

GREATER TAUNG

LOCAL MUNICIPALITY



ANNUAL REPORT

2023/2024

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CONTENTS

CONTENTS	1
REVISED ANNUAL REPORT TEMPLATE	6
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
COMPONENT B: EXECUTIVE SUMMARY	9
1.1. MUNICIPAL MANAGER’S OVERVIEW.....	9
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	10
1.3. SERVICE DELIVERY OVERVIEW	14
1.4. FINANCIAL HEALTH OVERVIEW.....	17
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	19
1.6. AUDITOR GENERAL REPORT	19
1.7. STATUTORY ANNUAL REPORT PROCESS	21
CHAPTER 2 – GOVERNANCE	23
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	23
2.1. POLITICAL GOVERNANCE	24
2.2. ADMINISTRATIVE GOVERNANCE	27
COMPONENT B: INTERGOVERNMENTAL RELATIONS	30
2.3. INTERGOVERNMENTAL RELATIONS	32
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	32
2.4. PUBLIC MEETINGS	33
2.5. IDP PARTICIPATION AND ALIGNMENT	36
COMPONENT D: CORPORATE GOVERNANCE	37
2.6. RISK MANAGEMENT	38
2.7. ANTI-CORRUPTION AND FRAUD	38
2.8. SUPPLY CHAIN MANAGEMENT	39
2.9. BY-LAWS.....	40
2.10 WEBSITES	41
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	42

Contents

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	43
COMPONENT A: BASIC SERVICES	43
3.1. WATER PROVISION	44
3.2 WASTE WATER (SANITATION) PROVISION	48
3.3 ELECTRICITY	51
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	54
3.5 HOUSING	58
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	61
COMPONENT B: ROAD TRANSPORT	63
3.7 ROADS	63
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	65
3.9 WASTE WATER (STORMWATER DRAINAGE)	65
PERFORMANCE HIGHLIGHTS 2023/2024	66
KPA 1: Basic Service Delivery and Infrastructure Development	66
COMPONENT C: PLANNING AND DEVELOPMENT	66
3.10 PLANNING	66
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	69
PERFORMANCE HIGHLIGHTS 2023/2024	74
KPA3: Local Economic Development	74
COMPONENT D: COMMUNITY & SOCIAL SERVICES	74
3.12 LIBRARIES; COMMUNITY FACILITIES; (ETC)	74
3.13 CEMETORIES AND CREMATORIALS	75
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	75
COMPONENT E: ENVIRONMENTAL PROTECTION	76
3.15 POLLUTION CONTROL	76
3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	76
COMPONENT F: HEALTH	76
3.17 CLINICS	76
3.18 AMBULANCE SERVICES	77

Contents

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC....	77
COMPONENT G: SECURITY AND SAFETY	77
3.20 POLICE.....	77
3.21 FIRE	77
3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	77
COMPONENT H: SPORT AND RECREATION.....	78
3.23 SPORT AND RECREATION	78
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	79
3.24 EXECUTIVE AND COUNCIL.....	79
3.25 FINANCIAL SERVICES.....	80
3.26 HUMAN RESOURCE SERVICES	83
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	86
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	87
COMPONENT J: MISCELLANEOUS	88
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD 2023/2024.....	89
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE	101
(PERFORMANCE REPORT PART II)	101
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	102
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	102
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	103
4.2 POLICIES	104
4.3 INJURIES, SICKNESS AND SUSPENSIONS.....	105
4.4 PERFORMANCE REWARDS	107
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	107
4.5 SKILLS DEVELOPMENT AND TRAINING	108
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.....	112
4.6 EMPLOYEE EXPENDITURE	112
CHAPTER 5 – FINANCIAL PERFORMANCE	114

Contents

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	114
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	115
5.2 GRANTS	115
5.3 ASSET MANAGEMENT	116
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....	120
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	124
5.5 CAPITAL EXPENDITURE.....	125
5.6 SOURCES OF FINANCE.....	125
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	125
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	126
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	127
5.9 CASH FLOW	128
5.10 BORROWING AND INVESTMENTS	128
5.11 PUBLIC PRIVATE PARTNERSHIPS	128
COMPONENT D: OTHER FINANCIAL MATTERS	128
5.12 SUPPLY CHAIN MANAGEMENT	128
5.13 GRAP COMPLIANCE	129
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	130
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2022/2023 .	130
6.1 AUDITOR GENERAL REPORTS 2022/2023 (Previous year)	130
COMPONENT B: AUDITOR-GENERAL OPINION 2023/2024 (CURRENT YEAR).....	133
6.2 AUDITOR GENERAL REPORT 2023/2024	133
GLOSSARY	146
APPENDICES	148
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	148
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	150
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	150
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	150
APPENDIX E – WARD REPORTING	151

Contents

APPENDIX F – WARD INFORMATION.....	152
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/24....	153
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	157
APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE	157
APPENDIX J – DISCLOSURE OF FINANCIAL INTEREST	157
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	158
APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	158
APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	158
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	158
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES... 	158
APPENDIX M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	158
APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME	158
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2023/24.....	158
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2023/2024	159
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	159
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	159
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY ..	159
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	159
VOLUME II:	160
ANNUAL FINANCIAL STATEMENT	160

Contents

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence are achieved by the use of interlocking processes and formats.

The revised template relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year (2022/2023).
- Year 0: The financial year of reporting (2023/2024).
- Year 1: The following year, mostly requires future targets (2024/25); and
- The other financial years will follow a similar sequence as explained above.

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

On behalf of Greater Taung Local Municipality, it is my privilege to present the 2023/2024 Greater Taung Local Municipality’s Annual Report. This report reviews the municipality’s performance and achievements for the past financial year.

This report builds on the municipality’s reporting in previous years and aligns as far as possible with the recommendations of the 2016 King Report on Corporate Governance for South Africa (or King IV) as well as internationally accepted standards for integrated reporting.

According to Section 46 of the Municipal Systems Act, all municipalities are required to prepare an annual report for each financial year. This includes a performance report, which details the municipality’s and any service provider’s performance during the year in question. Which provides an opportunity for performance comparatives to be drawn against the objectives and targets in relation to the previous financial year. The 2023/2024 Annual Report, which in many ways reflects our service delivery and developmental achievements and challenges, is presented in recognition of our legislative obligation to be an accountable and transparent organisation.

The report also describes how these goals were implemented and accomplished in accordance with several pieces of legislation, including sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003 and section 46 of the Local Government: Municipal Systems Act No.32 of 2000. The Municipality has progressed significantly in achieving objectives within each of the five major performance categories that apply to local government, which is outlined in this Annual Report:

1. Basic Service Delivery and infrastructure Development
2. Municipal Transformation and Development
3. Local Economic Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation

Most importantly the report will outline the performance successes and challenges we have experienced in the delivery of services to all our people as guided by the 2023/2024 Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plans (SDBIP) for the year under review.

The maintenance, upgrade, and development of our infrastructure remain key priorities for the Council. During the period under review, special attention was given to new critical infrastructure development such as internal access roads, Stormwater channel, high mast lights and maintenance of electrical lines in Reivilo to ensure that service delivery can continue on a sustainable basis.

