q2-Q4: Progress Report	TECH
30	To Rehabilitate Malamulele Internal streets by 30 June 2020	New indicator	Malamulele internal streets rehabilitated by 30 June 2020	Rehabilitation of Malamulele Internal streets	Own Funding	3 000 000	2 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Rehabilitation of the streets not done	Bidders did not meet the requirement for CIBD	To re-advertise the tender	Q1: Terms of Reference.Q2: Tender Advert & Appointment letter of a Contractor. Q3: Appointment Letter Q4: Progress Report.	TECH
31	To upgrade 1 km from DCO to Hospital from 2 lane to 4 lanes by 30 June 2020	Base of the 1km is done	1Km road Upgrading from DCO to Hospital from 2 lane to 4 lanes by 30 June 2020	DCO to Hospital road widening	Own Funding	16 000 000	19 999 996	01/07/2019	30/06/2020	Target Achieved.	1 Km road Upgrading from DCO to Hospital from 2 lane to 4 lanes	None	None	Q1: Progress Report. Q2: Progress Report. Q3: Progress Report, Practical Certificate Q4: Final Completion Certificate	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
32	To Construct 2.8 Km Mtsetweni Ring Road by 30 June 2020	New indicator	2.8 km Ring road constructed at Mtsetweni by 30 June 2020	Mtsetweni ring road 2.8km	MIG	27 747 000	25 646 741 ,80	01/07/2019	30/06/2020	Target Not Achieved.	2.8 km Ring road constructed at Mtsetweni Road not yet completed	Due to Lock down restrictions that allowed only essential services & Stoppages of due to non-payment of sub-contractors	To submit the revised, catch up plan with revised programme and management of cash flow for payment of Sub-contractors and they were paid	Q1: Appointment Letter, Site Establishment Minutes & Progress Report. Q2: Progress Report. Q3: Progress Report. Q4: Progress Report, Practical Completion Certificate	TECH
33	To Construct 2.8 km Nwa-matatani Ring Road by 30 June 2020	New indicator	2.8 Ring road constructed at Nwa-matatani by 30 June 2020	Nwa-Matatani ring road 2.8km	MIG	24 000 000	25 310 694 ,71	01/07/2019	30/06/2020	Target Achieved.	2.8 Ring road constructed at Nwa-matatani	None	None	Q1: Appointment Letter, Site Establishment Minutes & Progress Report. Q2: Progress Report. Q3: Progress Report and Practical Completion Certificate Q4: Final Completion Certificate	TECH
34	To develop detailed designs and appoint contractor for Extension Building of Malamulele Traffic Station by 30 June 2020	Detailed design developed and upgrading of Malamulele traffic station completed	Development of detailed designs and appointment of the contractor for Extension Building of Malamulele Traffic by 30 June 2020	Construction of an Extension Building of Malamulele traffic station	Own Funding	4 000 000	4 999 996	01/07/2019	30/06/2020	Target Not Achieved.	Development of detailed designs done and appointment of the contractor for Extension Building of Malamulele Traffic Station not yet done	Due to Lock down regulations wherein only essential services were allowed, appointment of the service provider the service to develop the detailed	The Contractor will be appointed during the next level of lock down wherein non-essential services will be allowed	Q1: Preliminary Designs Q2: Detailed Designs Q3 Advert. Q4: appointment letter of contractor	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
												design could not happen			
35	To Construct Davhana stadium Phase 1 up to practical completion by 30 June 2020	New indicator	Davhana stadium Phase 1 constructed up to practical completion by 30 June 2020	Construction of Davhana stadium	MIG	12 000 000	12 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Construct Davhana stadium Phase 1 up to practical completion not done	Due to Lock down regulations wherein non-essential services were not allowed	The milestones to be completed when the lock down level is lifted wherein even non-essential services will be allowed	Q1: Appointment letter of Engineer, Preliminary and detailed Design, Terms of Reference and Advert Q2- Appointment Letter of Contractor, Site Establishment Minutes and Progress Report Q3- Progress report Q4: Progress Report & Practical Completion Certificate	TECH
36	To Refurbish Merwe Stadium by 30 June 2020	New indicator	Merwe Stadium Refurbished by 30 June 2020	Refurbishment of Merwe stadium	Own Funding	400 000	400 000	01/07/2019	30/06/2020	Target Not Achieved.	Refurbishment of Merwe Stadium not done	Delay in appointment of the service provider	To appoint service provider	Q1 - Terms of Reference Q2- Advert and Appointment letter Q3-Q4 Progress report and Completion Certificate	TECH
37	To Upgrade Malamulele Stadium Phase 1 up to Irrigation Systems on Pitches and Borehole	Designs completed	Malamulele Stadium Phase 1 Upgraded 1 up to Irrigation Systems on	Upgrading of Malamulele stadium	MIG	13 284 000	10 877 960 ,45	01/07/2019	30/06/2020	Target Not Achieved.	Upgrading Malamulele Stadium Phase 1 not yet completed. Only	Due to Lock down regulations wherein non-essential services	Upgrading of Malamulele Stadium Phase 1 up to irrigation System to be completed	Q1 -Appointment letter and, Site Hand Over Minutes Q2-Q4: Progress report	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	Drilling by 30 June 2020		Pitches and Borehole Drilling by 30 June 2020								Irrigation System on the Soccer Pitch and Drilling of the Borehole done	were not allowed	when lock down restrictions are lifted down to allow non-essential services to commence		
38	To Construct Malamulele Community Hall by 30 June 2020	Preliminary designs presented	Malamulele Community Hall Constructed by 30 June 2020	Construction of Community Hall at Malamulele	Own Funding	10 000 000	12 999 996	01/07/2019	30/06/2020	Target Not Achieved.	Construct Malamulele Community not completed	Due to Lock down regulations wherein non-essential services were not allowed	To be completed after lockdown alert level lifted down to allow non-essential services to commence	Q1-Appointment letter and, Site Establishment Minutes and report Q2- progress report Q3- Progress report Q4- Practical and Final Completion Certificate	TECH
39	To Refurbish Njhakanjhaka Community Hall by 30 June 2020	New indicator	Njhakanjhaka community Hall Refurbished by 30 June 2020	Refurbishment of Njhakanjhaka Community Hall	Own Funding	400 000	400 000	01/07/2019	30/06/2020	Target Not Achieved	Refurbishment of the Njhakanjhaka Community Hall not fully done	Late appointment of pool of service providers	SCM to Fastrack appointment of pool of service providers for refurbishment of Njhakanjhaka Community Hall in 2020/2021 Financial year	Q1-Terms of reference Q2- Advert and Appointment letter Q3-Q4 Progress Report & Completion Certificate	TECH
40	To construct 30 market stalls at Malamulele up to Wall Plate by 30 June 2020	Preliminary designs presented	30 Market Stalls Constructed at Malamulele up to Wall	Construction of Market Stalls	Own Funding	5 000 000	4 000 004	01/07/2019	30/06/2020	Target Achieved.	30 Market Stalls Constructed at Malamulele	None	None	Q1- Appointment Letter of Contractor & Minutes of Site Hand Over. Q2- Progress report	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			Plate by 30 June 2020											Q2: Progress Report Q4: Progress Report	
41	To Construct Tourism Information Centre up to Window Level by 30 June 2020	Preliminary designs presented	Tourism Information Centre Constructed up to Window Level by 30 June 2020	Construction Tourism Inform Centre	Own Funding	5 000 000	4 000 004	01/07/2019	30/06/2020	Target Achieved.	Tourism Information Centre Constructed up to Window Level	None	None	Q1-Appointment letter and Site Establishment Minutes Q2-Q4: Progress report	TECH
42	To maintain Municipalities Building and Facilities at Civic Centre, Saselemani Stadium, Vuwani Sub Office. Mdabula stadium and Boxing GYM by 30 June 2020 (Number of reported Building and Facilities by Number of Building and Facilities maintained)	Only Nihakanjhaka community hall and Malamulele boxing gym maintained	Maintenance of Municipalities Building and Facilities at Civic Centre, Saselemani Stadium, Vuwani Sub Office. Mdabula stadium and Boxing GYM by 30 June 2020 (Number of reported Building and Facilities by Number of Building and Facilities maintained)	Maintenance of Municipal Buildings and Facilities.	Own Funding	2 000 000,00	2 000 000,00	01/07/2019	30/06/2020	Target Not Achieved	Maintenance of Municipalities Building and Facilities not done	Due to late appointment of pool of service providers	To appoint service providers	Q1-Q4 Memo, Requisition and Maintenance Report	TECH
43	To develop Preliminary design for Development Infrastructure master plan by 30 June 2020	New indicator	Development of Preliminary s design for Development Infrastructure master plan	Development of infrastructure masterplan	Own Funding	2 000 000,00	2 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Preliminary design for Development Infrastructure master plan	Delays in appointment of Engineers for the development of designs not yet	To write a letter to Treasury to request approval to appoint utilizing	Q1-Terms of reference Q2- Advert and Appointment letter Q3: Appointment Letter Q4:	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			by 30 June 2020								not yet developed	appointed as applied bidders not meeting requirements	transversal tender	Preliminary design	
44	To Maintain Road and Storm water around Collins Chabane (Bridges, Low Level Bridges, and V drains) by 30 June 2020	New indicator	Road storm and water maintained around Collins Chabane (Bridges, Low Level Bridges, and V drains) by 30 June 2020	Maintenance of Road and Storm water & Bridges	Own Funding	5 000 000,00	5 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Maintenance of roads infrastructure not done	Late appointment of the pool of service providers	SCM to fast-track appointment of the pool of service providers and project was rolled over to 2020/21 financial year	Q1-Terms of reference Q2- Advert and Appointment letter Q3-Q4 Progress Report	TECH
45	To Complete construction of Xigalo land fill site phase 1 and development of preliminary designs for phase 2 by 30 June 2020	Contractor busy with building works	Xigalo Land Fill land site phase 1 construction completed and development of preliminary designs for phase 2 by 30 June 2020	Completion of Phase 1 and Construction of Xigalo land fill site phase 2	MIG	12 000 000	4 012 907,47	01/07/2019	30/06/2020	Target Achieved.	construction of Xigalo land fill site phase 1 completed and development of preliminary designs for phase 2 done	None	None	Q1-Preliminary Designs Q2- Detailed Designs, Tender Document and Advert Q3- completion certificate Q4: approval letter by DWS	TECH
46	To construct storm water drainage system and finishing of Xikundu Ring Road by 30 June 2020	New indicator	Construction and finishing of Xikundu ring road by 30 June 2020	Xikundu Ring Road	Own funding	0	4 800 00	01/01/2020	30/06/2020	Target Achieved	Construction and finishing of Xikundu ring road completed	None	None	Q3: Progress report Q4: Practical Completion Certificate and Final Completion Certificate	TECH

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
47	To fence Davhana Cemetery by 30 June 2020	New Indicator	Fencing of Davhana Cemetery Completed by 30 June 2020	Fencing of Davhana Cemetery	Own Funding	0	400 450	01/01/2020	30/06/2020	Target achieved	Fencing of Davhana Cemetery Completed. And the project was handed over on the 05th of December 2019.	None	None	Q3: completion certificate	TECH
48	Fees for the engineer for supervision of Sibudi to Vyeboom project paid by 30 June 2020	New indicator	Engineer fees paid for supervision of Sibudi to Vyeboom project by 30 June 2020	Civil Services for Sibudi to Vyeboom project	MIG	0	1 167 242,43	01/01/2020	30/06/2020	Target Achieved	Fee Paid for supervision of Sibudi to Vyeboom project	None	None	Q3-Q4 proof of payment	TECH
DEVELOPMENT OBJECTIVE: PROMOTE COMMUNITY WELL-BEING AND ENVIRONMENTAL WELFARE															
49	% Fee Paid for dumping of disposal of waste at Thulamela by 30 June 2020	New Indicator	100 % Fee Paid for dumping of disposal of waste at Thulamela by 30 June 2020	Maintenance of Landfill site (Disposal) (901)	Own Funding	R650 000	844 1 55.60	01/07/2019	30/06/2020	Target Achieved	100 % Fee Paid for dumping of disposal of waste at Thulamela	None	None	Q1-Q4: Invoices & Proof of Payment	COMM

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
50	Number of Arrive Alive Activities hosted by 30 June 2020	2	1 arrive alive campaigns hosted by 30 June 2020	Arrive alive activities	Own Funding	100 000,00	65 820	01/07/2019	30/06/2020	Target Achieved	1 arrive alive campaign hosted	None	None	Q2: Pictures, Reports and Attendance Registers	COMM
51	Number of Environmental Cleaning Programme conducted by 30 June 2020	New Indicator	09 environmental cleaning programmes conducted by 30 June 2020	Environmental Cleaning Programme (Good Green Deed Campaign)	Own Funding	4 000 000,00	1 000 000	01/07/2019	30/06/2020	Target Achieved	9 Environmental Cleaning Programmes conducted	None	None	Q1-Q3: Attendance Registers, Pictures and Reports	COMM
52	To Erect Fencing at the Identified Site of the Malamulele Park by 30 June 2020	New indicator	Malamulele Park Fence erected by at Identified Site 30 June 2020	Establishment of Park at Malamulele	Own Funding	1 000 000	1 300 000	01/07/2019	30/06/2020	Target not achieve	Erecting of the fence was not yet done. The municipality was at the first stage of the erecting the fence.	Delays with project establishment due to COVID -19 lockdown which prohibited non-essential services	To complete the erection of fence when the lock down level is lifted down to allow non-essential services to commence	Q1: Signed Specification and Acknowledgement of Submission. Q2: Appointment Letter Q3-Q4: Progress Report. Q4:	COMM
53	To Erect Fencing and at Identified Site of Nursery at Malamulele by 30 June 2020	New Indicator	Malamulele Municipal Nursery Fence Erected at Identified site by 30 June 2020	Development of Municipal Nursery at Malamulele	Own Funding	500 000	700 000	01/07/2019	30/06/2020	Target not achieve	Erecting of the fence at the Nursery not yet done. The municipality was at the first stage of erecting fence at the nursery	Delays with project establishment due to COVID -19 lockdown which prohibited non-essential services	To complete the erection of fence when the lock down level is lifted down to allow non-essential services to commence	Q1: Signed Specification and Acknowledgement of Submission. Q2: Appointment Letter. Q3: Progress Reports.Q4: Progress Reports and Pictures.	COMM
54	Number of skip bins for disposable nappies and dumping signage's Purchased & Placed at three nodal points	New Indicator	10 Skip bins for disposable nappies and 20 dumping	Installation of pampers storage and	Own Funding	500 000	500 000	01/07/2019	30/06/2020	Target not achieved	Skip bins and dumping signage purchased by not placed at	Skip loader truck for skip bins placement	Follow up with supply chain for delivery of	Q1: Signed Specification and Acknowledgement of Submission.Q2: Delivery Note,	COMM

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	(Saselemani, Hlanganani and Malamulele) by 30 June 2020		signage's purchased and placed at three nodal points (Saselemani, Hlanganani and Malamulele) by 30 June 2020	dumping signage's							different wards	not delivered.	skip loader truck	Pictures and Report Q:3 Appointment letter Q:4 Delivery Note,	
55	To Purchase and distribute Refuse Bins at the nodal points (Saselemani, Malamulele and Hlanganani) by 30 June 2020	New Indicator	Refuse Bins purchased and distributed along the road at the nodal points (Saselemani, Malamulele and Hlanganani) by 30 June 2020	Purchase of Refuse bins	Own Funding	1 000 000	2 000 000	01/07/2019	30/06/2020	Target not achieved	Refuse bins delivered along Malamulele roads	Delays on Delivery of bins which resulted in delays on distribution of refuse bins for businesses Saselemani and Hlanganani	To distribute to the remaining areas in the next Financial Year	Q1: Signed Specification and Acknowledgement of Submission.Q2: Appointment Letter and Delivery Note Q3: Appointment Letter Q:4 Delivery Note and signed distribution list	COMM
56	% application for learner's driver permit attended to by 30 June 2020(Number of learner's driver permit application received by number of learner's driver's permit application attended)	100 % learner's driver permit application attended	100 % learner's driver permit application attended to by 30 June 2020 (Number of learner's drivers' permit application received by number of learner's application attended)	Learners Drivers Permit	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target achieved	100% of leaners drivers permit application attended (7119 learners applications received and 7119 attended)	None	None	Q1-Q4 Register and report	COMM

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
57	% application for learner's driver licences attended to by 30 June 2020 (Number of learner's driver licences application received by number of learner's driver's application attended)	100 % driver licences application attended	100 % driver licences application attended to by 30 June 2020 (Number of learner's driver licences application received by number of learner's driver's application attended)	Drivers Licences	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target achieved	100% of driver's licences application attended (1675 drivers application received and 1675 driver's application attended to)	None	None	Q1-Q4 Register and report	COMM
58	% application for motor vehicles attended to by 30 June 2020 (Number of motor vehicles application received by number of motor vehicles application attended)	100 % motor vehicles tested	100 % motor vehicles attended to by 30 June 2020 (Number of motor vehicles application received by number of motor vehicles application attended)	Motor Vehicles testing	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	100% of Motor attended to (307 motor vehicles applied and 307 motor vehicles tested)	None	None	Q1-Q4 Register and report	COMM
59	To host the Mayor's Soccer Challenge by 30 June 2020	Mayor 's Soccer Challenge Hosted in 2018	Mayor's soccer challenge hosted by 30 June 2020	Mayor's soccer challenge	Own Funding	R 700 000	500 000	01/07/2019	30/06/2020	Target Not achieved	Mayor's Soccer Not Challenge Hosted	Cost Containment Measures Circular issued by Treasury to Stop Social Events	To discontinue social events, it in the coming Financial Year	Q2- invite and Report	COMM