We need to improve the delivery of core municipal services through the application of efficient and effective service delivery mechanisms, and the application of sound financial management principles. It is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities. In achieving this, greater

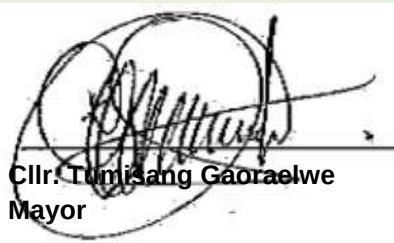
Chapter 1

collaboration is required with National and Provincial government to ensure that adequate resources are allocated to enable the municipality to genuinely meet its constitutional mandate.

During the 2023/2024 financial year the municipality had provided 3,213 households with access to free basic electricity, in the proclaimed areas, 13 households with free basic water, 163 households with free basic sanitation, 192 households with free basic refuse removal and 192 households with rebates on property rates. The municipality completed the construction of a community hall, 24 high mast lights and 7.2km internal access roads and that and 1.3km paved roads will improve the access to public facilities for the community of Greater Taung. The Local Economic Development Unit within the municipality trained 336 Small Medium and Micro-sized Enterprises (SMMEs) with skills development.

In the year under review as a council of Greater Taung Local Municipality, we found ourselves not beening able to tolerate each other in council meetings because of our political difference / ideas and eventually there was political instability. The political instability we experienced for a few affected the performance of the administration and also had a negative impact on service delivery we ought to render to our communities.

In an endeavour to address the political instability that culminated at the time, the North West Executive Council and the MEC responsible for CoGTA had to intervene by bringing Section 139(1)(a) of the Constitution to effect. The directives as a plan to address all the issues of concern was developed by and implemented and eventually, we were able to emerge from the situation. We are proud to see the municipality back on its feet again and doing what is known for (stable and better performing municipality).



Cllr. Tumi Sang Gaoraelwe
Mayor

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Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

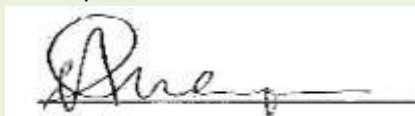
Management worked hard to entrench the principles of good governance and dedication within our organization. The Greater Taung Local Municipality is reporting on the financial and key performance indicators knowing that the standard of the previous qualified audit with less findings will create huge expectations on the governance structures of the municipality. We are proud to say that we have achieved exceptional performance under difficult circumstances. Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, service delivery and budget implementation plan (SDBIP), in-year reports and annual report should have similar and consistent structures to facilitate understanding and to enable the linkage between plans and actual performance.

As an administration that is expected to perform its duties in an increasingly volatile environment, the municipality had to take tough decisions that still have an impact on the lives of the people we serve. I am, however, thankful for the employees and management for their commitment, passion, and hard work during the year under review. We still managed to deliver on a number of service delivery improvements of which I would like to highlight a few.

- Provided communities with disaster shelters.
- Constructed community hall.
- Constructed paved internal roads in Pudimoe and Reivilo with own funding.
- Constructed high mast lights in various wards.

There are several interventions that the municipality is continuing to employ to address challenges such as overspending, use of consultants, poor revenue collection, high employee cost as well as maintenance of municipal fleet in general. The Municipality has also requested the Provincial Intervention (Treasury) to assist with Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIFWE). The intervention of experts is to reduce the Irregular expenditure and many other in relation to UIF. We table this report in the spirit of Batho Pele, putting our people and communities first, and this report bears testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead.

In conclusion, all council structures are functioning and meeting regularly, the municipality is actively participating in all DDM structures, CoGTA one on one meetings which have yielded positive results as the Greater Taung Local Municipality is no longer regarded as dysfunctional. Extensive management of the Creditors payment is still an ongoing matter, The Municipality still has a lot of work to do in order to ensure that creditors are paid within 30 days. All these interventions strengthen the municipality's ability to achieve its vision of creating a safe, vibrant, sustainable. The report highlights our key accomplishments for the 2023/2024 financial year, whilst acknowledging that challenges also exist.



Mr Andrew Makuapane
Municipal Manager

T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

For the purpose of this report the Greater Taung Local Municipality wants to indicate from the on-set that it does not have any entities and is also not the Water and Sanitation Authority, this competency vests with the Dr Ruth S Mompoti District Municipality, but it does not mean that the municipality did not play a facilitation role to ensure that these services are coordinated in the municipality.

The Greater Taung Local Municipality (NW 394) is situated in the western part of North West in the area of jurisdiction of Dr Ruth S Mompoti District Municipality. The municipality is one of the five local municipalities in Dr Ruth S Mompoti District Municipality. The municipality covers an area of 5,639 km², which accounts for 11,8 % of the total area of Dr Ruth S Mompoti District Municipality. The main rural towns / townships in the municipal areas are Reivilo, Pudimoe and Taung Central. About 95% of the municipal area is predominantly rural. There are about 107 widely scattered villages in the municipal area. There are Northern Cape areas that one passes when going from one village to the other within the municipality, namely Pampierstad township and Northern Cape farms. These areas previously formed part of the municipality but were later moved to the Northern Cape during the last demarcation process. The municipality is divided into 24 administration wards and has a total of 48 councillors (both ward and PR councillors).

As the municipality is predominantly rural, villages have been divided under the three tribal authorities under three paramount chiefs, namely Mankuroane, Mothibi and Motlhabane. The agricultural sector, both commercial and subsistence, is the major employer and contributor to the municipal economy.

The municipal population stands at 202,009 (the largest in the district), with a total of 53,551 households. When compared to the 2011 population statistics, the population size has increased from a total of 4,938 in 2022. The average population density stands at 31,5km².

Living conditions:

48,3% of the population is not economically active, and among those who are, 50% are unemployed. Although about 88% of the dwelling units / structures are built from bricks / concrete blocks, and the average household size is only about four people per household, the municipality is faced with challenges such as absence of mail delivery services.

It should be noted that, even though the unemployment rate in 2022 stood at 50%, there has been a significant improvement when compared to 2011, when the municipal unemployment rate stood at 65%. As far as other major services are concerned, the municipality household access to electricity is 96.8%, compared to 88.5% in 2011. All of those with access to electricity use it for lighting, 40,3% use it for heating and about 73% for cooking.

T 1.2.1

INTRODUCTION TO BACKGROUND DATA

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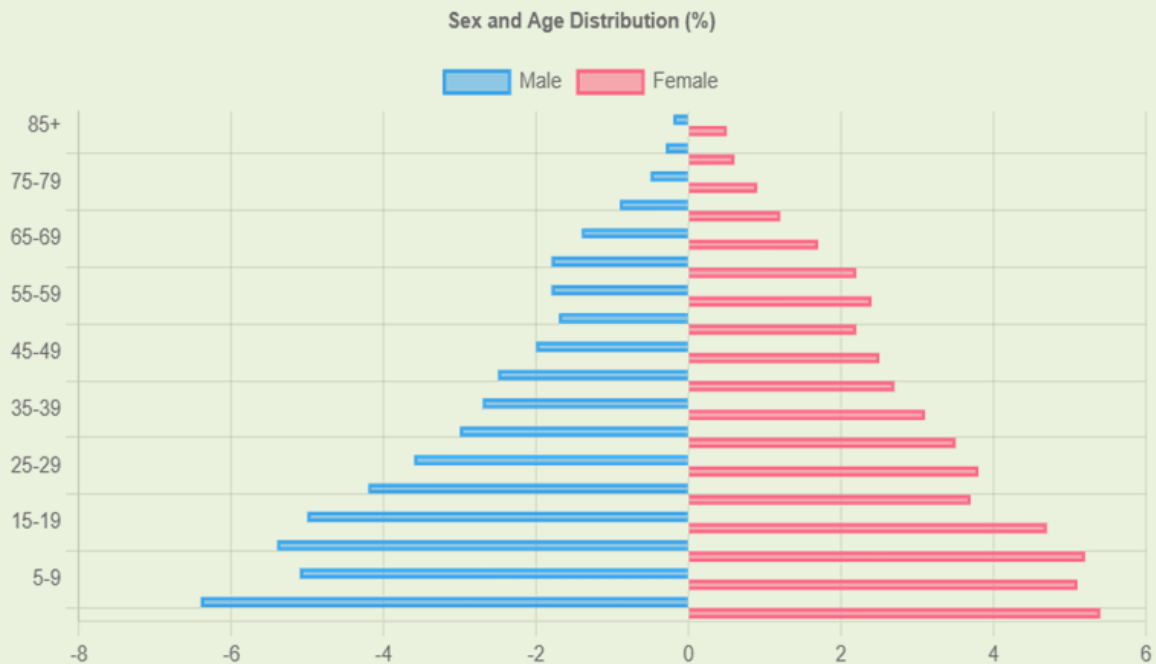
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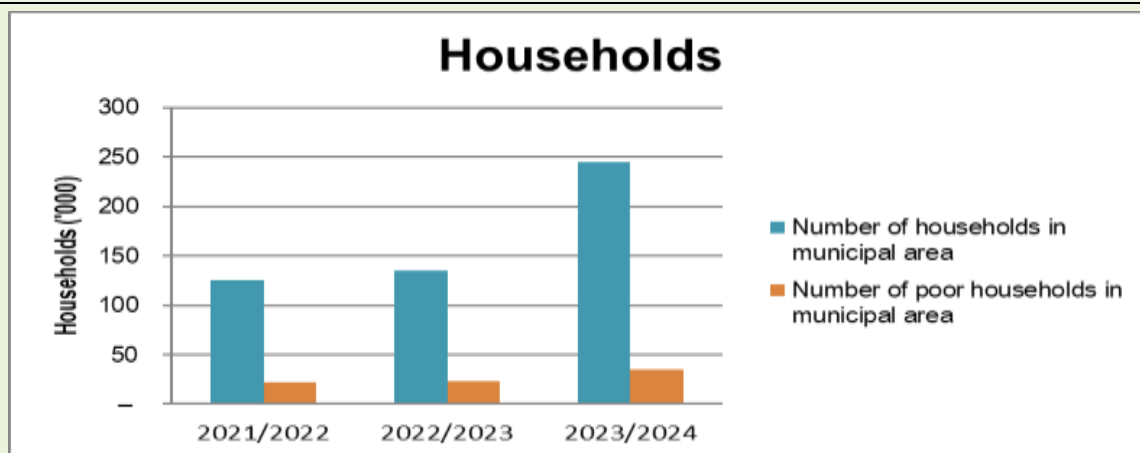
Chapter 1

Population Details			
Age Group	Male	Female	Total
0 - 4	12,153	11,968	25,121
5 - 9	11,432	11,339	22,771
10 - 14	10,870	10,042	20,912
15 - 19	10,931	10,321	21,252
20 - 24	7,965	8,353	16,318
25 - 29	5,858	7,167	13,025
30 - 34	4,970	6,154	11,124
35 - 39	4,397	5,853	10,250
40 - 44	4,091	5,197	9,288
45 - 49	3,978	5,016	8,994
50 - 54	3,907	4,593	8,500
55 - 59	3,442	4,276	7,718
60 - 64	3,195	3,871	7,066
65 - 69	2,752	3,485	6,237
70 - 74	2,126	2,841	4,967
75 - 79	1,644	2,285	3,929
80 - 84	1,210	1,655	2,865
85+	1,106	1,656	2,762
Total	95,936	106,074	202,009

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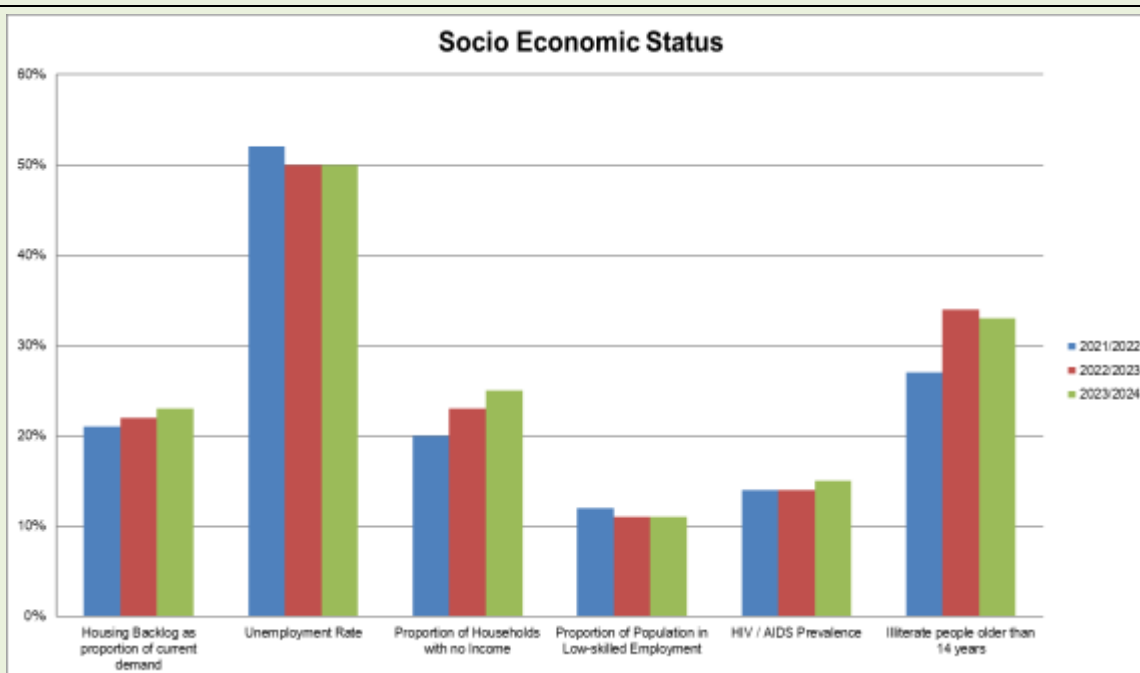
Chapter 1



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Socio Economic Status						
Year	Housing Backlog (Informal Units %)	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV / AIDS Prevalence	Illiterate People Older than 19 Years
2021/2022	21%	52%	20%	12%	14%	27%
2022/2023	22%	50%	23%	11%	14%	34%
2023/2024	23%	50%	25%	11%	15%	33%

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T 1.2.5

Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Taung Skull Heritage Site	Close to Buxton where the world famous Taung Child Skull was discovered
Small Heaven	Place of Spiritual Value
Taung Dam	The dam is in the Manthe area and falls within the catchment of the Dryharts River
Spitskop Dam	The dam is in the Kgomoiso area and falls within the catchment of the Dryharts River
T 1.2.7	

BACKGROUND DATA

The latest Census Statistics shows that the total population of the Greater Taung Local Municipality stands at about total 202,009 people, which is the highest in the entire district. The municipality is rural in nature and was established in 2000 during the introduction of the new local government dispensation with dire socio-economic conditions that need to be addressed. The challenge derived from the data that was gathered through the Spatial Development Framework that was compiled in May 2005 which indicated that the municipality has 80,009 housing units. This figure is a variance of almost 100% to that of STATSSA who indicated that GTLM does have 53,551 households according to the Statistics SA Data of September 2022.