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
60	To host one (01) Women 's day Celebration by 30 June 2020	2	One (01) women activities held by 30 June 2020	Women Activities	Own Funding	R 300 000	250 000	01/07/2019	30/06/2020	Target Achieved	1 Women's day Celebration event hosted	None	None	Q1- invite and Report	COMM
61	To host Boxing Tournament by 30 June 2020	Boxing tournament hosted in 2018	Boxing tournament hosted by 30 June 2020	Hosting of boxing tournament	Own Funding	R 600 000	300 000	01/07/2019	30/06/2020	Target achieved	Boxing tournament Hosted	None	None	Q-2 invite and Report	COMM
62	To host SJ Khosa Choral Music Festival by 30 June 2020	SJ Khosa choral music festival hosted in 2018	SJ Khosa choral music festival hosted by 30 June 2020	Hosting SJ Khosa choral music festival	Own Funding	R 250 000	249 996	01/07/2019	30/06/2020	Target Achieved	SJ Khosa Music Festival hosted	None	None	Q-1 invite and Report	COMM
63	Number of Sports Council Meeting Held hosted by 30 June 2020	Sport Council launched in 2018	3 Sports Council Held by 30 June 2020	Sports Programme	Own Funding	R 300 000	100 000	01/07/2019	30/06/2020	Target Achieved	3 Sports Council Meetings Held	None	None	Q1-Q3. Report, attendance register invite	COMM
64	Number of Youth Meetings held by 30 June 2020	Youth Council launched in 2019	3 Youth Meetings held by 30 June 2020	Youth Programmes	Own Funding	R 500 000	100 000	01/07/2019	30/06/2020	Target Achieved	3 Youth Meetings held	None	None	Q1-Q3. Reports, attendance register invite	COMM
65	Number of Gender Meetings held by 30 June 2020	Gender Forum Launched	3 Gender Meetings held by 30 June 2020	Gender Programme	Own Funding	R 100 000	79 996	01/07/2019	30/06/2020	Target Achieved	3 Gender Meetings held	None	None	Q1-Q3. Reports, attendance	COMM
66	Number of Disability meetings held by 30 June 2020	New indicator	3 Disability Meetings held by 30 June 2020	Disability Programmes	Own Funding	R 100 000	84 996	01/07/2019	30/06/2020	Target Achieved	3 Disability meetings held	None	None	Q1-Q3. Reports, attendance	COMM
67	Percentage (%) Disaster relief material procured for COVID	New indicator	100% Disaster relief material procured for	Disaster relief	Own Funding	0	4 402 00	01/05/2019	30/06/2020	Target Achieved	100 % Disaster relief material procured for	None	None	Distribution Register	COMM
					MDRG	0	298 000								

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	19 pandemic by June 2020.		COVID 19 pandemic by June 2020.								COVID 19 pandemic				

LOCAL ECONOMIC DEVELOPMENT

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: INTEGRATED LOCAL ECONOMY															
68	To support 20 Cooperative with equipment by 30 June 2020	Annual Support of Cooperatives	20 Cooperatives supported with equipment by 30 June 2020	Cooperative Support	Own Funding	R 1 500 000.00	1 500 000	01/07/2019	30/06/2020	Target Achieved	20 Cooperatives supported with equipment and delivered to all cooperatives	None	None	Q1: List of identified Cooperatives. Q2: Report of needs assessment Q3: Specifications and Appointment Letter Q4: Delivery notes	P&D/OM
69	To identify all heritage sites within the Collins Chabane Local Municipality by June 2020.	New Indicator	Heritage Sites identified within Collins Chabane local municipality by 30 June 2020	Conduct Feasibility Study on the Identification of Heritage Sites	Own Funding	R 500 000.00	500 000	01/07/2019	30/06/2020	Target Achieved	Heritage Sites identified within Collins Chabane local municipality and Final Report compiled	None	None	Q1: Appointment and Specs Q2: Inception Report Q3: Draft Report Q4: Final Report	P&D

MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: SOUND FINANCIAL MANAGEMENT AND VIABILITY															
70	% Revenue collected by 30 June 2020	67%	100% Revenue collected by 30 June 2020	Revenue Management	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	25% of projected Revenue collected (Projected amount R 8 786 859,29 Actual, R35 728 268,19)	Due to Covid 19 restrictions which prohibited non-essential services	To intensify dept collection efforts when the lock down lifted down to allow non-essential services	Q1-Q4 Financial Report	B&T/OM
71	% Capital budget spent by 30 June 2020	91%	100% Capital budget spent by 30 June 2020	Capital Budget	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	68% of projected capital budget spent (Projected amount R 189 580 607,24 Actual is R277 001 753)	Due to Covid 19 restrictions which prohibited non-essential services	Capital Projects to be implemented wherein lock down alert level is lifted down to level one which allow non-essential services to commence then Capital budget will be spent	Q1-Q4 Financial Report	B&T/OM
72	% advertised tenders adjudicated within legislative timeframe by 30 June 2020	100%	100% advertised tenders adjudicated within legislative timeframe by 30 June 2020	SCM	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	100% advertised tenders adjudicated within legislative timeframe by (40 advertised tenders adjudicated within legislative timeframe)	None	None	Q1-Q4 Tender Register and Report	B&T/OM
73	To update the Asset Register by 30 June 2020	Assets register Updates	Asset Register updated by	Asset Management	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	Asset Register updated	None	None	Q1-Q4 Updated Asset Register	B&T

MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			30 June 2020												
74	To submit the Annual Financial Statement to AGSA, Treasuries and COGHSTA by 31 August 2019	2017/18 AFS Submitted	AFS to AGSA, Treasuries and COGHSTA by 31/08/2019	AFS	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved.	AFS Submitted to AGSA, Treasuries and COGHSTA	None	None	Q1: AFS and Acknowledgements of Submission	B&T/OM
75	To adjust the budget and submit to Council for approval by 28 February 2020	2018/19 Budget was Adjusted in 28 February 2019	Budget adjustment and approved by Council by 28 February 2020	Budget adjustment	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	2019-20 Budget adjusted and approved by Council	None	None	Q3: Adjusted budget & Council Resolution	B&T/OM
76	To submit 20/21 draft budget to Council by 31 March 2020	2019/20 Draft Budget developed	20/21 Draft Budget Submitted to Council by 31 March 2020	Budget development	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	20/21 Draft Budget Submitted to Council	None	None	Q3: Draft Budget and Council Resolution	B&T/OM
77	To submit 20/21 Final budget by 31 May 2020	2019/20 Final Budget Submitted	20/21 Final Budget Submitted to Council by 31 May 2020	Budget development	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	20/21 Final Budget Submitted and approved by Council	None	None	Q4: Final Budget & Council Resolution	B&T/OM
78	Number of section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2020	4 Section 52 Reports Submitted in 2018/19	4 section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2020	Section 52	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	4 section 52 report submitted to Council within 30 days after the end of the quarter	None	None	Q1-Q4 Section 52 Reports Submitted in & Council Resolutions	B&T/OM

MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
79	Number of section 71 report submitted to Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2020	12	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2020	Section 71	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month	None	None	Q1-Q4 71 Reports and Acknowledgement of Receipts	B&T/OM
80	To compile section 72 report and submit to the Mayor and Treasuries by 31 January 2020	2018/19 Section 72 Report Submitted to the Mayor and Treasuries	Section 72 compiled section 72 report and submit to the Mayor and Treasuries by 31 January 2020	Section 72 reporting	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	Section 72 compiled section 72 report and submitted to the Mayor and Treasuries	None	None	Section 72 report and Acknowledgement of Receipts	B&T/OM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION															
81	To implement back up and DRP processes by 30 June 2020	New indicator	Back and DRP processes implemented by 30 June 2020	Implementation of Back up and DRP processes	Own Funding	5 000 000	5 000 000	01/07/2019	30/06/2020	Target Not Achieved.	Finalization of the Implementation not done	Waiting for the appointment of evaluation committee	SCM to submit a request for appointment of the evaluation committee to the Accounting Officer	Q1- Specification Q2- Advert and Appointment letter Q3- progress Report Q4- Completion certificate	CORPS
82	% of IT equipment purchased by 30 June 2020 (Number of IT equipment requested by Number of purchased)	IT equipment's Purchased	100% IT equipment purchased by 30 June 2020 (Number of IT equipment requested by Number of purchased)	Purchase of IT Equipment	Own Funding	1 500 000	1 500 000	01/07/2019	30/06/2020	Target Achieved.	100% IT equipment purchased (37 Laptops and 6 Desktops. purchased)	None	None	Q1-Q4 Delivery note / invoice	CORPS
83	To upgrade IT infrastructure by 30 June 2020	Laying of fibre optic line	IT infrastructure upgraded by 30 June 2020	IT Infrastructure Upgrades	Own Funding	6 000 000	3 993 454,93	01/07/2019	30/06/2020	Target Not Achieved.	Upgrading of the IT infrastructure not done	The process was stopped at the briefing session	The project to be re-advertised.	Q1: Completion certificate and Report Q2- Specification Q3- Advert and appointment letter	CORPS

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
														Q4-Progress Report	
84	To purchase IT license software by 30 June 2020	New indicator	IT software license purchased by 30 June 2020	Purchase of IT Licenses Software	Own Funding	2 000 000	6 071 044 ,98	01/07/2019	30/06/2020	Target Achieved.	IT license software purchased	None	None	Q1 - Specification/ signed internal Memo Q2: Advert / request to OEM Q3: delivery note/invoice	CORPS
85	To conduct Final training to Senior Managers and Managers on the Automated PMS system by 30 June 2020	Automation and Commissioning of PMS done	Final training to Senior Managers and Managers on the Automated PMS system conducted by 30 June 2020	Automation of PMS	Own Funding	4 728 874	3 000 000	01/07/2019	30/06/2020	Target Achieved.	Training on PMS Automated System conducted	None	None	Q1 - Attendance register and invite	CORPS
86	To purchase fleet management system by 30 June 2020	New Indicator	Fleet management system purchased by 30 June 2020	Fleet management System	Own Funding	2 500 000	2 500 000	01/07/2019	30/06/2020	Target Achieved.	Fleet management system purchased	None	None	Q1 -Terms of reference and Advert Q2- appointment letter and Completion certificate	CORPS
87	To Purchase Motor Vehicles, Plant and Equipment by 30 June 2020	New Indicator	Motor Vehicle, Plant and equipment Purchased by	Purchase of Motor Vehicles Plant & Equipment	Own Funding	20 800 000	19 510 004	01/07/2019	30/06/2020	Target Achieved.	Motor Vehicles, Plant & Equipment purchased	None	None	Q1 -Terms of reference and Advert Q2- Appointment	CORPS

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			30 June 2020											letter and Delivery note	
88	To conduct end to end financial system due diligence by 30 June 2020	New indicator	End to End financial system due diligence conducted by 30 June 2020	End to end financial systems due diligence	Own Funding	1 000 000,00	1 000 000	01/07/2019	30/06/2020	Target Not Achieved.	End to End financial system due diligence not conducted	Service Provider not appointed.	To fast track appointment of the service provider	Q1 - Specification Q2- Advert Q3- Appointment letter and the progress report Q4 Report and Completion certificate	CORPS
89	To conduct penetration test by 30 June 2020	New indicator	Penetration test conducted by 30 June 2020	Conducting Penetration test	Own Funding	200 000,00	200 000	01/07/2019	30/06/2020	Target Not Achieved.	Penetration test not conducted	Service Provider not appointed.	To fast track appointment process	Q1 - Specification Q2- Advert Q3- Appointment letter Q4 Report and Completion certificate	CORPS
90	Number of communicators forum held by 30 June 2020	2	3 Communicator fora held by 30 June 2020	Communicators forum	Own Funding	40 000,00	40 000	01/07/2019	30/06/2020	Target Achieved.	3 Communicator forums held	None	None	Q1-Q3 Minutes and attendance register	CORPS
91	Number of Mayoral Imbizo held by 30 June 2020	4	4 Mayoral Imbizo held by 30 June 2020	Mayoral Imbizos	Own Funding	2 000 000,00	2 000 000	01/07/2019	30/06/2020	Target Not Achieved.	2 Mayoral Imbizo held	Due to Lock Down disaster Management Regulation wherein indoors and outdoors	Communities are consulted and get reports through media and physical meetings will	Q1-Q4 Invite and attendance register	CORPS

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
												events were prohibited	commence when the lock down level is lifted down to allow indoors and outdoors gatherings		
92	Number of ordinary and Special Council meetings held by 30 June 2020	4 ordinary Council held and 8 Special Council meetings	4 ordinary Council held and 8 Special Council meetings by 30 June 2020	Council Services	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	4 Ordinary and 8 special Council meetings held	None	None	Q1-Q4 Council Minutes and attendance register	CORPS
93	Number of ordinary EXCO meetings held by 30 June 2020	12 ordinary EXCO	12 ordinary EXCO meetings held by 30 June 2020	Council Services	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved.	12 ordinary EXCO meetings held	None	None	Q1-Q4 EXCO Minutes and attendance register	CORPS
94	Number of audit and Performance committee meetings held by 30 June 2020	4	4 audit and Performance committee meetings held by 30 June 2020	Auditing	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	4 audit and Performance committee meetings held	None	None	Q1-Q4 audit and Performance committee Minutes and attendance register	OM
95	Number of risk register developed and reviewed by 30 June 2020 (Strategic, Operational, Fraud and mSCOA)	3 Risk Register developed by 30 June 2019 and 1 Risk register reviewed by 30 June 2020	4 risk register reviewed by 30 June 2020	Risk register	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	3 Risk Register developed and 1 Risk register reviewed	None	None	Q1-Risk Registers Q2-Risk Registers	OM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
96	Number of risk management reports developed and submitted to Risk management and Audit Committee by 30 June 2020	2 risk management reports developed and submitted to Audit Committee by 30 June 2020	4 risk management reports developed and submitted to Risk management and Audit Committee BY 30 June 2020	Risk management report	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	2 risk management reports developed and submitted to Risk management and Audit Committee	None	None	Q1-Q4 Risk Management Report, Minutes of Risk Management and Audit Committee meetings	OM
97	Number of risk management committee meetings held by 30 June 2020	1 risk management committee meetings held by 30 June 2019	4 risk management committee meetings held by 30 June 2020	Risk management committee meetings	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Achieved	4 risk management committee meetings held	None	None	Q1-Q4: Minutes of meetings and attendance register	OM
98	Number of bursary beneficiaries awarded with mayoral bursary by 30 June 2020	10 bursary beneficiaries awarded	10 bursary beneficiaries awarded with mayoral bursary by 30 June 2020	Mayoral bursary	Own Funding	R 2 000 000	2 000 004	01/07/2019	30/06/2020	Target Achieved	Awarding of bursaries done	None	None	Q1- Appointment letter Q2- Report Q3: Confirmation letter	OM
99	To develop Annual Internal Audit Plan and Submit to Audit Committee for approval by 30 June 2020	New indicator	Annual Internal Audit Plan Developed and approved by Audit Committee by 30 June 2020	internal audit plan	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	Draft Annual Internal Audit Plan Developed and not yet approved by Audit Committee	Due to Lock Down disaster Management Regulation wherein non-essential services were stopped	The plan will be approved in 1 st Quarter 2020/21 FY when non-essential services are allowed and through virtual meetings	Q4-Internal Audit Plan	OM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Original Budget	Adjusted Budget	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
100	To develop Three Year Rolling Internal Audit Plan and Submit to Audit Committee for approval by 30 June 2020	New indicator	Three Year Rolling Internal Audit Plan Developed and approved by Audit Committee by 30 June 2020	Three year rolling internal audit plan	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	Draft Three Year Rolling Internal Audit Plan Developed and not yet approved by Audit Committee	Due to Lock Down disaster Management Regulation wherein non-essential services were stopped	The plan will be approved in 1 st Quarter 2020/21 FY when non-essential services are allowed and through virtual meetings	Q4-Three year rolling internal Audit Plan	OM
101	Number of Internal Audit Reports Submitted to Audit Committee by 30 June 2020	New indicator	4 internal audit reports submitted to Audit Committee by 30 June 2020	internal audit reports	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	3 internal audit reports submitted to Audit Committee	Due to Lock Down disaster Management Regulation wherein non-essential services were stopped	The plan will be approved in 1 st Quarter 2020/21 FY when non-essential services are allowed and through virtual meetings	Q1-Q4 Internal Audit Report	OM
102	To develop Internal Audit Charter and Submit to Audit Committee for approval by 30 June 2020	New indicator	Internal Audit Charter developed and approved by Audit Committee by 30 June 2020	Internal audit charter	Operation Income	OPEX	OPEX	01/07/2019	30/06/2020	Target Not Achieved	Internal Audit Charter developed and not yet approved by Audit Committee	Due to Lock Down disaster Management Regulation wherein non-essential services were stopped	The charter will be approved in 1 st Quarter 2020/21 FY when non-essential services are allowed and through virtual meetings	Q4-Approved Internal Audit Charter	OM

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 11)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4. THE MUNICIPAL PERSONNEL

The municipality annually develops a Workplace Skills Plan to ensure effectiveness and efficiency within the organization as far as service delivery is concerned. During the budget process the municipality made provision for the training of employees to enhance their skills level.