Key Challenges and Opportunities arising from the demographic data:

The large difference between these two figures always complicates the baseline and backlog data of the municipality. The challenge is to rely on the STATSSA demographic data to determine the baseline data which should be used for future planning and budgeting purposes. If one should consider the Housing Survey or Spatial Development Framework Data to be accurate it means that the backlog with regard to basic service delivery is greater than it appears. The lower STATSSA figures also impact negatively on the Equitable Share that is allocated to the municipality.

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1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The South African constitution state that municipalities have the responsibility to ensure that all citizen residing within municipal area of jurisdiction are provided with service to satisfy their basic needs. These services have a direct and immediate effect on the quality of the lives of the people in that community.

One of the sectors in which Greater Taung Local Municipality, Department of Minerals and Energy (DME) and Eskom did perform exceptionally well was in the sector of energy or electricity provision. More than 30,000 connections were made since December 2000 meaning that less than 10% of the residents do not have acceptable access to electricity. The sector which does cause the biggest reason for concern is sanitation if one should consider the impact that informal sanitation practices does have on the environment especially in the areas where dolomite formations is found like the informal settlement in Boipelo where the lack of proper sanitation facilities can cause a big health risk through contamination of underground water resources.

The sector which is the biggest challenge for the municipality to deliver on is Roads and Storm Water. An analysis of the Community Based Planning input clearly demonstrates that roads has now over-taken all basic services as the highest priority issue that need to be addressed because of the economic impact that this sector does have on the residents of the municipality, on the other hand lack of proper roads

Chapter 1

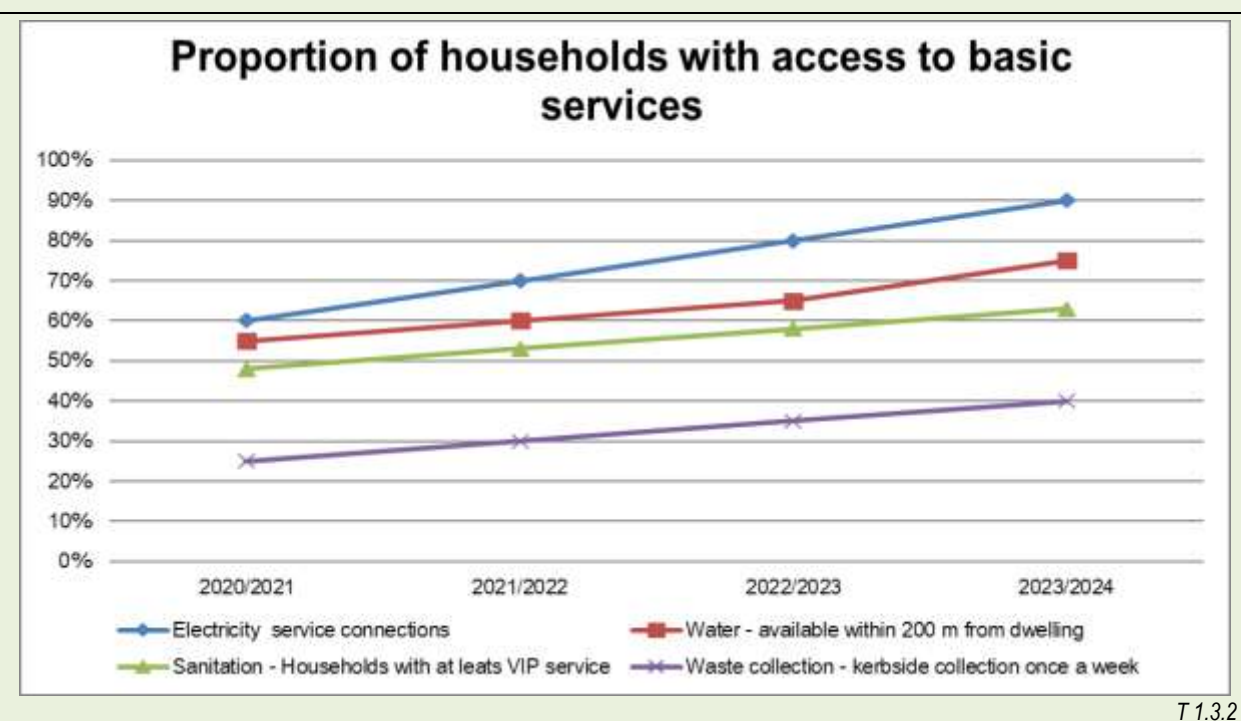
prevent residents to be mobile enough to transport their products economically and on the other hand bad roads is causing damage to property, plant and equipment.

Water provision remains the biggest challenge ever as communities in Taung do not have access to adequate clean water. During the year under review taung townships and villages experienced serious water shortage as dry weeks became the new normality. It is our hope that Dr Ruth S Mompoti District Municipality and Magalies Water in the year to come improve in providing this basic service. Waste collection is rendered in the formal towns and at businesses and the municipality is doing well with regard to household refuse collection, but it is recognized that we still have an enormous task facing us to try and keep our towns and CBDs clean. This can only be achieved if the municipality can educate residents and also convince them to become part of the solution on waste management and play their part to ensure refuse is dumped at the proclaimed dumping sites and littering is not socially acceptable. The following need to be considered to ensure a turn-around regarding cleaner towns:

- Register all street traders and develop by-laws for street trading.
- Effective and professionally managed Waste Transfer Stations and Recycling Methods.
- Licensed Solid Waste Management Sites.

Service delivery to indigent is rendered through a subsidy scheme that is funded from the Equitable Shares. District Integrated Plans were developed at Provincial level to ensure improvement of services in all sectors.

T 1.3.1



ACCESS TO BASIC SERVICES

Access to Electricity:

The Basic Services Policy adopted by government in 2001 addresses the right of all households, particularly those living in poor areas, to access a minimum amount of free basic electricity. This implies

Chapter 1

that distribution networks must be extended to ensure that all households are able to access the electricity grid.

Free Basic Electricity (FBE) is provided to all registered indigents at 50kWh per month. FBE is provided to approximately 3,213 consumers on a monthly basis (39 consumers supplied by the municipality and 3,174 consumers supplied by Eskom).