The employees are also provided with the necessary tools and the employer ensures that they are working in a safe environment.

The municipality has an employee wellness programme in place, in terms of which employees are being assisted from time to time.

The municipality has developed and adopted appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. These include amongst other policies on recruitment, selection, training, discipline and the retention of staff.

Inductions are conducted as and when staff is appointed, and road shows are conducted twice a year for all employees.

The municipality reviewed its organisational structure due to the changes in business process and the changing environment.

4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES:

Employee Totals, Turnover and Vacancies for 2019/20 FY				
Division (As per organogram)	Approved posts in organogram (No.)	Filled posts (No.)	Vacant (No.)	Vacancy Rate (%)
Office of the Municipal Manager	17	8	22	
Technical & Engineering Services	102	40	62	
Community Services	208	95	113	
Corporate Services	56	34	22	
LED & Planning	37	16	21	
Financial Services	44	23	21	
Total				

Turnover Rate			
Financial Year	Total Appointments as beginning of Financial Year (No.)	Termination during the Financial Year (No.)	Turn-over Rate (%)
2016/17	201	25	65.22%
2017/18	172	12	68.97%
2018/19	252	02	80%
2019/20			

4.2. POLICIES

LISTED BELOW ARE COUNCIL APPROVED HUMAN RESOURCE POLICIES

NO	POLICY DESCRIPTION	YEAR OF APPROVAL	DEPARTMENT
1.	Placement Policy	May 2019	Corporate Services
2.	Leave Policy	May 2019	Corporate Services
3.	Staff Provisioning Policy	May 2019	Corporate Services
4.	Bereavement Policy for Councillors	May 2019	Corporate Services
5.	Bereavement Policy for Officials	May 2019	Corporate Services
6.	Training and Development Policy	May 2019	Corporate Services
7.	Acting Allowance Policy	May 2019	Corporate Services
8.	Telecommunication Policy	May 2019	Corporate Services
9.	Records Management Policy	May 2019	Corporate Services
10.	Employee Assistant Policy	May 2019	Corporate Services
11.	Occupational Health and Safety Policy	May 2019	Corporate Services
12.	Employment Equity Policy	May 2019	Corporate Services
13.	Overtime Policy	May 2019	Corporate Services
14.	Remuneration Policy	May 2019	Corporate Services
15.	Attendance and Punctuality Policy	May 2019	Corporate Services
16.	Disability Policy	May 2019	Corporate Services
17.	Performance Management System Policy and Framework	May 2019	Corporate Services
18.	Mayor's Bursary Fund Policy	May 2019	Corporate Services
19.	Municipal Employees Sports Policy	May 2019	Corporate services
20.	Parking Policy	May 2019	Corporate Services
21.	Dress Code Policy	May 2019	Corporate Services
20.	Sexual Harassment Policy	May 2019	Corporate Services

The above listed policies were tabled to and approved during the year under review.

4.3. INJURIES, SICKNESSES AND PERFORMANCE REWARD

INJURIES

Number of Injury Incidents on Duty	
Type of injury	Number of Injury incidents on duty
Required basic medical attention	0
Temporary disablement	0

Permanent disablement	0
Fatal	0
Total	0

SICKNESSES

The municipality has three types of sick leave (sick leave at full pay, sick leave at half pay, sick leave at no pay), as required by Basic Condition of Employment Act. For the year under review there were 832 sick leave days at full pay taken, 0 sick leave at half pay was taken and 0 sick leave at no pay was taken.

COMMENT ON INJURY AND SICK LEAVE:

A draft of safety plan has been developed for all contractors to comply with.

All construction project Safety file were assessed and approved for safety considerations during construction

Two injury on duty cases were reported, reported, reported, compensation processes for injured employee's employees as not yet been finalized

All qualifying employees for uniforms were issue with a Protective Clothing.

The Municipality has successfully registered with COIDA.

PERFORMANCE REWARDS

For the year under review the Municipality did not implement individual performance management system due to the following challenges:

Currently the municipality is implementing the IPMS for Section 56/57 Managers only, and the municipality is in the process of cascading the IPMS down to other levels of management.

There were no financial rewards paid out to Section 56/57 employees

COMPONENT C: CAPACITATING MANICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality afford employees an opportunity to attend trainings that are provided by sector departments and also training employees to acquire necessary skills from time to time depending on the availability of budget for trainings. Annually a skills gap analysis is conducted, workplace skills plan developed, and training provided in terms thereof. Employees are also continuously sent to workshops, seminars etc. to improve their capacity.

4.4. SKILLS DEVELOPMENT AND TRAINING

CATEGORIES OF TRAINING	Legislators, Senior Officials & Managers	Professionals	Technicians & Associated Professionals	Clerks	Service & Sales workers	Craft & Related Trade Workers	Plant & machine operators	Cleaners and caretakers	Non- Permane nt	Total
CPMD									07	07
MFMP	15			01					01	17
ODETP		14	01		01	01		01		18
EPWP SYSTEM TRAINING	01	01	01	01						04
LLF SUPPORT WORKSHOP	05	03	01		01					10
HR, Post module and Equity	01	01							03	05
LEAVE and ESS MODULES			01	01					03	05
JOB EVALUATION SYSTEM TRAINING		01								01
RECORDS MANAGEMENT SYSTEM ADMIN TRAINING			02						01	03
ENVIRONMENTAL LAW	01		1							1
ICIP	20	01								20
TOTAL	43	21	07	02	02	01		01	15	91

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5. FINANCIAL PERFORMANCE

5.1. STATEMENT OF FINANCIAL PERFORMANCE

Financial Overview: 2019/20			
Summary: Statement of financial Performance			
Description	Budget 2019/20	Actual 2019/20	Variance
Total Revenue by Source (Excluding Capital Transfers)	R 431 617 830	R 424 286 030	(R 7 331 800)
Less: Total Expenditure	R 349 487 056	R 302 250 949	R 47 236 107
Equals: Surplus/ deficit	R 82 130 774	R 122 035 081	R 39 904 307

OPERATING & CAPITAL EXPENDITURE ANALYSIS

THE BELOW TABLE INDICATE THE EXPENDITURE BY TYPE

Description	Budget 2019/20	YTD 2019/20	Actual	Variance
	R'000	R'000		R'000
Employee related costs	117 348	109 513		7 835
Remuneration Of councillors	26 987	26 743		244
Debt impairment	0	10 604		(10 604)
Depreciation & asset impairment	23 192	30 987		(7 795)
Finance charges	0	111		(111)
Bulk purchases	0	0		0
Contracted services	81 431	60 018		21 413
Capital Projects (MIG)	94 031	94 031		0
Repairs and maintenance	8 388	5 991		2 397
Other expenditure	92 141	58 284		33 856

INCOME ANALYSIS

Description	Budget 2019/20	YTD ACTUAL 2019/20
	R'000	R'000
Property Rates	30 961	34 729
Service Charges	3 192	3 583
Transfer recognized-Operational	373 368	373 368
Transfer recognized-Capital	104 031	103 136
Other Revenue	24 097	12 606
Total Revenue	535 649	527 422

5.2. GRANTS

Details	Opening balance 01 July 2019	Dora allocation 2019/2020	Funds withheld	Received this year	Additional funds received	Expenditure
Municipal Finance Management Grant (FMG)	R 0	R 2 345 000	R 0	R 2 345 000	R 0	R 2 345 000
Municipal Infrastructure Grant (MIG)	R 0	R 94 031 000	R 0	R 94 031 000	R 0	R 94 031 000
Municipal Demarcation Transitional Grant (MDTG)	R 0	R 0	R 0	R 0	R 0	R 0
Integrated National Electricity Programme (INEP)	R 0	R 10 000 000	R 0	R 10 000 000	R 0	R 9 105 000
Extended Public Works Programme (EPWP)	R 0	R 1 169 000	R 0	R 1 169 000	R 0	R 1 169 000
Municipal Disaster Relief Grant	R 0	R 298 000	R 0	R 298 000	R 0	R 298 000

5.3. ASSET MANAGEMENT

TREATMENT OF THE MUNICIPALITY'S LARGEST ASSETS

ASSET 1	
Name	Property plant and equipment
Description	Electricity Network
Key staff involved	Makhuvele T
Staff Responsibilities	Ensure that the Electricity network is in good working order in order to ensure that all communities have access to electricity.
Asset Value	R 25 128 881
Capital Implications/ Financing	Department of Energy for new projects and internal finance for maintenance and other non-funded electrical projects.
Policies in place to manage asset	Yes

ASSET 2	
Name	Property plant and equipment
Description	Land and Buildings
Key staff involved	Radali CA & Shimange TR
Staff Responsibilities	To ensure that out keeping and maintenance of the buildings at all times.
Asset Value	R 30 092 298
Capital Implications/ Financing	Repairs and maintenance are funded internally.
Policies in place to manage asset	Yes

ASSET 3	
Name	Roads
Description	Roads
Key staff involved	Baloyi P
Staff Responsibilities	To ensure that all roads are maintained and utilised at their optimal levels.
Asset Value	R 368 112 668
Capital Implications/ Financing	All roads constructions are funded by MIG but maintenance is funded internally.
Policies in place to manage asset	Yes

5.4. ANNUAL FINANCIAL STATEMENT

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



**Collins Chabane Local Municipality
Annual Financial Statements
for the year ended June 30, 2020**

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

General Information

Nature of business and principal activities	Providing municipal services and maintaining the best interest of the local community.
Accounting Officers	Ngobeni TC Shilenge RR (Acting MM)
Registered office	Municipal Offices 125 Hospital Street Malamulele 0982
Business address	Municipal Offices 125 Hospital Street Malamulele 0982
Postal address	Private Bag X9271 Malamulele 0982
Bankers	First National Bank
Auditors	Auditor-General South Africa (AGSA)

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

General Information

Mayor
Speaker
Chief whip

Cllr Maluleke M
Cllr Lebea ME
Cllr Chauke MG

Members of the Executive Committee

Cllr Maluleke SG
Cllr Mashimbye FP
Cllr Mutele TM
Cllr Mavikane SX
Cllr Mukhaha AJ
Cllr Chauke HG
Cllr Fungheni MC (Retired on 27 September 2020)
Cllr Baloyi DL
Cllr Mazibuko MP

Other members of Municipal Council

Cllr Shivambu S
Cllr Mabasa D
Cllr Khoza TG
Cllr Matamela MS
Cllr Masangu GD
Cllr Bila TJ
Cllr Chauke TR
Cllr Maluleke ET
Cllr Simango MR
Cllr Hlongwane SG
Cllr Makhubele HT
Cllr Ndove HD
Cllr Mudau TS
Cllr Mabasa KK
Cllr Ngobeni MR
Cllr Mabasa J
Cllr Baloyi HR
Cllr Rivombo KE
Cllr Sunduza ZW
Cllr Chabangu TC
Cllr Khosa HJ
Cllr Mabunda MC
Cllr Chauke NS
Cllr Munyai N
Cllr Mukhomi VN
Cllr Maluleke MP
Cllr Ngobeni NE
Cllr Mahlale S
Cllr Moyo MT
Cllr Mathonsi NP
Cllr Sambo TM
Cllr Sithole MW
Cllr Shandukani MJ
Cllr Chavani PJ
Cllr Mashakeni
Cllr Mulaudzi TN
Cllr Mudau RP
Cllr Maswanganyi TC
Cllr Ndzovela NG
Cllr Rekhotsa SM
Cllr Nkuna DT
Cllr Miyambo ZQ
Cllr Baloyi MJ
Cllr Baloyi NJ
Cllr Mahlangu D
Cllr Mabasa RC

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

General Information

Cllr Baloyi OC
Cllr Vukeya HM
Cllr Machovani RG
Cllr Tshiredo CE
Cllr Hlabangwani TL
Cllr Radzivhoni CM
Cllr Masia TM
Cllr Mathoma MP
Cllr Rikhotso GM
Cllr Thovhakale MS
Cllr Ngobeni NL

Audit Committee members:

Mudau FJ (Chairperson)
Phaleng Podile MH
Nchabeleng MF
Nevhutalu TG CA(SA)
Baloyi NT

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Index

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

Index	Page
Accounting Officer's Responsibilities and Approval	5
Accounting Officer's Report	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 13
Accounting Policies	14 - 33
Notes to the Annual Financial Statements	34 - 64

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal 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
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Preparer

Maluleke NV

Chief Financial Officer

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Officer's Responsibilities and Approval

The accounting officers are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are 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 officers 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 officers acknowledge that they are ultimately responsible for the system of internal financial control established by the municipality place considerable importance on maintaining a strong control environment. To enable the accounting officers 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officers are 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 officers have reviewed the municipality's cash flow forecast for the year to June 30, 2021 and, in the light of this review and the current financial position, is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on the intergovernmental grants and transfers for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Municipality has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

The Minister of Finance on 05 August 2020 issued MFMA Exemption Circular no.104 on which the submission of Annual Financial Statements was moved from 31 August 2020 to 31 October 2020

The annual financial statements set out on pages 6 to 64, which have been prepared on the going concern basis, were approved and signed on behalf of Council on October 31, 2020 by:

Shilenge RR (Acting MM)
Accounting Officer

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Officer's Report

The accounting officers submit their report for the year ended June 30, 2020.

1. Incorporation

The municipality was incorporated on August 10, 2016 and commenced business on the same day.

The Municipality was established in terms of section 12 of the Municipal Structures Act, No. 117 of 1998 and is a category B municipality. It consists of 71 elected councilors and 36 wards.

2. Going concern

We draw attention to the fact that at June 30, 2020, the municipality had accumulated surplus of R 1,089,902,022 and that the municipality's total assets exceed its liabilities by R 1,089,902,022.

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.

Covid 19 had no significant impact on the municipality going concern. The Municipality will continue to receive its equitable shares for the financial year 2020/21.

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 officers continue to secure funding for the ongoing operations for the municipality and that sound annual financial statements will remain in force for as long as it takes to maintain the solvency of the municipality.

3. Subsequent events

For subsequent events disclosures refer to note 40 .

4. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Officer

The accounting officers of the municipality during the year and to the date of this report are as follows:

Name	Nationality
Ngobeni TC	South African
Shilenge RR (Acting MM)	South African

6. Auditors

Auditor-General South Africa (AGSA) will continue in office for the next financial period.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Financial Position as at June 30, 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	9	3,892,151	1,258,993
Other receivables from exchange transactions	10	1,127,055	8,825,734
Receivables from non-exchange transactions	11	7,026,821	24,603,455
Consumer receivables from exchange transaction	12	1,612,499	1,604,706
VAT receivable	13	18,508,145	12,563,377
Cash and cash equivalents	14	374,012,734	330,956,279
		<u>406,179,405</u>	<u>379,812,544</u>
Non-Current Assets			
Investment property	3	7,140,083	15,570,000
Property, plant and equipment	4	759,545,424	593,440,827
Intangible assets	5	4,513,822	509,250
Heritage assets	6	1,126,500	-
Other financial assets	7	2	2
		<u>772,325,831</u>	<u>609,520,079</u>
Total Assets		<u>1,178,505,236</u>	<u>989,332,623</u>
Liabilities			
Current Liabilities			
Finance lease obligation	15	1,911,909	387,756
Trade and other payables from exchange transactions	17	73,176,648	62,793,907
Employee benefit obligation	8	4,887,676	4,812,135
Unspent conditional grants and receipts	16	894,694	-
		<u>80,870,927</u>	<u>67,993,798</u>
Non-Current Liabilities			
Finance lease obligation	15	3,109,883	-
Employee benefit obligation	8	4,622,405	4,195,564
		<u>7,732,288</u>	<u>4,195,564</u>
Total Liabilities		<u>88,603,215</u>	<u>72,189,362</u>
Net Assets		<u>1,089,902,021</u>	<u>917,143,261</u>
Accumulated surplus		<u>1,089,902,022</u>	<u>917,143,268</u>

* See Note 36

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	3,583,061	2,694,574
Rendering of services		1,313,554	1,339,759
Agency services	18	1,888,807	2,138,269
Licences and permits	18	3,015,106	2,795,681
Rental income	20	13,858	46,537
Interest income	21	10,674,171	11,741,614
Total revenue from exchange transactions		20,488,557	20,756,434
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	34,729,475	33,937,423
Transfer revenue			
Government grants & subsidies	23	476,504,345	450,458,142
Gain on assets/ Fair value adjustments		3,634,344	6,355,052
Traffic fines		531,450	371,350
Total revenue from non-exchange transactions		515,399,614	491,121,967
Total revenue	18	535,888,171	511,878,401
Expenditure			
Employee related costs	24	(106,284,764)	(85,295,415)
Remuneration of councillors	25	(26,743,146)	(26,353,098)
Depreciation and amortisation	26	(35,842,108)	(21,108,156)
Finance costs	27	(110,625)	(41,243)
Debt Impairment	28	(62,568,803)	(6,770,729)
Repairs and maintenance		(5,991,219)	(4,037,077)
Contracted services	29	(59,945,238)	(65,454,482)
General Expenses	30	(57,213,595)	(68,452,821)
Total expenditure		(354,699,498)	(277,513,021)
Operating surplus		181,188,673	234,365,380
Fair value adjustments		(8,429,917)	-
Surplus for the year		172,758,756	234,365,380