According to the information gathered from different sources there is a decline in the accessibility to basic services. This decline is a mathematical reflection of Stats SA data set also relevant to the explanation that was given with regard to the change in the data set as well as what is considered to be acceptable access. The sharp drop in sanitation and waste services is because of the interpretation of the data sets. Many households do have pit-latrines without ventilation improvement pipes (VIP) that is now considered not be an acceptable standard of sanitation access.

Access to Refuse Removal:

Solid Waste management in Greater Taung Local Municipality is categorized according to the following categories: households, illegal dumps, businesses refuse collection, CBD cleansing, and landfill sites operations and management. As the municipality is 95% rural, only 7,6% of the municipal households have their refuse disposal removed by the municipality, whereas over 82% use their own refuse dump.

Access to Water:

Greater Taung Local Municipality supplies potable water in Reivilo township in accordance with the National Water Act, 1998 (Act No. 36 of 1998) and Sedibeng for all other areas. The purpose of the National Water Act is to ensure that South Africa's water resources are protected, used, developed, conserved, managed, and controlled in ways which consider factors such as:

- Meeting the basic human needs of present and future generations;
- Promoting equitable access to water
- Promoting the efficient, sustainable, and beneficial use of water in the public interest, and
- Providing for growing demand for water use.

Access to Sanitation:

The Basic Service Policy of 2001 also guarantees access to a minimum level of sanitation, which is defined as households having access to, at minimum, a ventilated pit latrine also known as a VIP toilet. This standard of service delivery has seemed necessary to ensure human dignity and prevent the spread of disease.

There has been a dramatic improvement in the number of households with a flush toilet during the past decade, from 10.1% in 2011 of households to 27.9% in 2022. Only 20,1% of the households within the municipality have access to a flush toilet, of which 9% is a flush toilet connected to a sewage system and 1,7% is a flush toilet with a septic tank. A total of 65,6% of households use pit toilets, with 21% using a pit toilet with ventilation and 39% using a pit toilet without ventilation. This result is still evident 10 years later.

T 1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

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

Even though the municipality has a bit of cash coverage by having reserves, investments. On the financial health indicators, it shows that the municipality is in financial distress as we rely heavily on National and Provincial government transfers and without those grants the municipality will have inadequate cash available to meet its operating expenditure requirements.

T 1.4.1

Financial Viability highlights

Highlights	Description
Timeous Payment of Service Providers	Suppliers were paid well within 30 days after receipt of valid tax invoice
Production of Valuation Roll	Updated in 2020/21 with an extension from the MEC to be updated in 2027
Timeous submission of Annual Financial Statement and the improvement of audit opinion	The compliance of the submission of Annual Financial Statements together with the Draft Annual Report testifies the municipality 's vision to achieve clean audit status
Improved Cash and Cash equivalents management	The overall management of available cash and cash equivalents has improved

National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These KPI is linked to National Key Performance Area: Municipal Financial Viability and Management.

National Key Performance Indicator	2022/2023	2023/2024
Debt Coverage ((Total operating revenue- operating grant received) debt service payment due within the year	0.0	0
Service Debtors to Revenue – (Total outstanding service debtors: revenue received for services)	0.30:1	0
Cost Coverage ((Available cash + Investment) : Monthly fixed operating expenditure	1: 0.04	0

Chapter 1

Financial Overview: 2023/2024			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	350,000	350,000	412,000
Taxes, Levies and tariffs	10,000,000	10,000,000	4,958,433
Other	5,499,205	5,499,205	4,511,580
Sub Total	254,670,025	254,670,025	248,635,718
Less: Expenditure	60,276,719	59,796,719	43,016,541
Net Total*	(330 795 949)	(330 315 949)	(301 534 272)
T 1.4.2			

Operating Ratios	
Detail	%
Employee Cost	38%
Repairs & Maintenance	8%
Finance Charges & Impairment	19%
T 1.4.3	

OPERATING RATIOS

The Employee cost and repair and maintenance were within the expected norm. Whereas Finance charges and Impairment was above the norm due interest paid targets not being met and the actuals for depreciation being double compared to budgeted amount.

Employee Cost – measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employees cost by the difference between total revenue and capital revenue. The ratio of personnel expenditure to operating expenditure is widely used as an indicator of the sustainability of municipal budget and expenditures. According to MFMA budget circular No. 59 there is no prescribed or recommended benchmark for the ratio personnel expenditure to operating expenditure.

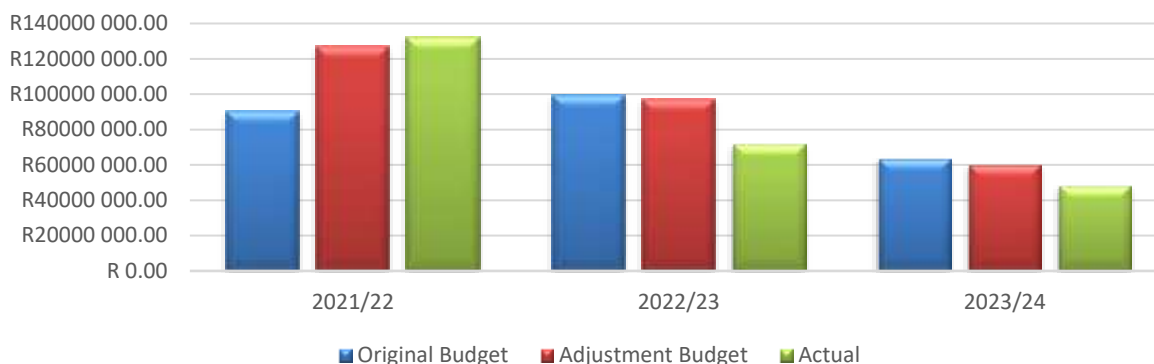
Repairs and Maintenance – this represent the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. National Treasury has recommended that repairs and maintenance expenditure budget should be 8 percent of the total value of assets.

T 1.4.3

Total Capital Expenditure: 2021/2022 – 2023/2024			
			R'000
Detail	2021/2022	2022/2023	2023/2024
Original Budget	99,666	68,932,896	63,856,150
Adjustment Budget	97,186	67,084,701	60,376,149
Actual	72,020	94,216,563	48,264,917
T 1.4.4			

Chapter 1

Total Capital Expenditure



T 1.4.5

CAPITAL EXPENDITURE

No adjustments were made on capital expenditure except for the Municipal Infrastructure Grant (MIG) projects, this downward adjustment is as a result of the adjusted Division of Revenue Act (DoRA) allocation. The net adjustment on the MIG capital projects is a downward adjustment of R3,480,000. Four projects were brought back from previous year to settle the balances, there were: Gasebusho Community Hall, Mogopela B Storm water, Mokassa 2 Community Hall and Rietfontein Storm water Channel. There were no adjustments on own funding assets and capital projects.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Every Municipality, in terms of the Constitution and the Municipal Systems Act, Act 32 of 2000, has to have a staff establishment reflecting the organizational design of the Municipality. The Organizational Design needs to be in line with the IDP and an updated organizational development overview for the Greater Taung Local Municipality was conducted in May 2024 to align the structure with the IDP and to provide a structure to enable the Municipality to deliver in its mandate and service delivery.

The reviewed Organizational Structure was noted by Council at its meeting held in May 2024, consisting of 5 Directorates and the Office of the Municipal Manager on the Macro Structure, and was immediately submitted to provincial CoGTA to assess and make inputs before final approval.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2023/2024 (CURRENT YEAR)

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen the country's democracy by enabling oversight, accountability,

Chapter 1

and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This process is concluded by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

T 1.6.1

Chapter 1

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2023
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting)	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2021/2022 Annual Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality	August 2023
6	Mayor tables the unaudited draft Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – November 2023
10	Municipalities receive and start to address the Auditor General's comments	December 2023
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January 2024
12	Audited Annual Report is made public, and representation is invited	
13	Oversight Committee assesses Annual Report	February – March 2024
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	April 2024
17	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

THE ANNUAL REPORT PROCESS

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that municipal manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual performance report in August of each year, which is consistent with the MFMA.

The annual report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of the council, this must be interpreted as an outer deadline; hence the municipality must submit the annual report as soon as possible after year end. The annual report must be aligned with the planning documents and municipal

Chapter 1

budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report content will assist municipal councillors, municipalities, residents, oversight institutions and other users of annual reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audits. Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees, reduce costs, time, and effort.

There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Local government function in a highly sophisticated environment. To be successful in its endeavours to render quality, affordable and sustainable municipal services, it needs to be structured in the best possible way to facilitate effective governance as well as to ensure proper oversight and to measure performance.

To govern is to exercise political, economic, and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

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

The political and administrative components of the council maintain a sound working relationship by ensuring respect of procedures and protocols. The Greater Taung Local Municipality as Legal entity relates to the other spheres of Government and Organized Local Government Bodies through the Intergovernmental Policy Framework. Communities as an Interest Group in Municipal Affairs participates through Public Participation Mechanisms and processes in the decision-making systems of council.

This includes interaction with the stakeholders in shaping the performance of the municipality in order to enhance a healthy relationship and minimizing conflict.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Executive Committee of Greater Taung Local Municipality is the political governance structure that is established in terms of Section 45 of Local Government: Municipal Structures Act 117 of 1998. Cllr Hon Tumisang Gaoraelwe is the Mayor of Greater Taung Local Municipality and the public face of the municipality and should be used in big public meetings, municipal stakeholder forums and media. He is the chair of the Executive Committee comprising of eight (8) Councillors accountable to him. The Executive Committee meets regularly to co-ordinate the work of municipality and makes recommendations to Council. The Mayor steers the development and implementation of Integrated Development Plan (IDP) which encapsulates service delivery and performance.

Cllr Grace Moipolai is the Speaker of Greater Taung Local Municipality. The Speaker also performs the duties of chairperson of the municipal council under the Municipal Structures and Systems Act. She enforces the code of conduct and exercises delegated authority in terms of the Municipal Systems Act. Cllr Masego Makua is the Chief Whip of the municipality. The role of the Chief Whip is to strengthen and maintain healthy relations between all the parties in Council. The Chief Whip is also responsible for ensuring that portfolio committees are functional and that councillors are allocated appropriately.

Chapter 2

Political governance ensures regular communication with the community at large by means of Imbizo's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the municipality. This process ensures healthy relations with the community and minimizes conflict.

Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes, and laws by which Council is operated, regulated, and controlled.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the ExCo. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their function as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

Audit and Performance Committee has been established in terms of Section 166 subsection 6(a) of the MFMA. The committee comprises of three (3) and a chairperson. The purpose of the committee is to advice council and management on matters relating to internal financial control, performance management and comment on the Annual Report.

The Mayor is appointed by council and has executive powers and duties. He provides general political guidance over the fiscal and financial affairs of the municipality and in doing so monitor and oversee the exercise of responsibilities assigned to the accounting officer in terms of MFMA; Act 56 of 2003 without interference. The council appoints members of the Executive committee (ExCo) to chair the portfolio committees indicated below:

- Finance
- ICT
- Corporate Governance and Communication
- Planning and Development
- Infrastructure
- Community Service
- Spatial Planning and Human Settlement
- Local Economic Development

Municipal Public Accounts Committee (MPAC) has been established in terms of section 79 of the Municipal Structures Act, No. 117 of 1998. The main purpose of the committee is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality and to consider annual report and submit oversight report on the annual report to council. The committee consists of Eight (08) non - executive councillors. The Oversight Report will be published separately in accordance with MFMA guidance.

T 2.1.1

Chapter 2

TROIKA

Political Structure	Functions
 Hon Mayor Cllr. T. Gaoraelwe	• Provide political guidance over the fiscal and financial affairs of the municipality. • To oversee the preparation of the annual budget. • Submit quarterly reports to Council on the implementation of the budget and the financial status of the municipality. • Coordinate the annual review of the IDP. • To ensure that the Mayoral Committee perform its functions properly. • Promotion of intergovernmental relations. • Convene public hearings and meetings. • Identifies the needs of the community in terms of the IDP processes. • Reviews those needs in order of priority. • Recommend to the municipal council strategies, programmes, and services to address priority needs through the IDP, estimates revenues and expenditure, considering any applicable National and Provincial Plans. • Recommend and determine the best way, including partnership and other approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community.
 Speaker of Council Cllr. G. Moipolai	• The Speaker presides over the council meetings and maintains order during council meetings. • Ensure that the council meets at least quarterly. • Ensure that the rules of order are complied with during the proceedings of council meetings. • Execute any other duties as delegated to the speaker in terms of the council delegation systems. • Maintains order during Council meetings. • Ensure that Councillors adhere to the Code of Conduct. • Support to Councillors. • Facilitate public participation coordinate the establishment and functionality of ward committees.
 GTLM Council Whip: Cllr M. Makua	• The role of Chief Whip is to ensure that Councillors are accountable to the communities, that code of conduct is respected and adhered to by all councillors. • The Chief Whip ensures discipline during Council and Committee Meetings. • She facilitates political debates, workshop for all Councillors.

T 2.1.1

Chapter 2

COUNCILLORS

Councillors provide a vital link between communities they serve. They represented the needs and interests of the people they represent, regardless of whether they voted for them. Although councillors are not usually full-time professionals, they are bound by a code of conduct. The Councillors serves for five years. The Greater Taung Local Municipality comprises of 24 Ward Councillors and 24 PR Councillors. See Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

A Ward Councillor has to balance the expectations of his/her ward and that of their political party. The Ward Councillor is the chairperson of the ward committee, responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, ensuring that the ward committee does what the municipality expects about reporting procedures. See Appendix B which sets out committees and committee purposes.

T 2.1.2

POLITICAL DECISION-TAKING

The Greater Taung is a collective executive type and has established nine portfolio committees each chaired by a member of the Executive Committee. Section 33 of Local Government: Municipal Structures Act, 1998 which provides for the establishment of committees in terms of Section 79 and 80 of the Act. All the committees are chaired by Councillors who are full time and coordinated by relevant senior managers and officials who also serve as technical resource persons. Those are:-

The committees meet monthly to consider items which need to be forwarded to the Executive Committee. Recommendations of the Committees are submitted on quarterly basis to Council's Statutory Sitzings for Resolutions and implementation.