* See Note 36

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at July 1, 2018	682,777,888	682,777,888
Changes in net assets		
Surplus for the year	234,365,380	234,365,380
Total changes	234,365,380	234,365,380
Opening balance as previously reported	915,564,994	915,564,994
Adjustments		
Prior year adjustments (Note 36)	1,578,272	1,578,272
Restated* Balance at July 1, 2019 as restated*	917,143,266	917,143,266
Changes in net assets		
Surplus for the year	172,758,756	172,758,756
Total changes	172,758,756	172,758,756
Balance at June 30, 2020	1,089,902,022	1,089,902,022

Note(s)

* See Note 36

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Property rates		3,277,608	15,224,983
Service charges		1,323,616	(926,593)
Grants and subsidies		477,399,000	421,599,004
Interest income		10,674,171	11,741,614
Other receipts		7,536,416	27,519,695
		<u>500,210,811</u>	<u>475,158,703</u>
Payments			
Employee costs		(131,089,048)	(107,947,017)
Suppliers and other payments		(126,730,807)	(110,938,411)
		<u>(257,819,855)</u>	<u>(218,885,428)</u>
Net cash flows from operating activities	32	<u>242,390,956</u>	<u>256,273,275</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(192,240,652)	(172,683,416)
Purchase of other intangible assets	5	(4,485,962)	-
Purchases of heritage assets	6	(1,126,500)	-
Net cash flows from investing activities		<u>(197,853,114)</u>	<u>(172,683,416)</u>
Cash flows from financing activities			
Finance lease payments		(1,481,387)	(753,048)
Net increase/(decrease) in cash and cash equivalents		43,056,455	82,836,811
Cash and cash equivalents at the beginning of the year		330,956,279	248,119,468
Cash and cash equivalents at the end of the year	14	<u>374,012,734</u>	<u>330,956,279</u>

* See Note 36

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges - refuse	3,192,024	-	3,192,024	3,583,061	391,037	Note 46
Other income	6,625,716	11,543,940	18,169,656	1,313,554	(16,856,102)	
Agency services	2,054,160	-	2,054,160	1,888,807	(165,353)	
Licence and permits	-	-	-	3,015,106	3,015,106	
Rental income	-	253,163	253,163	13,858	(239,305)	
Interest income - Bank	9,052,008	(6,052,000)	3,000,008	10,674,171	7,674,163	
Total revenue from exchange transactions	20,923,908	5,745,103	26,669,011	20,488,557	(6,180,454)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	22,960,549	8,000,000	30,960,549	34,729,475	3,768,926	
Transfer revenue						
Government grants & subsidies	473,922,012	3,476,996	477,399,008	476,504,345	(894,663)	
Gain on asset/ fair value adjustments	-	-	-	3,634,344	3,634,344	
Traffic fines	-	620,262	620,262	531,450	(88,812)	
Total revenue from non-exchange transactions	496,882,561	12,097,258	508,979,819	515,399,614	6,419,795	
Total revenue	517,806,469	17,842,361	535,648,830	535,888,171	239,341	
Expenditure						
Personnel	(113,897,448)	(3,450,714)	(117,348,162)	(106,284,764)	11,063,398	
Remuneration of councillors	(27,431,244)	443,966	(26,987,278)	(26,743,146)	244,132	
Depreciation and amortisation	(16,302,468)	(6,890,000)	(23,192,468)	(35,842,108)	(12,649,640)	
Finance costs	-	-	-	(110,625)	(110,625)	
Debt Impairment	-	-	-	(62,568,803)	(62,568,803)	
Repairs and maintenance	(7,233,036)	(1,154,752)	(8,387,788)	(5,991,219)	2,396,569	
Contracted Services	(11,912,376)	(69,518,395)	(81,430,771)	(59,945,238)	21,485,533	
General Expenses	(41,800,224)	(50,340,365)	(92,140,589)	(57,213,595)	34,926,994	
Total expenditure	(218,576,796)	(130,910,260)	(349,487,056)	(354,699,498)	(5,212,442)	
Operating surplus	299,229,673	(113,067,899)	186,161,774	181,188,673	(4,973,101)	
Fair value adjustments	-	-	-	(8,429,917)	(8,429,917)	
Surplus	299,229,673	(113,067,899)	186,161,774	172,758,756	(13,403,018)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	299,229,673	(113,067,899)	186,161,774	172,758,756	(13,403,018)	
Reconciliation						

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	1,258,993	-	1,258,993	3,892,151	2,633,158	Note 46
Other receivables from exchange transactions	-	-	-	1,127,055	1,127,055	
Receivables from non-exchange transactions	38,813,085	5,600,000	44,413,085	7,026,821	(37,386,264)	
VAT receivable	-	-	-	18,508,145	18,508,145	
Consumer debtors - other	21,953,353	-	21,953,353	1,612,499	(20,340,854)	
Cash and cash equivalents	431,687,063	(211,738,648)	219,948,415	374,012,734	154,064,319	
	493,712,494	(206,138,648)	287,573,846	406,179,405	118,605,559	
Non-Current Assets						
Investment property	15,570,000	-	15,570,000	7,140,083	(8,429,917)	
Property, plant and equipment	776,144,767	84,499,700	860,644,467	759,545,424	(101,099,043)	
Intangible assets	509,250	8,571,045	9,080,295	4,513,822	(4,566,473)	
Heritage assets	-	-	-	1,126,500	1,126,500	
Other financial assets	2	-	2	2	-	
	792,224,019	93,070,745	885,294,764	772,325,831	(112,968,933)	
Total Assets	1,285,936,513	(113,067,903)	1,172,868,610	1,178,505,236	5,636,626	
Liabilities						
Current Liabilities						
Finance lease obligation	387,756	-	387,756	1,911,909	1,524,153	
Trade and other payables from exchange transactions	61,776,308	-	61,776,308	73,176,648	11,400,340	
Employee benefit obligation	3,685,316	-	3,685,316	4,887,676	1,202,360	
Unspent conditional grants and receipts	-	-	-	894,694	894,694	
	65,849,380	-	65,849,380	80,870,927	15,021,547	
Non-Current Liabilities						
Finance lease obligation	-	-	-	3,109,883	3,109,883	
Employee benefit obligation	5,292,472	-	5,292,472	4,622,405	(670,067)	
	5,292,472	-	5,292,472	7,732,288	2,439,816	
Total Liabilities	71,141,852	-	71,141,852	88,603,215	17,461,363	
Net Assets	1,214,794,661	(113,067,903)	1,101,726,758	1,089,902,021	(11,824,737)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1,214,794,661	(113,067,903)	1,101,726,758	1,089,902,021	(11,824,737)	

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Cash Flow Statement

Cash flows from operating activities

Receipts

Property rates, penalties and collection charges	7,792,668	2,400,000	10,192,668	8,786,859	(1,405,809)	Note 46
Service charges	3,792,024	-	3,792,024	639,487	(3,152,537)	
Grant and subsidies	473,922,012	3,476,988	477,399,000	477,399,000	-	
Other receipts	8,679,876	12,417,346	21,097,222	2,129,952	(18,967,270)	
Interest - Bank	9,052,008	(6,052,000)	3,000,008	10,674,171	7,674,163	
	503,238,588	12,242,334	515,480,922	499,629,469	(15,851,453)	

Payments

Employee costs and suppliers	(196,296,528)	(122,291,021)	(318,587,549)	(133,254,135)	185,333,414	
Supplier and other payments	(5,977,800)	(1,729,239)	(7,707,039)	(97,418,635)	(89,711,596)	
	(202,274,328)	(124,020,260)	(326,294,588)	(230,672,770)	95,621,818	

Net cash flows from operating activities	300,964,260	(111,777,926)	189,186,334	268,956,699	79,770,365	
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Cash flows from investing activities

Purchase of property, plant and equipment	(200,233,476)	(99,960,745)	(300,194,221)	(213,309,514)	86,884,707	
Purchase of other intangible assets	-	-	-	(4,485,962)	(4,485,962)	
Purchases of heritage assets	-	-	-	(1,126,500)	(1,126,500)	
Net cash flows from investing activities	(200,233,476)	(99,960,745)	(300,194,221)	(218,921,976)	81,272,245	

Cash flows from financing activities

movement in finance lease	-	-	-	(1,504,197)	(1,504,197)	
Net increase/(decrease) in cash and cash equivalents	100,730,784	(211,738,671)	(111,007,887)	48,530,526	161,042,610	
Cash and cash equivalents at the beginning of the year	330,956,279	-	330,956,279	-	(330,956,279)	
Cash and cash equivalents at the end of the year	431,687,063	(211,738,671)	219,948,392	48,530,526	(169,913,669)	

Reconciliation

All significant variances +/-10 have been explained under note 45.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

1.2 Going concern assumption

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

1.3 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 for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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 of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, 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.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.3 Investment property (continued)

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.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note).

1.4 Property, plant and equipment

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

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.4 Property, plant and equipment (continued)

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.

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, where 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 of land and building is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses in line with the valuation roll of the municipality.

Depreciation is calculated on the asset's depreciable amount, using the straight line method over useful lives of the asset. The components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives as per the MFMA - Local Government Capital Assets Management Guideline.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life (years)
Boundary walls	Straight line	20 - 40
Buildings/ Building works	Straight line	5 - 30
Electrical supply	Straight line	7 - 80
Fencing	Straight line	10 - 50
On site paving	Straight line	15 - 30
Other external works	Straight line	15 - 50
Sewerage systems	Straight line	10 - 55
Water supply	Straight line	5 - 100
Bins and containers	Straight line	5 - 15
Computer equipment	Straight line	3 - 10
Furniture and fittings	Straight line	3 - 10
Motor vehicles	Straight line	4 - 15
Office equipment	Straight line	3 - 15
Plant and equipment	Straight line	2 - 20
Bridges	Straight line	15 - 80
Road furniture	Straight line	15 - 50
Road structures	Straight line	20 - 100
Storm water drainage	Straight line	20 - 100
Intangibles	Straight line	2 - 5
Flood lightning	Straight line	5 - 40
Street light	Straight line	5 - 40
Traffic lights	Straight line	5 - 40

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.4 Property, plant and equipment (continued)

Leased assets Not fixed Limited to the contract term

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

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 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 an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Impairment.

The municipality tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable (recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount), and an impairment loss is charged to the Statement of Financial Performance. (Impairment loss of a valued asset is treated as a revaluation decrease).

De-recognition.

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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.5 Intangible assets (continued)

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent measurement.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life (years)
Licenses and franchises	Straight line	2-5
Computer software, other	Straight line	2-5
Other intangible assets	Straight line	2-5

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

De-recognition

Intangible assets are de-recognised when the asset is disposed of or when no future economic benefits or service potential are expected from its use. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sale proceeds and the carrying value and is recognised in the Statement of Financial Performance. The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 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.

Initial measurement

Heritage assets are measured at cost.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.6 Heritage Assets (continued)

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses. After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. The fair value of heritage assets will be determined after every three (3) years

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit.

However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

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

1.7 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.

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.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- 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 an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.7 Financial instruments (continued)

Consumer deposits are recognised as liabilities

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.7 Financial instruments (continued)

Initial recognition

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

Financial instruments are initially measured at fair value, plus, (in the case of financial instruments not at fair value through profit or loss), transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with GRAP 104, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation. The municipality classifies its financial assets into the following categories:

- loans and receivables; a
- fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows: Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Fair value through profit and loss financial assets include derivative financial instruments used by the Entity to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a noncurrent asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

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

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

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.7 Financial instruments (continued)

Impairment

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the financial asset.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Impairment of non-financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

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.

1.8 Value Added Tax

Basis

The municipality accounts for VAT on the cash basis when preparing VAT returns, the accrual basis of accounting is applied in capturing vat on the accounting system.

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 buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

"Land inventory is recognised at R1 fair value which equate to net realisable value due to illegal occupation."

Subsequently inventories are measured at weighted average cost method.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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).

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 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.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.12 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.12 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve 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 twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve 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 entity during a reporting period, the entity recognise 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 entity recognise 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 entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity 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 entity has no realistic alternative but to make the payments.

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 an entity 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.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.12 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity 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 entity is demonstrably committed to a termination when the entity 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. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 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.

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 deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.13 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a 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

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

• **Contingent liabilities:**

"Contingent liabilities shall not be recognized in the statement of financial position, a contingent liability shall be disclosed under the notes unless the possibility of an outflow of resources embodying economic benefits or service potential is remote"

"A disclosure shall be made for each class of contingent liability at the reporting date with a brief description of the nature of the contingent liability and where practicable"

o An estimate of its financial effect,

• **Contingent Assets:**

"Contingent assets shall not be recognised in the Statement of financial position, a contingent asset usually arises from unplanned or other unexpected events that are not wholly within the control of the municipality that give rise to the possibility of an inflow of economic benefits."

"A contingent asset is disclosed under the notes by providing a brief description of the nature of the contingent assets at the reporting date, and where practicable, an estimate of their financial effect.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.13 Provisions and contingencies (continued)

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in 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.

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.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances. Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges

When the outcome of a transaction involving the rendering services can be estimated reliably, revenue associated with the transaction is recognised by the stage of completion of the transaction at the reporting date. The outcome of the transaction can be estimated reliably when the following are met:

- 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.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Sale of goods

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.15 Revenue from exchange transactions (continued)

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

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest

Interest shall be recognised on a time proportionate basis that takes into account the effective interest yield on the asset.

Agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement. The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Collection charges are recognised when incurred.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.15 Revenue from exchange transactions (continued)

Interest

Interest is recognised, on a time proportionate basis that takes into account the effective interest rate method.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Gain on assets - this apply die to assets acquired at no consideration or including fair value adjustment on investment property.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an 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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Property rates

The Municipality reocgnises and asset in respect of taxes when the taxable event occurs and the asset recognition criteria is met. Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Collection charges are recognised when such amounts are legally enforceable.

Rebates are respectively granted to owner of land on which not more than two dwelling units are erected provided that soley used for residential purpose.

Assessment rates income is recognised was rates account has been issued to the ratepayers

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Government grant and transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

"The municipality recognizes government grants as revenue upon receipts except for; Grants with conditions on utilization. These grants are only recognized as revenue only upon the fulfilment of the conditions attached to the use of the grants. The grants shall be disclosed as a liability until the conditions attached are met"

Transferred assets are measured at their fair value as at the date of acquisition.

Traffic 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.

1.17 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in current year.

1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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.

1.20 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.

1.21 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 economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.21 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.22 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 7/1/2019 to 6/30/2020.

The budget for the economic entity includes all the entities approved budgets under its control.

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.

The Municipality will provide explanation of +/-10% variance on comparison of budget and actual amount

1.23 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be

influenced by, that management in their dealings with the municipality. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Accounting Policies

1.24 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 will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose 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.

1.25 Expenditure

Expenditure is recognised for in the financial statements on accrual basis

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

2. New standards and interpretations

2.1 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, 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
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Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

3. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	7,140,083	-	7,140,083	15,570,000	-	15,570,000

Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	15,570,000	(8,429,917)	7,140,083

Reconciliation of investment property - 2019

	Opening balance	Fair value adjustments	Total
Investment property	10,258,000	5,312,000	15,570,000

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.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

4. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,393,442	-	8,393,442	8,393,442	-	8,393,442
Buildings	25,086,419	(3,387,563)	21,698,856	25,132,206	(2,495,893)	22,636,313
Movable assets	65,493,095	(27,505,472)	37,987,623	52,709,138	(10,811,399)	41,897,739
Community assets	90,031,306	(13,357,077)	76,674,229	89,902,515	(8,670,126)	81,232,389
Road infrastructure	399,757,137	(31,644,469)	368,112,668	281,387,558	(20,296,059)	261,091,499
Leased assets	6,400,628	(1,532,186)	4,868,442	2,503,446	(2,115,374)	388,072
WIP - Infrastructure	216,700,774	-	216,700,774	172,890,031	-	172,890,031
Electricity assets	25,887,001	(777,611)	25,109,390	5,474,071	(562,729)	4,911,342
Total	837,749,802	(78,204,378)	759,545,424	638,392,407	(44,951,580)	593,440,827

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	8,393,442	-	-	-	-	-	8,393,442
Buildings	22,636,313	-	-	(42,101)	(895,356)	-	21,698,856
Movable assets	41,897,739	9,548,697	104,120	3,098,105	(6,265,470)	(10,395,568)	37,987,623
Community assets	81,232,389	380,428	-	(210,327)	(4,539,186)	(189,075)	76,674,229
Road infrastructure	261,091,499	118,369,580	-	-	(10,136,212)	(1,212,199)	368,112,668
Leased Assets	388,072	6,004,797	-	-	(1,524,427)	-	4,868,442
WIP - Infrastructure	172,890,031	182,691,955	-	(138,881,212)	-	-	216,700,774
Electricity Assets	4,911,342	20,252,658	148,309	-	(164,672)	(38,247)	25,109,390
	593,440,827	337,248,115	252,429	(136,035,535)	(23,525,323)	(11,835,089)	759,545,424

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Impairment reversal	Total
Land	8,949,440	-	-	(21,000)	-	(534,998)	-	8,393,442
Buildings	18,236,863	-	5,157,708	-	(758,258)	-	-	22,636,313
Movable assets	34,772,146	12,580,636	-	-	(4,177,169)	(2,379,479)	1,101,605	41,897,739
Community	39,835,818	-	45,509,839	21,000	(3,917,588)	(216,680)	-	81,232,389
Road - Infrastructure	177,993,462	-	92,258,344	-	(6,878,294)	(2,282,013)	-	261,091,499
Leased Assets	1,222,460	-	-	-	(834,388)	-	-	388,072
WIP - Infrastructure	174,855,775	159,589,229	-	(161,554,973)	-	-	-	172,890,031
Electrical assets	5,092,021	-	-	-	(180,679)	-	-	4,911,342
	460,957,985	172,169,865	142,925,891	(161,554,973)	(16,746,376)	(5,413,170)	1,101,605	593,440,827

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

4. Property, plant and equipment (continued)

The Municipality reviewed the Property, Plant and equipment useful lives and residual values as at 30 June 2020.
Pledged as security

During the financial year ended 30 June 2020, no components of property, plant and equipment were pledged as security for borrowings or banking facilities.

Included in the Work in Progress - Infrastructure, are electrification of villages WIP assets amounting to 2019: R27 555 400 funded from INEP grant. These assets will be transferred to a third party (Eskom), upon completion and are not the asset of the Municipality.

Other information

The completion of the following projects were delayed due to reasons which includes strikes and community disputes to fall under CCLM and the municipality did have access to work at Vuwani:

Vuwani Sibudi Vyeboom road	4,715,090	-
Malamulele D street	41,969,488	-
Sasekane Ring Road	5,033,523	-
Upgrading of Vuwani sport facilities	9,068,936	-
	60,787,037	-

Cummulative expenditure for Work in Progress (WP) as at year end was as follows:

Road Infrastructure	82,610,365	117,038,324
Electrical Infrastructure	29,824,984	21,678,731
Community Assets	70,771,592	23,559,796
Building assets	26,949,637	5,432,196
ICT Infrastructure	6,544,196	5,180,980
	216,700,774	172,890,027

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

Electricity	207,230	437,012
Building	70,393	450,521
Machinery and equipment	637,242	739,402
Road Infrastructure	260,870	1,480,568
Motor Vehicles	496,178	929,575
	1,671,913	4,037,078

5. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5,585,822	(1,072,000)	4,513,822	1,099,860	(590,610)	509,250

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

5. Intangible assets (continued)

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	509,250	4,485,962	(481,390)	4,513,822

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software, other	729,222	(219,972)	509,250

The municipality has reviewed the useful lives, residual values and performed assessment of impairment as at 30 June 2020

6. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral chain and gowns	1,126,500	-	1,126,500	-	-	-

Reconciliation of heritage assets 2020

	Opening balance	Additions	Total
Mayoral chain and gowns	-	1,126,500	1,126,500

7. Other financial assets

Residual interest at cost Investment - VBS	122,410,521	122,410,521
Impairments	122,410,521 (122,410,519)	122,410,521 (122,410,519)
	<u>2</u>	<u>2</u>
Non-current assets Residual interest at cost	<u>2</u>	<u>2</u>

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

8. Employee benefit obligations

Defined benefit plan

The total amounts recognised in the statement of financial position are as follows:

Defined benefit obligation - Long service award	3,139,000	2,549,000
Defined benefit obligation - Unused leave days	6,371,081	6,458,699
	<u>9,510,081</u>	<u>9,007,699</u>

8.1 Long-Service award

The municipality provides long service awards to its permanent employees. The municipality offers rewards for specified year intervals of completed years of services.

In accordance with prevailing legislation, the defined benefits funds are actuarially valued at intervals of every year. The latest valuation was performed by ARCH Actuarial Consulting for 30 June 2020.

Long service awards relate to the legal obligation to provide long service awards. Actuarial benefits have been calculated for 218 eligible employee as at 30 June 2020 that are entitled to long service awards.

The long service awards liability is not a funded arrangement. i.e no assets have been set aside to meet this liability. The municipality offers rewards as per specified year intervals of completed service.

	2020	2019
Long term portion	R3 004 000	R2 410 000
Current portion	R135 000	R139 000
	<u>R3 139 000</u>	<u>R2 549 000</u>

Key assumptions

	2020	2019
Discount rate (%)	7	8
General salary inflation (%)	4	6
Net discount rate (%)	3	2
Average retirement age (Years)	62	62
	<u>-</u>	<u>-</u>

8.2 Unused leave days.

This is the present value of the total unused leave benefit expected to become payable under the employer's current service arrangements and based on the assumption made.

This may be regarded as the amount of money that should be set aside in present day terms to cover all expected unused leave benefit for current employees.

	2020	2019
Long term portion	R1 618 405	R2 785 564
Current portion	R4 752 676	R4 673 135
	<u>R6 371 081</u>	<u>R6 458 699</u>

Assumption used at the reporting date

	2020	2019
Discount rates used	10.14%	9.15%
General salary inflation	5.76%	6.14%
Net discount rate	4.15%	2.83%
Average retirement age	62	62

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
9. Inventories		
Consumable stores	3,892,138	1,258,980
Land inventory	13	13
	3,892,151	1,258,993

Inventory issued and expensed during the year R5 830 269

"Land inventory is recognised at R1 fair value which equate to net realisable value due to illegal occupation."

10. Other receivables from exchange transactions

Deposits	862,295	326,055
Sundry debtors	8,659,084	8,499,679
Sundry debtors - impairment	(8,394,324)	-
	1,127,055	8,825,734

There was no sundry debtors which was pledged as collateral

11. Receivables from non-exchange transactions

Traffic fines	584,750	358,250
Traffic fines - Impairment	(279,800)	-
Property rates	83,811,356	52,359,489
Property rates - impairment	(77,089,485)	(28,114,284)
	7,026,821	24,603,455

Ageing for rates.

	2020	2019
Current (0-30 days)	17,800,727	8,516,044
31-60 days	2,782,611	2,682,059
61- 90 days	2,569,804	2,609,348
91-120 days	2,813,984	2,437,586
121-365 days	17,061,971	11,895,454
> 365 days	40,782,259	24,218,998
	83,811,356	52,359,489
Less: Allowance for impairment	(77,089,485)	(28,114,284)
	6,721,871	24,245,205

Fair value of consumer debtors approximates the carrying amount thereof.

12. Consumer receivables from exchange transaction

Gross balances		
Refuse	18,157,830	15,898,385
Consumer debtors - other	22,471,597	22,471,597
	40,629,427	38,369,982

Less: Allowance for impairment

Refuse	(16,545,333)	(14,293,681)
Others	(22,471,595)	(22,471,595)
	(39,016,928)	(36,765,276)

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
12. Consumer receivables from exchange transaction (continued)		
Net balance		
Refuse	1,612,497	1,604,704
Other	2	2
	<u>1,612,499</u>	<u>1,604,706</u>
Refuse		
Current (0 -30 days)	7,754,280	537,441
31 - 60 days	254,141	271,833
61 - 90 days	492,308	270,001
91 - 120 days	239,387	248,172
121 - 365 days	1,605,043	1,920,743
> 365 days	7,812,671	12,650,195
Less: Allowance for impairment	(16,545,333)	(14,293,681)
	<u>1,612,497</u>	<u>1,604,704</u>
Other		
Current (0 -30 days)	54,980	54,980
31 - 60 days	36,028	36,028
61 - 90 days	35,679	35,679
91 - 120 days	35,385	35,385
121 - 365 days	238,916	238,916
> 365 days	22,070,609	22,070,609
Less: Allowance for impairment	(22,471,595)	(22,471,595)
	<u>2</u>	<u>2</u>

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
12. Consumer receivables from exchange transaction (continued)		
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	72,242,920	1,027,012
31 - 60 days	849,567	795,157
61 - 90 days	836,476	786,490
91 - 120 days	830,199	781,050
121 - 365 days	5,994,415	6,003,076
> 365 days	43,967,242	105,816,496
	124,720,819	115,209,281
Industrial/Commercial		
Current (0 -30 days)	6,248,545	642,132
31 - 60 days	241,299	149,741
61 - 90 days	117,230	146,742
91 - 120 days	115,229	138,086
121 - 365 days	834,753	983,334
> 365 days	5,621,918	10,838,611
	13,178,974	12,898,646
National and Provincial Government		
Current (0 -30 days)	2,570,562	7,389,218
31 - 60 days	1,983,929	1,573,857
61 - 90 days	1,903,898	1,559,517
91 - 120 days	1,794,013	1,810,215
121 - 365 days	14,875,018	10,289,621
> 365 days	22,188,392	2,440,761
	45,315,812	25,063,189
	-	-
Total		
Current (0 -30 days)	81,062,026	9,058,362
31 - 60 days	3,074,794	2,518,756
61 - 90 days	2,857,604	2,492,907
91 - 120 days	2,739,441	2,729,351
121 - 365 days	21,704,186	17,276,031
> 365 days	71,777,553	119,095,868
	183,215,604	153,171,275
13. VAT receivable		
VAT	18,508,145	12,563,377

Provision for impairment- VAT

Included in the VAT Receivable balance is a provision for impairment related to VAT disputed by SARS amount to R2 667 826
2019: 0

The municipality accounts for VAT on the cash basis when preparing VAT returns, the accrual basis of accounting is applied in capturing vat on the accounting system.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

14. Cash and cash equivalents (continued)

Cash on hand	69,404	-
Bank balances	373,943,330	330,956,279
	<u>374,012,734</u>	<u>330,956,279</u>

There difference between the bank statement and cash book was due to cash on hand as at 30 June 2020. There was no short-term investment made during the year under review.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	June 30, 2020	June 30, 2019	June 30, 2018
Current Account - 62632407020	373,943,330	330,956,279	248,119,468	374,012,733	330,956,279	248,119,468

15. Finance lease obligation

Minimum lease payments due		
- within one year	1,911,909	387,756
- in second to fifth year inclusive	3,109,883	-
Present value of minimum lease payments	<u>5,021,792</u>	<u>387,756</u>
Non-current liabilities	3,109,883	-
Current liabilities	1,911,909	387,756
	<u>5,021,792</u>	<u>387,756</u>

Municipality has entered into a new contract during the year to lease photocopier machines for a non-renewable period of 36 month. The lease agreement provides for monthly payments with 10% annual escalation.

16. Unspent conditional grants and receipts

The Municipality has one unspent conditional grant as at 30 June 2020. Below is the detail reconciliation:

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
INEP	894,694	-

17. Trade and other payables from exchange transactions

Trade payables	33,206,008	32,222,260
Payments received in advance from customers	3,668,980	2,396,233
Sundry creditors	3,976,657	4,270,983
Accrued bonus - 13th cheque	2,571,278	1,134,798
Unallocated deposits	561,264	138,225
Retention	27,765,728	22,076,878
Department of Transport	1,426,733	554,530
	<u>73,176,648</u>	<u>62,793,907</u>

Payables increase is linked to the growth of the municipality on project implementation and invoices not paid at year end.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
18. Total revenue		
Rendering of services	1,313,554	1,339,759
Service charges	3,583,061	2,694,574
Agency services	1,888,807	2,138,269
Licences and permits	3,015,106	2,795,681
Rental income	13,858	46,537
Interest earned - bank	10,674,171	11,741,614
Property rates	34,729,475	33,937,423
Government grants & subsidies	476,504,345	450,458,142
Gain or (Loss) on assets/ Fair value adjustments	3,634,344	6,355,052
Traffic fines	531,450	371,350
	535,888,171	511,878,401

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	3,583,061	2,694,574
Rendering of services	1,313,554	1,339,759
Agency services	1,888,807	2,138,269
Licences and permits	3,015,106	2,795,681
Rental income	13,858	46,537
Interest income - bank	10,674,171	11,741,614
	20,488,557	20,756,434

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	34,729,475	33,937,423
Transfer revenue		
Government grants & subsidies	476,504,345	450,458,142
Gain on assets/ Fair value adjustments	3,634,344	6,355,052
Traffic fines	531,450	371,350
	515,399,614	491,121,967

Nature

Rendering of services - This include revenue for sale of tender documents, approval of building plans and proof of residence fees.

Service revenue - Is the revenue from refuse removal services provided by the municipality

19. Service charges

Refuse removals	3,583,061	2,694,574
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20. Rental income

Rental income - third party	13,858	46,537
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21. Interest revenue

Interest revenue		
Interest income - Bank	10,674,171	11,741,614

During the current year interest were only earned from the primary bank account.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
22. Property rates		
Rates received		
Property rates	34,729,475	33,937,423
Valuations		
Residential	1,272,602,591	1,155,483,594
Commercial	399,216,000	389,285,000
Agricultural	858,186,000	789,783,000
Government	1,035,227,004	947,482,000
	<u>3,565,231,595</u>	<u>3,282,033,594</u>

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
23. Government grants and subsidies		
Operating grants		
Equitable share	369,556,035	327,068,142
Municipal Systems Improvement Grant (MSIG)	-	1,061,000
Financial Management Grant (FMG)	2,345,000	2,345,000
Extended Public Works Programme Grant (EPWP)	1,169,000	1,134,000
Disastor Relief Grant (DRG)	298,000	-
	373,368,035	331,608,142
Capital grants		
Municipal Infrastructure Grant (MIG)	94,031,000	101,850,000
Intergrated Nation Electrification Program Grant (INEP)	9,105,310	17,000,000
	103,136,310	118,850,000
	476,504,345	450,458,142

Equitable Share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from the grant.

Finance Management Grant (FMG)

Current-year receipts	2,345,000	2,345,000
Conditions met - transferred to revenue	(2,345,000)	(2,345,000)
	-	-

This grant is used to promote and support reforms to municipal financial management and implementation of MFMA, 2003. The conditions of the grant were met. No funds have been withheld.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	16,085,354
Current-year receipts	94,031,000	101,850,000
Conditions met - transferred to revenue	(94,031,000)	(101,850,000)
	-	-

The grant conditons were met in the current year 2020 and prior year 2019.

This grant was used to construct Municipal Infrastructure to provide basic services for the benefit of communities.

Municipal Dermacation Transition Grant (MDTG)

Balance unspent at beginning of year	-	7,782,548
Other	-	(7,782,548)
	-	-

The grant was used to subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.

No grants were received in current year

Intergrated National Electrification Programme

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
23. Government grants and subsidies (continued)		
Balance unspent at beginning of year	-	4,991,240
Current-year receipts	10,000,000	17,000,000
Conditions met - transferred to revenue	(9,105,311)	(17,000,000)
Funds withheld	-	(4,991,240)
	<u>894,689</u>	<u>-</u>

Conditions were met for 2019. Conditions were still to be met for 2020 - remain liabilities (see note 16). The grant is meant for electrification projects. The Municipality has applied for the Roll-Over of the grant

Extended Public Works Program (EPWP)

Current-year receipts	1,169,000	1,134,000
Conditions met - transferred to revenue	(1,169,000)	(1,134,000)
	<u>-</u>	<u>-</u>

Grant conditions were met in 2020 and 2019. The grant is used to create temporarily work for unemployed people.

Municipal Improvement Grant (MSIG)

Current-year receipts	-	1,061,000
Conditions met - transferred to revenue	-	(1,061,000)
	<u>-</u>	<u>-</u>

No new grant was received in 2020. The condition for the grant were met in 2019. The grant was used used to for capacity building and to improve billing.