Section 80 Committees:

Each member of the Executive Committee heads a Portfolio Committee in terms of Section 80 of the Municipal Structures Act of 1998. The Section 80 Committees are set up to deal with oversight roles, support and perform the advisory role to the Mayor and Council.

The Executive Committee of the municipality has the following portfolios:

- Local Economic Development
- Corporate Services
- Infrastructure
- Human Settlement
- Community Service
- Communication
- Information Technology
- Planning and Development
- Finance

Section 79 Committees:

(a) The Audit Committee

The Audit Committee is a committee of the Council and performs the statutory responsibilities assigned to it by the Local Government: Municipal Finance MFMA (sections 165 and 166), and other relevant

Chapter 2

responsibilities delegated to it under its charter by the Council. Mr. Matshoba chairs the committee, It is an independent advisory body that advise Council, the political office-bearers, the accounting officer, and the management of the municipality on matters relating to:

- Internal financial control and internal audits;
- Risk management; Accounting policies;
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Effective governance and compliance with the prescribed laws and regulations.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of part 7 section 82 of the Municipal Structures Act 117 of 1998 as amended the Municipality must appoint the Municipal Manager who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Municipal Systems Act, 32 of 2000 as amended the Municipal Manager as head of administration is subject to policy directives of the municipal council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government.

In terms of section 50 of the Municipal Systems Act 32 of 2000 as amended, the Council in consultation with the Municipal Manager must appoint managers who are solely responsible to the Municipal Manager who must have relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Systems Act 32 of 2000. The responsibilities of the Municipal Manager include managing the administrative and financial affairs of the municipality and to ensure that municipal services are delivered in an efficient, effective, and economical manner. With his complement of directors appointed in terms of Section 56 of the MSA, the Municipal Manager determines the pace of development within the municipal area as per Council directives. Each director is responsible for their area of expertise. From time to time, Management meeting is held where the Municipal Manager engages the directors on various matters that affect service delivery.

The Municipal Manager and Directors form the senior management core, and all directors are accountable to the Municipal Manager in terms of strategic management and oversight of their departments.

T 2.2.1

Chapter 2

Top Administrative Structure	Functions
 Municipal Manager Mr. M.A. Makuapane	• Forming and developing an economic, efficient, and accountable administration. • Implementing and managing the GTLM's performance management system. • Coordinating and implementing the GTLM's IDP. • Managing the Municipality's administration in accordance with the Constitution, the Local Government Structures Act, the Municipal Systems Act, the Municipal Finance; Management Act and all other national and provincial legislation applicable to GTLM. • Managing provision of services to the local community in a sustainable and equitable Manner. • Developing and maintaining a system to access community satisfaction with Municipal Services. • Appointing, managing, effectively utilizing, and training staff and maintaining staff discipline. • Advising political structures and political office bearers of the GTLM, managing communications between them, administering, implementing council resolutions, and conducting their decisions. • Being responsible for all income and expenditure of the GTLM all assets, the discharge of all liabilities of the GTLM and proper and diligent compliance with applicable Municipal Finance Management legislation.
Acting Chief Financial Officer Ms. N.G Dibelane	• Reporting directly to the Municipal Manager on key departmental activities. • Implement departmental Service Delivery Budget Implementation Plan (SDBIP). • Develop and implement key strategic / business plans including Supply Chain Management, Revenue Management, Expenditure Management and Budget & Reporting. • Prepare and implement municipal budget. • Prepare Annual Financial Statements and other mandatory financial management reports. • Manage Departmental budget, human resources & other resources in accordance with local government legislation. • Management and monitoring of all income, expenditure, assets, and Liabilities; Cash-flow management. • Develop and implement Supply Chain Management Policy, specific procedures, systems, and controls. • Ensure timely preparation of Budget and Financial Statements; • Implement all financial policies and ensure they comply with applicable legislation.

Chapter 2



Acting Director: Technical Services

Mr. M.H Keohitsetse

- Management of the entire Technical Services department.
- Compile and manage the Directorate's annual Capital and Operational Budget.
- Management of Technical Services including Civil Engineering Services, electrical distribution and maintenance of roads and storm-water drainage.
- Planning and maintenance of water reticulation system and sewerage treatment infrastructure.
- Developmental strategic planning of infrastructure expansion and co-ordination.
- Ensure the sustainable provisioning of engineering services including infrastructure development and maintenance in line with the IDP.
- Management of civil engineering, projects, and capital construction development.



Acting Director: Corporate Service

Mr. T.J Makgolo

- Managing and controlling various line functions within the Directorate which include general administration, Human Resources, Council Support, Corporate strategy.
- Leading, directing and managing staff within the Department so that they are able to meet their objectives.
- Rendering Support by advising and overseeing all matters of procedures relating to minutes and resolutions of the Council Committees.
- Managing and controlling the compilation and execution of the departmental capital and operating budget.
- Executing any function delegated by the municipal Manager in terms of powers and delegations in the relevant legislation and related to the functions of this post.
- Administering records/archives registry, skills development, legal matters, and employment Equity.
- Overseeing the execution of the IDP Programmes attached to the Department and monitoring individual performance management.
- Developing, implementing Collective Agreements, and managing strategic goals, policies, procedures, and plans;
- Ensuring proper administration of Council delegation System.

Chapter 2



Director: Community Service
Mr. T.G Motase

- Management of the entire Social Services department.
- Compile and manage the Directorate's annual Capital and Operational Budget.
- Responsible for coordination of disaster management services.
- Strategically direct and manage services related to solid waste management.
- Provision of sports, recreation, cultural, arts and library information services.
- Responsible for setting standards for the maintenance of cemeteries, parks, halls, and other community services.
- Management of refuse services of the entire Greater Taung area.
- Management of Traffic Management and Law enforcement.



Acting Director: Spatial Planning & Human Settlement
Ms. B.B Thlogogae

- Management of the entire Development Land Use and Planning department.
- Compile and manage the Directorate's annual Capital and Operational Budget.
- Provision of GIS support and analysis and the undertaking of specific GIS related projects and initiatives.
- Management, maintenance and implementation of the municipal multi-disciplinary sustainable human settlement policy and framework.
- Co-ordinate the integration of the multi-sectorial and inter-sphere processes and demands relating to the delivery of sustainable human settlements.
- Co-ordination of housing functions in line with the Provincial and National policies, on behalf of the Provincial Department of Developmental Local Government and Housing.
- Developing and implementing strategies to meet investment challenges.
- Establishing and managing contractual and other relationships with government departments, service providers, organised business, and other stakeholder bodies, to ensure sustainability of projects.

T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution (1996) describes the three spheres of government (National, Provincial and Local) as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state 'does not encroach on the geographical, functional or

Chapter 2

institutional integrity of government in another sphere'. In addition to the Constitution, various pieces of legislation govern or organises the system of intergovernmental relations. Among other things, the legislation formalises the different spheres' roles and responsibilities with regard to various functions and provides for a range of consultative structures.