Municipal Disaster Relief Grant

Current-year receipts	298,000	-
Conditions met - transferred to revenue	(298,000)	-
	<u>-</u>	<u>-</u>

All grant conditions were met in 2020. The grant was used for Covid-19 Relief

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
24. Employee related costs		
Basic	73,365,741	55,013,909
Cellphone allowance	5,000	6,000
Bonus	4,338,968	3,114,715
Medical aid - company contributions	3,489,204	2,307,235
UIF	408,470	372,871
Other payroll levies	21,293	21,912
Leave pay provision charge	(502,386)	5,139,623
Travel, motor car, accommodation and other allowances	9,821,112	6,775,429
Overtime payments	2,792,653	2,589,094
Long-service awards	134,366	(154,537)
Housing benefits and allowances	178,998	137,581
Pension fund contribution	12,221,304	9,971,583
Uniform allowance	10,041	-
	106,284,764	85,295,415
Remuneration of Municipal Manager		
Annual Remuneration	967,866	938,241
Car Allowance	278,061	275,916
	1,245,927	1,214,157
Remuneration of Chief Finance Officer		
Annual Remuneration	402,058	719,989
Car Allowance	113,468	207,669
Leave pay	-	174,062
Acting Allowance	71,921	104,981
	587,447	1,206,701
Chief Financial Officer was effective from 01 January 2020. For the period 01 July 2019 to 31 December 2019 there was an Acting Chief Financial Officer		
Remuneration of Senior Manager - Corporate Services		
Annual Remuneration	803,383	785,443
Car Allowance	226,742	226,548
Acting allowance	93,334	117,644
	1,123,459	1,129,635
Remuneration of Senior Manager - Spatial Planning and Development		
Annual Remuneration	803,383	785,443
Car Allowance	226,742	226,548
	1,030,125	1,011,991
Remuneration of Senior Manager - Technical service		
Annual Remuneration	742,798	770,338
Car Allowance	226,742	226,548
Bonus (Thirteen Cheque)	62,420	15,105
	1,031,960	1,011,991

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
24. Employee related costs (continued)		
Remuneration of Senior Manager - Community Services		
Annual Remuneration	803,383	785,443
Car Allowance	226,742	226,548
	1,030,125	1,011,991
25. Remuneration of councillors		
Mayor	848,415	763,933
Speaker	547,842	532,348
Remuneration and allowances for other councillors	25,346,889	25,056,817
	26,743,146	26,353,098
26. Depreciation and amortisation		
Property, plant and equipment	35,360,718	20,888,184
Amortisation of assets	481,390	219,972
	35,842,108	21,108,156
27. Finance cost		
Finance leases	110,625	41,243
28. Impairment		
Debt impairment	62,568,803	6,770,729
29. Contracted services		
Outsourced services		
Security services	11,379,454	8,772,927
Consultants and professional services		
Business advisory	27,644,861	10,060,768
Legal costs	8,001,285	7,308,351
IT services and others	12,919,638	39,312,436
	59,945,238	65,454,482

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
30. General expenses		
Advertising	1,816,441	2,531,080
Auditors remuneration	4,117,953	3,981,871
Bank charges	281,353	281,031
Consumables	5,714,251	9,015,489
Insurance	7,627,414	2,493,096
Printing and stationery	705,769	244,186
Protective clothing	1,531,129	-
Staff welfare	-	543,823
Subscriptions and membership fees	33,835	34,740
Telephone and fax	456,302	708,300
Transport and freight	4,680	144,396
Venue, conference and catering	5,319,867	5,469,649
Accommodation	3,466,703	3,391,168
Ward committees	6,123,803	3,227,105
Travel - local	1,091,269	1,647,281
Electricity	5,102,313	2,166,890
Licences and permits (non-vehicle)	295,465	1,557,801
IDP forum and other trainings	6,819,000	6,697,235
Bursary	343,516	648,753
Workmens compensation	37,490	-
Information and technology	1,684,942	2,206,850
Project transfers	-	18,406,331
Indigent expenses	4,529,745	3,055,746
Social relief	110,355	-
	57,213,595	68,452,821

Project transfer costs for 2019 related to completed INEP electrification projects which were completed and transferred to Eskom.

31. Auditors' remuneration

Fees	4,117,953	3,981,871
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32. Cash generated from operations

Surplus	172,758,756	234,365,380
Adjustments for:		
Depreciation and amortisation	35,842,108	21,108,156
Fair value adjustments	8,429,917	-
Finance costs - Finance leases	110,625	41,243
Debt impairment	62,568,803	6,770,729
Transfer of projects (non-cash)	-	18,384,327
Gain/ loss on assets	4,831,847	(6,355,052)
Employee benefit obligations	502,382	1,371,633
Accrued Bonus	1,436,480	-
Changes in working capital:		
Inventories	(2,633,158)	(296,509)
Other receivables from exchange transactions	(695,645)	1,642,464
Receivable from non-exchange	(31,451,867)	(13,697,255)
Consumer receivables from exchange	(2,259,445)	(12,076,952)
Trade and other payables from exchange transactions	1,006,078	43,594,040
VAT receivable	(7,469,232)	(9,719,787)
Unspent conditional grants and receipts	894,694	(28,859,142)
Finance lease liabilities	(1,481,387)	-
	242,390,956	256,273,275

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
33. Commitments		
Authorised expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	338,042,807	64,342,468
• Operational	43,699,943	75,748,145
	381,742,750	140,090,613

34. Contingencies

Contingent Liabilities:

1. **Nyari Violet & Others Versus LIM345 (Collins Cgabane) Local Municipality**, Nyari Violet and her twenty-five (25) other colleagues, Extended Public Works Programme (EPWP) contract termination by the Municipality. R0 2019: R0

2. **Midiro Civils and Construction cc (First Applicant) & Lebaka Construction (Pty) Ltd (Second Applicant) versus Engineerex (Pty) Ltd (First Responded) & Collins Chabane Local Municipality (Second Respondent); and Engineerex (Pty) Ltd (Applicant) versus Collins Chabane Local Municipality (Second Defendant)**, Disputed Payment Certificate for Xikundu Ring Road. R17 165 134.00 2019:R17 165 134.00

3. **Khethwayo Construction CC (Plaintiff) versus Ndhuna Civil Engineering Services CC, Firts Defendant and LIM345 Local Municipality i.e Collins Chabane Local Municipality, Second Defendant** Disputed allegation that the Municipality paid the amount wrongfully to the bank account of the partner of the Joint Venture instead of paying the same amount to the Joint Venture bank account. R0 2019:R0

4. **Tiyani Confidence Chauke & 37 Others (Applicant) versus Collins Chauke Local Municipality (Respondent)** Dispute over permanent employment of EPWP workers within Collins Chabane Local Municipality. Legal assessment of the case put the prospect of losing the case very low. R0 2019:R0

5. **Nkuna, Jan Wisani (First Applicant); Bila Solly Khatani (Second Applicant); The Masingita Group of Companies (Third Applicant); Mavambe Tribal Authority (Fourth Applicant); and Mavambe Tribal Council of the Mavambe Tribe (Fifth Applicant) versus Collins Chabane Municipality (12th Respondent)** The dispute is about title to ownership/control of a huge piece of Land worth 7384 hectares. The Land in question now falls under the Jurisdiction of the Collins Chabane Local Municipality. R0 2019:R0

6. **Collins Chabane Local Municipality (Applicant) versus Mpho Richard Mshiloane N.O (First Respondent) and Tsakani Charlotte Ngobeni (Second Respondent)** Labour court application for review of the desiplinary process which cleared by Municipal Manager of any wrong doing pertaining to the investment of R120 000 000 worth of the Municipality funds with the Venda Building Society (VBS). R0 2019: R0

7. **Collins Chabane Local Municipality Versus Sithole H.P** The applicant referred a dispute for conciliation and arbitration alleging that the municipality has unfairly dismissed him R0 2019: R0.

8. **Ma-Africa Party Versus Collins Chabane Local Municipality and Eight other municipalities** The applicant made an urgent application in the High Court Polokwane for an order for dissolution of amongst other the Council of Collins Chabane municipality on ground that it made an unlawful investment of R120 000 000 worth of its funds on VBS R0 2019: R0

9. **Nkuna, Jan Wisani versus Collins Chabane Local Municipality and Mavambe Tribal Authority** The applicant brought an urgent interlocutory application to interdict the municipality from proceeding with a session for viewing sites/stands on a piece of land which the claim to be the owners R0 2019: R0.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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35. Related parties

Relationships

Members of key management personnel (Refer to note 23)

TC Ngobeni (Municipal Manager)
RR Shilenge (Acting Municipal Manager)
NV Maluleke (Chief Financial Officer)
R Maringa (Acting Chief Financial Officer)
RR Shilenge (Senior Manager Corporate Services)
HC Mukwevho (Senior Manager Planning and development)
RI Mabunda (Senior Manager Technical Services)
GL Maluleke (Senior Manager Community Services)
Refer to detail remuneration below:

Councillors

Remuneration of councillors

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Councillors

2020

Name	Basic salary	Car allowance	Telephone Allowance	Total
Cllr Maluleke M (Mayor)	848,415	-	44,400	892,815
Cllr Lebea ME (Speaker)	547,842	132,882	44,400	725,124
Cllr Chauke MG (Chief Whip)	513,603	124,576	44,400	682,579
Cllr Maluleke SG	513,602	124,576	44,400	665,213
Cllr Mashimbye FP	514,472	124,576	44,400	665,213
Cllr TM Mutele	287,617	69,499	44,400	390,739
Cllr Mavikane SX	514,472	124,574	44,400	683,446
Cllr Makhaha AJ	287,545	69,499	44,400	401,444
Cllr Chauke HG	287,545	67,057	44,400	399,002
Cllr Fungheni MC	287,545	69,499	44,400	401,444
Cllr Baloyi DL	287,545	69,499	44,400	401,444
Cllr Shivambu SS	217,483	56,565	44,400	318,448
Cllr Mabasa D	217,483	52,565	44,400	314,448
Cllr Khoza TG	217,483	52,565	44,400	314,448
Cllr Matamela MS	217,483	52,565	44,400	314,448
Cllr Masangu GD	217,483	52,565	44,400	314,448
Cllr Chauke TR	217,483	52,565	44,400	314,448
Cllr Maluleke ET	217,483	52,565	44,400	314,448
Cllr Simango MR	217,483	52,565	44,400	314,448
Cllr Maluleke LR	280,309	67,458	44,400	392,167
Cllr Hlongwane SG	280,309	67,458	44,400	392,167
Cllr Makhubele HT	229,731	52,565	44,400	326,696
Cllr Ndove HD	292,557	67,458	44,400	404,415
Cllr Mudau TS	515,532	122,074	44,400	682,006
Cllr Mabasa KK	229,731	52,565	44,400	326,696
Cllr Ngobeni MR	229,731	52,565	44,400	326,696
Cllr Mabasa J	280,309	67,458	44,400	392,167
Cllr Baloyi HR	217,483	52,565	44,400	314,448

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Cllr Rivombo KE	217,483	52,565	44,400	314,448
Cllr Sunduza ZW	217,483	52,565	44,400	314,448
Cllr Chabangu TC	217,483	52,565	44,400	314,448
Cllr Khosa HJ	217,483	52,565	44,400	314,448
Cllr Mabunda MC	217,843	52,565	44,400	314,808
Cllr Chauke NS	217,843	52,565	44,400	314,808
Cllr Munyai N	217,843	52,565	44,400	314,808
Cllr Mukhomi VN	217,843	52,565	44,400	314,808
Cllr Maluleke MP	217,843	52,565	44,400	314,808
Cllr Ngobeni NE	217,843	52,565	44,400	314,808
Cllr Mahlale S	217,843	52,565	44,400	314,808
Cllr Moyo MT	280,309	67,458	44,400	392,167
Cllr Mathonsi NP	217,843	52,565	44,400	314,808
Cllr Sambo TM	217,843	52,565	44,400	314,808
Cllr Sithole MW	217,843	52,565	44,400	314,808
Cllr Shandukani	292,557	67,458	44,400	404,415
Cllr Chavani PJ	217,843	52,565	44,400	314,808
Cllr Mashakeni KE	217,843	52,565	44,400	314,808
Cllr Mulaudzi TN	292,557	67,458	44,400	404,415
Cllr Mudau RP	292,557	67,458	44,400	404,415
Cllr Ndzovela NG	217,843	52,565	44,400	314,808
Cllr Rekhoto SM	280,309	67,458	44,400	392,167
Cllr Nkuna DT	217,483	52,565	44,400	314,448
Cllr Miyambo ZQ	292,557	67,458	44,400	404,415
Cllr Baloyi MJ	217,843	52,565	44,400	314,808
Cllr Baloyi NL	217,843	52,565	44,400	314,808
Cllr Mahlangu D	292,557	67,458	44,400	404,415
Cllr Mabasa RC	292,557	67,458	44,400	404,415
Cllr Baloyi OC	217,843	52,565	44,400	314,808
Cllr Vukeya TE	217,843	52,565	44,400	314,808
Cllr Chauke HM	217,843	52,565	44,400	314,808
Cllr Machovani RG	217,843	52,565	44,400	314,808
Cllr Tshiredo CE	217,843	52,565	44,400	314,808
Cllr Hlabangwani TL	217,843	52,565	44,400	314,808
Cllr Radzivhoni CM	217,843	52,565	44,400	314,808
Cllr Masia TM	287,545	69,499	44,400	401,444

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Cllr Mathoma MP	217,843	52,565	44,400	314,808
Cllr Rikhotso GM	195,883	52,565	44,400	292,848
Cllr Thovhakale MS	217,843	52,565	44,400	314,808
Cllr Ngobeni	217,843	52,565	44,400	314,808
Cllr Muavha S	217,843	52,565	44,400	314,808
Cllr Maswanganyi TC	217,843	52,565	44,400	314,808
Cllr Bila TJ	217,843	52,565	44,400	314,808
	19,161,723	4,395,303	3,142,200	26,743,146

2019

Name	Basic salary	Car Allowance	Telephone allowance	Total
Cllr Maluleke M (Mayor)	433,493	26,027	44,400	503,920
Cllr Lebea ME (Speaker)	404,242	79,344	44,400	527,986
Cllr Chauke MG (Chief Whip)	509,436	121,384	44,400	675,220
Cllr Maluleke SG	509,436	121,377	44,400	675,213
Cllr Mashimbye FP	509,436	121,377	44,400	675,213
Cllr Mutele MT	278,625	67,714	44,400	390,739
Cllr Mavikane SX	509,436	121,376	44,400	675,212
Cllr Mukhaha AJ	278,625	67,714	44,400	390,739
Cllr Chauke DG	278,625	66,826	44,400	389,851
Cllr Fungeni MC	278,625	67,714	44,400	390,739
Cllr Baloyi DL	278,625	67,714	44,400	390,739
Cllr Mazibuko MP	117,543	29,385	44,400	191,328
Cllr Shivambu S	219,823	51,215	44,400	315,438
Cllr Mabasa D	219,823	51,215	44,400	315,438
Cllr Khoza TG	219,823	51,215	44,400	315,438
Cllr Matamela MS	219,823	51,215	44,400	315,438
Cllr Masangu GD	219,823	51,215	44,400	315,438
Cllr Chauke TR	219,823	51,215	44,400	315,438
Cllr Maluleke ET	551,897	50,375	44,400	646,672
Cllr Simango MR	219,823	51,215	44,400	315,438
Cllr Mauleke LR	282,340	57,400	44,400	384,140

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Cllr Hlongwani SG	270,445	65,726	44,400	380,571
Cllr Makhubela HT	219,824	51,215	44,400	315,439
Cllr Ndove HD	270,445	65,726	44,400	380,571
Cllr Mudau TS	475,014	110,334	44,400	629,748
Cllr Mabasa KK	219,823	51,215	44,400	315,438
Cllr Ngobeni MR	219,823	51,215	44,400	315,438
Cllr Mabasa J	270,445	65,726	44,400	380,571
Cllr Baloyi HR	219,823	51,215	44,400	315,438
Cllr Rivombo KE	219,823	51,215	44,400	315,438
Cllr Sunduza ZW	210,737	51,215	44,400	306,352
Cllr Chabang TC	219,823	51,215	44,400	315,438
Cllr Khosa HJ	219,823	51,215	44,400	315,438
-	219,823	51,215	44,400	315,438
Cllr Chauke NS	219,823	51,215	44,400	315,438
Cllr Munyai N	219,823	51,215	44,400	315,438
Cllr Mukhomi VN	219,823	51,215	44,400	315,438
Cllr Maluleke MP	219,823	51,215	44,400	315,438
Cllr Ngobeni NE	219,823	51,215	44,400	315,438
Cllr Mahlale S	219,823	51,215	44,400	315,438
Cllr Moyo MT	270,445	65,726	44,400	380,571
Cllr Mathonsi NP	219,823	51,215	44,400	315,438
Cllr Sambo TM	219,823	51,215	44,400	315,438
Cllr Sithole MW	219,823	51,215	44,400	315,438
Cllr Shandukani MJ	270,445	65,726	44,400	380,571
Cllr Chavani PJ	210,737	51,215	44,400	306,352
Cllr Mashakeni KE	219,823	51,215	44,400	315,438
Cllr Mulaudzi TN	270,445	65,726	44,400	380,571
Cllr Mudau RP	270,445	65,726	44,400	380,571
Cllr Madavhu FF	219,823	51,215	44,400	315,438
Cllr Ndzovela NG	219,823	51,215	44,400	315,438
Cllr Rekhotse SM	270,445	65,726	44,400	380,571
Cllr Nkuna DT	219,823	51,215	44,400	315,438
Cllr Miyambo ZQ	282,340	57,399	44,400	384,139
Cllr Baloyi MJ	219,823	51,215	44,400	315,438
Cllr Baloyi NL	219,823	51,215	44,400	315,438
Cllr Mhlangu D	270,445	65,726	44,400	380,571

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Cllr Mabasa RC	270,445	65,726	44,400	380,571
Cllr Baloyi OC	221,099	51,215	44,400	316,714
Cllr Vukeya TE	219,823	51,215	44,400	315,438
Cllr Chauke HM	219,823	51,215	44,400	315,438
Cllr Machovani RG	219,823	51,215	44,400	315,438
Cllr Tshiredo CE	219,823	51,215	44,400	315,438
Cllr Hlabangwani TL	219,823	51,215	44,400	315,438
Cllr Radzivho CM	219,823	51,215	44,400	315,438
Cllr Masia TM	219,823	66,362	44,400	330,585
Cllr Mathoma MP	219,823	51,215	44,400	315,438
Cllr Rikhotso GM	219,823	51,215	44,400	315,438
Cllr Thovhakale MS	219,823	51,215	44,400	315,438
Cllr Ngobeni NL	219,823	51,215	44,400	315,438
Cllr Muavha S	218,984	51,215	44,400	314,599
Cllr Mazwanganyi TC	213,946	51,215	38,300	303,461
Cllr Bila TJ	433,493	26,027	44,400	503,920
	18,872,726	4,283,572	3,196,800	26,353,098

Refer to the general information for a full list of councillors

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

36. Prior-year adjustments

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 prior-year adjustments:

2019:

Statement of financial position and disclosures

Other receivables from exchange transactions

Other receivables from exchange transactions was misstated by R326 055 as at 30 June 2019. The error was corrected in current year by restating the opening balance

Receivables from non-exchange transactions

Receivables from non-exchange transactions was misstated by R358 250 as at 30 June 2019. The error was corrected in current year by restating the opening balance

VAT Receivables

VAT Receivables was misstated by R714 409 as at 30 June 2019. The error was corrected in current year by restating the opening balance

Property plant and equipment

Property, Plant and Equipment carrying amount was misstated by R1 112 173 as at 30 June 2019. The error was corrected in current year by restating the opening balance

Trade and other payables form exchange transactions

Trade payables was misstated by R544 454 as at 30 June 2019. This was caused by trade payables and effect of back-pay cut-off application. The error was corrected in current year by restating the opening balance

Employee benefits obligation

Employee benefits obligation was misstated by R29 911 as at 30 June 2019. The error was corrected in the current year by restating the opening balance

2019:

Statement of financial performance

Employee related cost

Employee related cost was misstated by R1 551 826 as at 30 June 2019. This included R29 911 for employee benefit and R1 521 915 related to back-pay cut-off application. The error was corrected in the current year by restating the opening balances

Depreciations and amortisation

Depreciation and ammortisation was misstated 1 093 209as at 30 June 2019. The error was corrected in the current year by restating the opening balances

Contracted Services

General expenses was misstated by R152 650 as at 30 June 2019. The error was corrected in the current year by restating the opening balances

General Expenses

General expenses was misstated by R1 884 239 as at 30 June 2019. The error was corrected in the current year by restating the opening balances

Disclosures:

Irregular expenditure

Irregular expenditure was understated by R22 676 983 as at 30 June 2019. The error was corrected in the current year by restating the opening balances

Irregular expenditure was misstated by R17 188 376 related to VAT impact as at 30 June 2019. The error was corrected in the

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

	2020	2019
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36. Prior-year adjustments (continued)
current year by restating the opening balances

Statement of financial position

2019

	Note	As previously reported	Correction of error	Re-classification	Restated
Property Plant and Equipment		592,213,759	1,112,173	114,895	593,440,827
Trade and other payables		(61,776,308)	(544,454)	(473,145)	(62,793,907)
VAT receivables		11,848,968	714,409	-	12,563,377
Receivables from non-exchange		24,245,205	-	358,250	24,603,455
Other receivables from exchange transaction		8,499,679	326,055	-	8,825,734
Employee benefits obligation		(8,977,788)	(29,911)	-	(9,007,699)
Accumulated Surplus (SCE)		(915,564,989)	(1,578,272)	-	(917,143,261)
		-	-	-	-

Statement of financial performance

2019

	Note	As previously reported	Correction of error	Restated
Depreciation and amortisation		(22,201,365)	1,093,209	(21,108,156)
General expenditure		(70,337,060)	1,884,239	(68,452,821)
Employee related costs		(83,743,589)	(1,551,826)	(85,295,415)
Contracted Services		(65,607,132)	152,650	(65,454,482)
Surplus for the year		-	1,578,272	-

37. Comparative figures

Item in the annual financial statements are presented with their corresponding comparative figures for the previous financial year period.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

38. Risk management

Financial risk management

Interest rate risk

The municipality has no significant interest-bearing assets and as a result thereof the municipality's income and operating cashflows are substantially independent of changes in market interest rate.

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.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

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

Maximum credit exposure	2020	2019
Other receivables from exchange transactions	1,127,055	8,825,734
Receivables from non-exchange transactions	7,510,568	24,603,455
Consumer debtors from exchange transactions	1,579,069	1,604,706
Cash and cash equivalents	374,012,734	330,956,279
	384,229,426	365,990,174

Credit risk

Financial liabilities exposed to credit risk at year end were as follows:

Financial instrument	2020	2019
Finance lease obligation	5,021,792	387,756
Payable from exchange transactions	73,176,648	62,793,907
Employee benefits	9,510,081	9,007,699

39. Going concern

We draw attention to the fact that at June 30, 2020, the municipality had accumulated surplus of R 1,089,902,022 and that the municipality's total assets exceed its liabilities by R 1,089,902,022.

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.

Covid 19 had no significant impact on the municipality going concern. The Municipality will continue to receive its quotable shares for the financial year 2020/21

40. Events after the reporting date

Adjusting event

On 27 August 2020 subsequent year-end but before submission of Annual Financial Statements the Council approved the write off of Irregular Expenditure specific transactions related to 2017/18, 2018/19 and 2019/20 as identified, Fruitless and wasteful expenditure of R299 671 and Unauthorised expenditure of R10 363 863. The Annual Financial statements as at 30 June 2020 has been adjusted.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

40. Events after the reporting date (continued)

VAT disputes

During August 2020 subsequent year-end but before the submission of the Annual Financial Statements SARS issued an assessment for VAT returns submitted during the financial year. An total amount of R2 667 826 which was included in VAT receivable at year end was disallowed by SARS. The Annual Financial Statements s at 30 June 2020 has been adjusted by recognising provision for impairment VAT.

Non- adjusting event

The Minister of Finance on 05 August 2020 issued MFMA Exemption Circular no.104 on which the submission of Annual Financial Statements was moved from 31 August 2020 to 31 October 2020.

Cllr Fungheni MC retired from Council effective on 27 September 2020, The Councillor was replaced by Cllr Baloyi ME on the same date

41. Unauthorised expenditure

Opening balance	154,213,313	143,844,450
Incurred: Current year	83,758,985	10,368,863
Written-off	(10,363,863)	-
	<u>227,608,435</u>	<u>154,213,313</u>

Unauthorised expenditure for the financial year ended 30 June 2020 was R83 758 985. This was caused by non-cash items which include depreciation and impairment of property, plant and equipment, debt impairments and fair value adjustments for investment properties.

The unauthorised expenditure incurred previous year was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off amounting to R10 363 863 (Council Resolution no. A04/31/05/2019)

Unauthorised expenditure of R0 2019:R154 213 313 was caused by loss on VBS investment, transfer of electrification projects to Eskom, depreciation and impairment of property, plant and equipment.

42. Fruitless and wasteful expenditure

Opening balance	814,298	740,286
Add: current year	399,787	1,163,285
Recovered	-	(590,507)
Written-off	(299,671)	(498,766)
	<u>914,414</u>	<u>814,298</u>

The fruitless expenditure incurred was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off amounting to R259 876 (Council Resolution no. A20/27/08/2020)

The fruitless expenditure incurred was investigated and the Council on a meeting held on 31 May 2019 approves for the write-off amounting to R498 766 (Council Resolution no. A04/31/05/2019). Controls are put in place to mitigate the incurrence of expenditure in future.

The fruitless expenditure was due to the overpayment of supplier, Telkom, Eskom and SARS interest and penalties charged to the municipality.

The amount recovered consist of the repayment of amounts owed by the Councillors on the usage of cellphone and data on overpayment of cellphone allowances.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
43. Irregular expenditure		
Opening balance	137,582,935	91,255,748
Add: Irregular Expenditure - current year	57,517,111	48,978,744
Less: Amounts written-off	(176,998,635)	(25,328,540)
Add: Prior year error	-	22,676,983
	18,101,411	137,582,935

The Irregular expenditure incurred was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off for specific transactions related to 2017/18, 2018/19 and 2019/20 amounting to R176 998 635 (Council Resolution no. A20/27/08/2020)

The above amount was incurred as a result of not following the proper tender and quotation processes and procedures.

The matters above have been submitted to council for investigation and the council approved for a write-off of Irregular expenditure amounting to R25 328 540 on a meeting held on 31 May 2019 (Council Resolution no. A04/31/05/2019).

44. Additional disclosure in terms of Municipal Finance Management Act

VAT

VAT receivable	18,508,145	12,563,377
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2020:

June 30, 2020	Outstanding more than 90 days R	Total R
Cllr Baloyi NL	- 8,070	8,070
Cllr Mahlale S	- 53,841	53,841
Cllr Makhubele HT	- 3,109	3,109
	- 65,020	65,020
June 30, 2019	Outstanding more than 90 days R	Total R
Cllr Chauke MG	- 13,305	13,305
Cllr Mashimbye FP	- 12,497	12,497
Cllr Fungeni	- 6,256	6,256
Cllr Baloyi DL	- 3,803	3,803
Cllr Mabasa D	- 11,689	11,689
Cllr Munyai N	- 5,063	5,063
	- 52,613	52,613

45. 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. Total deviation for current year was R6 669 505 2019: R3 150 032

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

46. Budget differences

Material differences between budget and actual amounts

The municipality explains all excess of actual expenditure over the final budget of 10% over approved budget.

A. Explanation of variances for statement of financial performance

Revenue:

Interest income - variance was caused by increase in the bank balance during the year. The interest from the primary bank account was budgeted under other revenue. No external investment was made during the year.

Rental income - The variance is due to government spheres that are utilising the municipal properties (boxing gym and guesthouse) at no fee, including the local radio station. The waiving of costs to communities and other departments contribute to the under collection.

Licence and permits - There was anticipation that the upgrade of testing station will be completed and in use during the year and there were delays.

Other revenue – The variance is caused by the interest on primary bank account which was budgeted under this line item. The actual interest received was reported under Interest Income.

Gain on assets - Variance was due to fair valuation of investment properties performed at year end.

Traffic fines – The variance is due to the cancellation of tickets by the magistrate, and reduction of traffic summons by the public prosecutor.

Depreciation and amortisation - The variance was caused by an increase in capital projects completed and capitalised during the year.

Repairs and maintenance - Savings was achieved as a number of municipality plant were new and in good condition.

Debt impairment - Improved impairment methodology was used

Finance cost – The variance relates to finance lease liability and it was not budgeted for.

General expenditure - The variance was linked to the growth of the municipality in line with new appointments and implementation of projects. No electrification projects were transferred in the current year. The decrease in costs relating to venue, conference, catering, accommodation, travelling and advertising due to national lockdown

B. Explanation of variances for statement of financial position

Assets

Inventory – The variance is caused by an increase in the inventory usage in relation to the increase in employees

Other receivables from exchange transaction – The variance is decrease due to impairment of debtors.

Receivables from non- exchange transaction- The variance was due to impairment assessment of receivables.

Property Plant and equipment - The budget was due to increase in estimation for capital projects. There was a delay in finalisation of other projects.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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46. Budget differences (continued)

Intangible assets - Less than budgeted intangible assets were acquired during the year under review.

Investment Property - Variance was caused by fair valuation of investment properties at year end.

Consumer debtors - The variance was as a result of low collection rate and high debt impairment.

VAT Receivables - line budget was not budgeted for in the current

Current Liabilities

Payable from exchange transactions - The variance was due to high amount of accrued invoices at year end and the growth of the municipality.

Finance lease liabilities - line item not budgeted for

Long term liabilities - increase in the number of employees due to new appointments made during the year.

C. Explanation of variances for Cash Flow Statements

Service charges - The variance was due to improved controls on Refuse removal billing for the during the year.

Other receipts- The variance is due to SARS recoveries received during the year.

Interest - Bank – The variance is caused by interest earned on primary bank. The budget of R3 million was budgeted for interest earned from external investment. No investment was made during the year.

Employee costs - savings due to delay in appointments of vacant positions and impact on overtime payments due to National Lockdown, where some employees were working from home.

Suppliers and other payments - Variance was due to growth of the municipality size and spending. There was a savings on travelling, accommodation and catering costs due to lockdown restrictions which prohibited travelling and mass gatherings.

Purchase of Property plant and equipment - Delay on appointment and implementation of some Capital projects as a result of National lockdown due to Covid19.

Proceeds from sale of investment property - There was no sale of investment properties during the year

Purchases of Heritage assets: The budget for Mayoral gowns and chain was budgeted under other assets, and was reclassified to heritage assets during the year.

CHAPTER 6: AUDITOR - GENERAL FINDINGS

Report of the auditor-general to Limpopo Provincial Legislature and the council of Collins Chabane Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Collins Chabane Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Collins Chabane Local Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act, 2019 (Act No 16 of 2019) (DoRA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Material losses/impairment

8. As disclosed in notes 7, 10, 11 and 12 to the financial statements, material losses to the amount of R122 410 519, R83 94 324, R279 800, R77 089 485 and R16 545 333 respectively, were incurred as a result of impairment of other financial assets due to irrecoverability of debt and trade debtors due to inadequate debt collection processes.

Other matters

9. I draw attention to the [matter/s] below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

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

Unaudited supplementary schedules

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

Responsibilities of the accounting officer for the financial statements

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

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. 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/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2020:

Development priority	Pages in the annual performance report
KPA 3 – Basic service delivery and infrastructure development	7 – 52

19. 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.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 7 to 52 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

23. 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 and infrastructure development of development priority. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. 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.

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

Financial statements, performance and annual reports

26. 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.

27. Material misstatements of non-current assets, current assets, liabilities and disclosures items identified by the auditors in the submitted financial statement were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Asset management

28. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

29. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

30. The preference point system was not applied on some of the procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.

31. Some of the contracts were awarded to bidders based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
32. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
33. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
34. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
35. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

Expenditure management

36. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
37. Reasonable steps were not taken to prevent irregular expenditure amounting to R57 517 111 as disclosed in note 43 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by no-compliance with the SCM regulations.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R399 787, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by the municipality paying its service providers late.
39. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R83 758 985, as disclosed in note 41 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the municipality incurring expenditure that is in excess of the approved budget.

Other information

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

41. 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.
42. 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 development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
44. Management did not always provide the required supervision and review over daily and monthly recording and reconciliation of transactions to ensure that the municipality complies with will applicable financial reporting.
45. Management did not prepare regular accurate and complete financial reports that are supported by reliable information.
46. The municipality developed an action plan to address internal and external audit findings however there is slow implementation of actions towards resolving findings.

Auditor-General

Polokwane

31 March 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 development priority and on the Municipality’s compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

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

reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

APPENDICES

APPENDIX A: MPAC OVERSIGHT REPORT ON ANNUAL REPORT :2018/19 FINANCIAL YEAR

NB: THE OVERSIGHT REPORT WILL ONLY BE AVAILABLE ONCE MPAC FINALIZED ALL THE PROCESS OF ASSESSMENT OF THE ANNUAL REPORT.

AUDIT COMMITTEE REPORT TO COUNCIL FOR THE 2019/20 FINANCIAL YEAR

COLLINS CHABANE LOCAL MUNICIPALITY
ANNUAL REPORT OF THE AUDIT & PERFORMANCE COMMITTEE
“AUDIT COMMITTEE”

REPORT OF THE AUDIT & PERFORMANCE COMMITTEE FOR THE PERIOD FROM 01 JULY
2019 TO 30 JUNE 2020

1. INTRODUCTION

The committee is pleased to present its annual report for the period 01 July 2019 to 30 June 2020 as recommended by the King IV Report's principles of Good Corporate Governance and in line with the Municipal Finance Management Act no 56, 2003 (Chapter 14, Section 166), s 79 of LG: Municipal Structures Act and par 14 (2) of the LG: Planning and Performance Management Regulations, 2001.

2. THE AUDIT & PERFORMANCE COMMITTEE AND ITS COMPOSITION

2.1. Audit & Performance Committee

(a) This Audit & Performance Committee was appointed by the Municipal Council with effect from 01 July 2019 to 30 June 2020. It comprised the following independent non-executive members who have the requisite and relevant skills and experience to fulfill audit committee's duties. The current Audit Committee members are:

- Mrs Mudau FJ - Chairperson
- Mr. Nevhotalu TG (CA) - Member
- Mrs. Phaleng-Podile M.H – Member
- Ms. Nchabeleng M.F – Member
- Mr. Baloyi N.T - Member

(b) The Audit Committee has terms of reference in place, which covers both its statutory duties and those assigned to it by the Municipal Council. Its main role is essentially to assist the Municipal Council in fulfilling its responsibility for oversight of the quality and integrity of the accounting, performance, auditing, and reporting practices of the Municipality, and such other duties as directed by the Municipal Council.

2.2. Key Responsibilities of the Audit Committee

(a) The audit committee plays a key role in ensuring that the Municipality's internal audit function is independent and has the necessary resources, budget, standing and authority within the Municipality to enable it to discharge its functions.

(b) Its main function is overseeing internal audit, including the approval of internal audit plan and overseeing the staffing and objectives of the internal audit function; ensuring that the internal audit function is subject to an independent quality review to ensure that internal audit is fulfilling its responsibility to assist and advise the Audit & Performance Committee and the Municipal Council; and ensuring that the internal audit function is appropriately resourced.

(c) Its further responsibility is to report to the Municipal Council weaknesses in financial control that are considered material and that may result financial loss, fraud or material errors on regular basis or as and when need arises.

(d) The Audit Committee has a duty of evaluating the effectiveness of risk management and make recommendations.

(e) The Audit Committee has a duty to review Performance Management as well as IT Governance of the municipality and any other duties as indicated in Section 166 of the Municipal Finance Management Act

3. MEETINGS HELD DURING THE PERIOD.

3.1. Frequency and Attendance

(a) The committee had even during the Covid-19 managed to execute its legislative duties as mandated by Council. The Committee had physical meetings as well as virtual meetings. The Committee meetings were then increased as a result of extension that was granted to municipalities for the submission of Annual Financial Statements which was due in October 2020 as well as the external Audit which was extended until March 2021. Though some meetings were held during the financial year, there was a special request for meeting to specifically look at the Draft Annual Financial Statements, Audit Strategy, Engagement letter, Management letter and the Audit report. Those meetings subsequently fell within the current financial year as a result of the National Pandemic that the Country was facing

Table 1

No	Member	Position in Committee	Normal Meeting 25 August 2019	Special meeting October 2019	Normal December 2019	Special January 2020	Normal May 2020	Special October 2020	Special December 2020	Special March 2021
1	Mudau FJ	Chairperson	✓	✓	*	✓	✓	✓	✓	✓
2	Nevhutu TG	Member	✓	✓	✓	✓	✓	✓	✓	*
3	Nchabele MF	Member	✓	✓	✓	✓		✓	✓	✓
4	Phaleng-Podile MH	Member	✓	✓	✓	✓	✓	✓	✓	✓
6	Baloyi NT	Member	✓	✓	✓	✓	✓	✓	✓	✓

- ✓ indicates attendance
- * indicates absence with apology

(b) In addition to the committee members, the Municipal Manager, Section 56 managers, and head of internal audit, Manager: IT, Manager: PMS, Chief Risk officer and Manager: Legal attend the meetings of the committee by invitation. Invitations are also extended to AGSA, SALGA, Provincial Treasury and CoGHSTA.

4. MATTERS AND ISSUES ATTENDED TO DURING THE PERIOD

4.1 Annual Financial Statement Preparation plan

The plan was reviewed by the committee and resolved that internal audit should review the draft AFS and the Audit File

4.2 Draft Annual Financial Statements

The draft Annual Financial Statement were reviewed and members were satisfied with the set of draft AFS presented as there was a huge improvement from the previous year.

Resolved: Management to update the UIFW notes and other disclosure notes that were not done

4.3 Internal Audit

- Three year rolling internal audit plan was approved
- Annual Internal Audit plan was approved
- Internal Audit methodology was approved
- Internal Audit Charter was approved
- Audit Committee charter was reviewed and recommended to Council.
- Internal Audit reports (Revenue, IT, HR, ICT, Traffic, Expenditure, Inventory, SCM & AoPI)

Recommendation: Internal Audit to develop an internal audit action plan and make proper follow up on the findings raised

4.4 Action Plan to address AG audit findings

- (a) The Action Plan on Auditor General Findings was reviewed and inputs were provided by members however there was slow implementation of findings.

4.5 Mid-Year budget performance report (Section 71 Report)

(a) The Mid-Year budget performance report was reviewed and found to be accurate and complete

(b) The municipality performance in relation to revenue and expenditure was not satisfactory and variances were not appropriately explained.

4.5 Financial reports

The committee was concerned that the municipality has a lot of cash on hand and it is missing in an opportunity to invest and get additional funds since revenue collection is a challenge

4.6 Budget adjustments

(a) The 2019/20 mid-year budget adjustment was reviewed and the committee noted an increase in the budget

(b) The committee was satisfied with the proposed adjusted budget subject to the correction made and recommended it for the Council approval.

4.7 PMS

There was a decline in the performance of the municipality. The Committee accepted that there was a national disaster but encouraged management to strive to improve the performance as service delivery is core to the municipality

4.8 Risk management

The committee reviewed and recommended to Council the following policies:

- ✓ Risk Management policy
- ✓ Risk Management Strategy
- ✓ Risk Management Charter
- ✓ Risk Management reports

4.9 Legal services

(a) The litigation and claim register was reviewed and the committee recommended that the register should include the following information:

- Case number
- Defendant and Opponent name
- Description
- Estimated amount
- Progress on the case

(b) The contract register was reviewed and it was recommended that the register should include all the contracts the Municipality has entered into including the technical and road services contracts. It was further recommended that the contract register should include the following information:

- Description of services
- Date of appointment
- Date of commencement
- Contract amount
- Name of contractor
- Amount

- Date of termination
- Cost to date

(c) Labour relations reports were reviewed and noted by the committee

4.10 ICT

The committee reviewed ICT reports and adopted them

4.11 UIFW

The committee was concerned about the high irregular expenditure and indicated that the municipality must be zero tolerant to UIFW as SCM regulations need to be complied with

4.12 Draft AFS

The draft AFS were reviewed and there were errors identified that resulted in follow up meetings to ensure that inputs by the committee were incorporated. The committee was impressed by the commitment by the management team as the municipality as able to submit the draft AFS on time as per extension guidelines and regulations

4.13 Engagement letter and Audit strategy

Both documents were discussed by the committee. It was recommended that as the municipality invests more on Internal Audit, there has to be more consideration of the work done by the Internal Audit by the AG(SA). That should lead to reduction in audit fees payable to the AG(SA). There is a need for coordination between internal audit and the AG(SA) in order to develop a combined assurance plan to avoid duplication of activities between internal audit and the AG(SA).

4.14 Draft Management letter and Draft Audit report

The committee noted the commitment by management team as the municipality improved from a Qualified to an Unqualified Audit opinion in 2019/20

5. AUDIT COMMITTEE'S COMMENTS

5.1. While the Municipality management is responsible for ensuring the Municipality's financial statements are complete, accurate, and in accordance with Generally Recognised Accounting Principles ("GRAP") and establishing satisfactory internal control over financial reporting, the Audit & Performance Committee's main function is to oversee the accounting and financial and performance reporting processes, the audits of the Municipal financial statements, the internal control over financial reporting, and the performance of the Municipality's internal audit function and AGSA. Therefore the Audit Committee relies on the expertise and knowledge of management, the internal auditors, and the independent auditor in carrying out its oversight responsibilities.

6. AUDIT COMMITTEE EVALUATION

6.1. The Audit & Performance Committee members have no personal financial interests in the Municipality and has been operating with a high level of independence.

6.2. The Audit & Performance Committee members will continuously examine its performance and its effectiveness to ensure that its tasks and processes remain appropriate and relevant.

7. CONCLUSION

7.1. Audit & Performance Committee is not satisfied that the internal audit unit is not being utilized to its maximum capacity as it is understaffed. The unit can assist in reducing findings prior to the external audit.

7.2. Audit & Performance Committee is not satisfied that the system of internal control over Financial and Performance information has been entirely effective and efficient during the current financial year as several instances of non-compliance were reported by internal auditors but improvements were noted.

7.3. The Audit Committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the period under review.



Mr. F Mudau

Chairperson of Audit and Performance committee

APPENDIX C: REVENUE COLLECTION PERFORMANCE BY VOTE

VOTE DESCRIPTION	2018/19			2019/20				
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	VARIANCE ORIGINAL BUDGET	VARIANCE ADJUSTMENT BUDGET
R THOUSAND	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue by Vote								
Vote 1 - Municipal Manager	0	0	0	0	0	0	0	0
Vote 2 - Community Services	R165	R93	R93	R165	R0	R343	-R165	R178
Vote 3 - Spatial Planning and Development	R304	R1 234	R1 234	R304	1 234	1 234	R930	R930
Vote 4- Budget & Treasury	R387 184	R365 799	R371 450	R404 564	401 466	430 168	-R3 098	R25 604
Vote 5- Technical Services	R122 389	R101 484	R119 984	R122 389	R115 106	R124 606	-R7 283	R2 217
Totals	R510 042	R468 610	R492 761	R527 422	R517 806	R556 351	-R9 616	R28 929

GRANTS - EXCLUDING MIG

DESCRIPTION	BUDGET R,000	ADJUSTMENT BUDGET R,000	ACTUAL R,000	VARIANCE		MAJOR CONDITIONS APPLIED BY THE DONOR (CONTINUE BELOW IF NECESSARY)
				BUDGET R,000	ADJUSTMENT BUDGET R,000	
FMG	R 0	R 0	R 0	R 2 345	R 0	Interns Stipends,Competency Training
INEG	R 0	R 0	R 0	R 10 000	R 0	Electrification of Mbuti
Expanded Public Works Programme (EPWP)	R 0	R 0	R 0	R 1 169	R 0	Epwp Stipends
Municipal Disaster Relief Grant	R 0	R 0	R 0	R 0	R 298	Covid 19 relief, purchasing of covid 19 related equipment.

APPENDIX D: LONG TERM CONTRACT AND PUBLIC PRIVATE PARTNERSHIP

- The municipality does not have any long-term contract and public private partnership.

APPENDIX E: AUDIT ACTION PLAN 2019/20

No.	Comaf No	2019/20											
		FINANCIAL YEAR	Collins Chabane Local Municipality										
		Municipality Name											
		Audit Opinion	Unqualified										
		Reporting Period	2019/20										
Audit Findings		Description of Finding			Finding status	Root Cause	Action Plan Description	Action Date	Position	Progress	Probability	Narrative to Progress	Internal Audit Comment

1	2	Information Technology	An IT continuity plan designed to reduce the impact of a major disruption on key business functions and processes and disaster recovery plan (DRP) for recovering and resuming services had not been implemented in the current period.	Recurring	Lack of financial resources	To budget for the project in 2021/22 financial year Appointment of service provider Implementation of DRP	30-Jun-22	Manager: IT	Not yet started			
2	5	Procurement	The annual procurement plan was not submitted to Treasury	New	Poor coordination between departments	Submission of draft procurement plan to end users for population of projects a month before the submission date Submission of the procurement plan Treasury within the timeframes as per legislative prescripts	30-Jun-21	Manager: SCM	Not yet started			

3	5	Revenue	<p>Interest not charged on outstanding debtors In terms of the approved credit control policy, paragraph 11.1.1: "Account balances, which remain unpaid after 30 days after the due date, shall attract interest irrespective of the reason for non-payment. The interest rate shall be the Prime Bank interest rate plus 1%". Contrary to the above, we noted that the municipality does not charge interest on long outstanding debtors as per the requirement in the municipality's policy.</p>	New	Lack of review of policies	The Credit Control Policy will be updated to reflect "The interest rate shall be at 0% as per Council resolution."	15-Apr-21	Manager: Revenue	Not yet started			
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4	6	Other Disclosure	<p>a. The Municipality does not have a policy/strategy in place for the use of consultants. Such a policy/strategy would ensure the following:</p> <ul style="list-style-type: none"> - that the main purpose and objective for appointing consultants is defined, - measures to address over reliance on consultants are included, - that a gap analysis in relation to the use of consultants to identify gaps between current available human resources and human resources required to complete a specific project is performed, - that the transfer of skills is included in the terms of reference and - that measures are put in place to monitor and evaluate the performance of the consultants <p>b. In addition to the policy/strategy, the Municipality would then have a consultancy reduction plan in place</p> <p>c. The Municipality is currently using service level agreement as a measure to monitor consultants. The use of service level agreement is a secondary measure which should be informed by the policy/strategy</p>		The contract was appointed in 2016.17 financial year	To ensure that gap analysis reports are prepared for future appointment. To prepare skills transfer reports. To ensure appointment of personnel to capacitate the units	On-going	CFO				
5	6	Other Disclosure	No fraud prevention plan or policy in place	New	Omission of not drafting the policy when other policies were drafted and reviewed	Fraud prevention strategy will be developed and approved by Council.	30-Jun-21	Chief Risk Officer	In progress			

6	10	Revenue	Financial statements not agreeing with debtors' age analysis . There were misstatements noted in property rates and refuse	Recurring	Inadequate review of AFS	Management will put in place systems of internal controls (Reconciliation of ageing brackets and review thereof) to ensure that ageing brackets are adequately disclosed in the financial statements. Management requests to be granted the opportunity to update the disclosure relating to ageing brackets on the annual financial statements.	30-Jun-21	Manager: Revenue	Completed		
7		Revenue	No debt collection resulting in material losses	Recurring	Lack of enforcement strategy Disputes of ownership by sector departments Data cleansing	Management will roll out a new debt collection strategy to address low collection of debt. Escalation to Treasury and IGR platforms Strengthen contract management	30-May-21	Manager: Revenue			
8		Revenue	Deposits not allocated timely (unallocated deposits)	New	Insufficient information in the deposits	Make public announcement for unknown deposits. Implementation of unallocated deposit policy	30-May-21	Manager: Revenue			
9	12	Movable Assets	PPE: Assets not disposed or impaired but are not working or the condition of the asset is very poor.	Recurring	Lack of access to Vuwani areas	To make submission to Council for write-off. To dispose the assets through auction	30-Jun-21	Manager: Assets			
10	15	Human Resources	Differences between leave balance report and the leave transaction report	Recurring	Lack of synchronization between the leave balance report and the leave transaction report.	To investigate the differences and confirm the accuracy of the reports To review the leave balance report and leave transactions report vs leave taken and leave captured To request internal audit to assist with the audit if the resources within the unit are available after completion of the exercise	31-May-21	Manager: HR			

12	16	Payments	Duplicate transactions identified	New	Lack of review of payments report vs transactions captured For Eskom transactions, duplicates occurred during the first lockdown in March 2020 whereby no plans were communicated as to how payments are to be made as people were working from home, however Eskom has active accounts with the municipality, therefore if there is a double payment made	To ensure that there is isolation of responsibilities in place, and capacitate the expenditure section with personnel. To follow up with Eskom to ensure that the accounts are credited when invoicing is done for the following months	30-Jun-21	Manager: Expenditure				
13	19	Movable Assets	PPE: Electricity Assets broken but not impaired.	New	Challenges verifying assets in Vuwani	To ensure that assets verification is done and assets identified that that are not in good condition are impaired in the register	30-Jun-21	Manager: Assets				
14		Movable Assets	PPE: Asset Register does not include mandatory details like donation date	New	Lack of review of asset register	To include the column for donation date in the asset register in line with GRAP requirements	30-Jun-21	Manager: Assets				
15		Immovable Assets	Investment Properties: Rand value per square meter on the valuation report for the year under review not supported by considerations.	New	Lack of review of valuation roll	The valuation report will be updated to include the considerations of the increase of the rand value per square meter. Amongst other considerations the report will include: size,timing,condition and locality	30-Jun-21	Manager: Assets				

16	22	Procurement	Local production and content for furniture products Management did not notify the DTI of the successful bidder once the bid was awarded.	New	Inadequate application of legislation due to lack of human resources	The DTI will be notified henceforth on all applicable biddings Appointment of personnel	30-Jun-21	Manager: SCM			
17	26	Procurement	Non-compliance with the Preferential Procurement Regulations Management used the 90/10 preference point system instead of the 80/20 preference point system as the value of the tender in question is below R50 Million.	New	Lack of review of the reports	Review of the reports prior to finalisation	30-Jun-21	Manager: SCM			
18		Other Disclosure	Non-compliance with the MFMA. Contrary to the above, we identified that the MPAC Investigation Report on Irregular Expenditure does not outline the following: <ul style="list-style-type: none"> • If the irregular expenditure was incurred due to negligence by the accounting officer or any official. • Whether money should be recovered against the officials liable for irregular expenditure that was incurred due to negligence. • If there should be any disciplinary charges against officials who committed the irregular expenditure; and • If there should be any criminal charges against officials who committed the irregular expenditure. 	New	Insufficient capacity	Capacitate the unit through trainings MPAC Investigation Report on Irregular Expenditure will outline the following: <ul style="list-style-type: none"> • If the irregular expenditure was incurred due to negligence by the accounting officer or any official. • Whether money should be recovered against the officials liable for irregular expenditure that was incurred due to negligence. • If there should be any disciplinary charges against officials who committed the irregular expenditure; and • If there should be any criminal charges against officials who committed the irregular expenditure. 	30-Jun-21	Accounting Officer			

19	27	Revenue	Debtor incorrectly classified as indigent	New	Poor coordination between departments	Utilisation of the system to verify the indigent status Delegation of a personnel to assist with verification Management to set up an indigent management committee that will be responsible for assessment and approval of indigent application forms.	30-Jun-21	Manager: Revenue				
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APPENDIX F: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES: INCLUDING MIG GRANTS:

DETAILS	OPENING BALANCE 01 JULY 2019	DORA ALLOCATION 2018/2019	FUNDS WITHHELD	RECEIVED THIS YEAR	ADDITIONAL FUNDS RECEIVED	EXPENDITURE
Municipal Finance Management Grant (FMG)	R 679,406.81	R 2,345,000	-	R 2,345,000	-	(R3 024 407)
Municipal Infrastructure Grant (MIG)	R 16 ,085, 353.51	R 80 ,350, 000.00	R 16 085 353.51	R 101,850,000	R 21,500,000	(R 101,850,000)
Municipal Demarcation Transitional Grant (MDTG)	R 7 782 548.00	-	R 7 782 548.00		-	-
Integrated National Electricity Programme (INEP)	R 4 991 240.00	-	R 4 991 240.00		-	(R 17,000,000)
Extended Public Works Programme (EPWP)	-	R 1,134,000	-	R 1,134,000	-	(R1,134,000)
Municipal System Improvement Grant (MSIG)				R 1,061,000		(R 1,061,000)

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