The South African system of intergovernmental relations is complex and continues to evolve as better modes of cooperation and coordination emerge and as functions are shifted between the spheres. The following key elements and principles underpin the intergovernmental system:

- **Accountability:** Each sphere has specific constitutionally defined powers and responsibilities, is accountable to its legislature or council and is empowered to set its own priorities. The power of national government to intervene in provincial and local government matters, and provincial governments to intervene in local government matters, depends on whether the relevant sphere fails to conduct an executive obligation.
- **Transparency and good governance:** Accountability of political representatives to the electorate and transparent reporting arrangements within and between spheres is at the heart of the intergovernmental system. While political executives are responsible for policy and outcomes, the officers are responsible for implementation and outputs.
- **Mutual support:** National and provincial governments have a duty to strengthen the capacity of municipalities. Spheres of government must also act cooperatively towards each other, for instance through avoiding legal action until all other mechanisms have been exhausted.
- **Redistribution:** The three spheres all have important roles to play in redistribution, but because inequalities exist across the country, the redistribution of resources is primarily a national function. Where provinces and municipalities undertake redistribution, the challenge is to do this in line with their fiscal capacity and not to undermine economic activity and their financial viability. Redistribution among the three spheres is achieved through the vertical division of revenue. Redistribution among provinces and municipalities is affected through their respective equitable share formulae.
- **Vertical division:** Determining the allocation to each sphere of government inevitably involves trade-offs that are made in the course of a comprehensive budget process driven by political priorities, and which covers all aspects of governance and service delivery. Separate and ad hoc requests for funds fragment the coherence of the budget and undermine the political process of prioritization.
- **Revenue-sharing:** The fiscal system considers the fiscal capacity and functions assigned to each sphere. Provinces and municipalities are funded from own revenues, equitable share allocations, and conditional and unconditional grants. The grant system must be simple and comprehensive and not compensate provinces and municipalities that fail to collect own revenues.
- **Broadened access to services:** The Constitution and current government policy prioritises broadening access to services. The responsible spheres are expected to design appropriate levels of service to meet customer needs in an affordable manner, explore innovative and efficient modes of delivery, and leverage public and private resources to fund infrastructure.
- **Responsibility over budgets:** Each sphere of government has the right to determine its budget and the responsibility to comply with it. To reduce moral hazard and ensure fairness, national government will not bail out provinces or municipalities that mismanage their funds, nor provide guarantees for loans.

The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focused One Plan for each of the district geographic spaces in the country, where in the district is seen as the landing strip. Therefore, the model is practical Intergovernmental relations (IGR) mechanism to enable all three

Chapter 2

spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison. The DRRSMDM established the structure, developed One Plan, meetings with stakeholders are held on a quarterly basis to reflect on the implementation of the plan.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Currently the Greater Taung Local Municipality is not involved in any National Forum Structures.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Mayor and the Municipal Manager represents and participate in the North West Premiers Coordinating Committee, where issues affecting the Province and the Municipalities are discussed. The Speaker and Officials in the Office of the Speaker attends and participate in the Provincial Speakers Forum. Greater Taung Local Municipality did attend Mayoral Forum, Municipal Manager's, and the CFO Forum during the course of the year where information of mutual interest was shared.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Greater Taung Local Municipality does not have any entities in place.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The District does have the following structures in place that seeks to coordinate development in the district:

- Mayor's Forum
- Municipal Manager's Forum
- CFO's Forum
- IDP Steering Committee
- IDP Rep Forum
- Inter-Governmental Relations Forum
- District Development Model

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Community and stakeholder participation in matters of local government is a cornerstone of democracy. Section 152 of the South African Constitution (Act 108 of 1996) puts it succinctly that: "the objects of local government include, amongst others, the encouragement of involvement of community and community organisations in matters of local government". Furthermore, the Local Government: Municipal Systems

Chapter 2

Act (Act 32 of 2000) states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan.

Furthermore, community participation, through appropriate structures, is a fundamental requirement of the Constitution (1996), the Municipal Systems Act (2006), the Municipal Finance Management Act (2003) and all other legislation that is applicable to Local Government in South Africa. Greater Taung Local Municipality council has institutionalised community participation mechanisms in its affairs to allow communities an opportunity to participate in the decision-making processes of council.

Section 16 of the MSA requires municipalities to complement formal representative government with a system of participatory governance, and must for this purpose, inter alia, encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan, the establishment, implementation and review of its performance management, the monitoring and review of its performance, including the outcomes and impact of such performance and the preparation of its budget. Therefore, in line with this requirement, the centrepiece of the public participation ethos of the Greater Taung Local Municipality is anchored on the processes related to the preparation and reporting on the implementation of the municipality's Integrated Development Plan (IDP) and Budget each year.

Greater Taung actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability. In summary, on the overview of public accountability and participation, Greater Taung embarks extensively on ensuring public participation at ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee (MPAC) is operational, and measures are in place to protect personal information. The municipality has established Ward Committees in all 24 wards to assist the municipality to consult with its communities.

The Mayor engages in Imbizo's which provided a platform for further interaction and engagement with the communities on regular intervals.

T2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Residents, Communities and Stakeholders (Civil Society). To represent interests and contribute knowledge and ideas in the planning process by participating in the IDP Representative Forum to:

- Inform interest groups, communities, and organisations, on relevant planning activities and their outcomes

Chapter 2

- Analyse issues, determine priorities, negotiate, and reach consensus
- Participate in the designing of project proposals and/or assess them
- Discuss and comment on the draft IDP
- Ensure that annual business plans and budgets are based on and linked to the IDP
- Monitor performance in implementation of the IDP
- Conduct meetings or workshops with groups, communities, or organisations to prepare for and follow-up on relevant planning activities.

COMMUNITY BASED PLANNING

During the current IDP Review Process Greater Taung Local Municipality once again ensured that communities were consulted to inform the Amended IDP and in so doing allow communities to own the development priorities in their respective wards and villages.

This was done through the Community Based Planning Methodology that runs parallel with the IDP Processes.

A total of 109 CBP meetings were held, and 6,202 residents attended these meetings. Communities were once again informed to clearly understand the purpose of and the difference between the CBP Priority Register and The Project Register.

Greater Taung Local Municipality makes a clear difference between the two registers, and it is there for important to note that administration needs to gather information and record the needs to ensure effective forward planning.

The priorities of the current CBP were confirmed by the Ward Councillors to ensure that Sector Planning and Programmes are based on the priorities as determined by the communities and in order to focus budget and resource allocations towards the most important priorities.

Communities were advised to review their priorities but not to “re-invent the wheel.” This approach is important to ensure consistency in planning that will address identified priority issues in the short and long term. In instances where a Ward did not submit new priorities the priorities of the previous financial year were used for planning purposes.

T 2.4.1

WARD COMMITTEES

The purpose of a ward committee is:

- To solicit improved participation from the community to inform Council decisions;
- To ensure effective communication between the Council and the community; and
- To assist the Ward Councillor with consultation and report-backs to the community.

Ward committees are elected by the community they serve. A ward committee may not have more than ten members and women, and youth should be well represented. The Ward Councillor acts as the chairperson of the ward committee. Although ward committees have no formal powers, they advise the Ward Councillor who makes specific submissions directly to the Council.

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees’ function optimally with community

Chapter 2

information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes / No)	Dates and manner of feedback given to community
Statutory Ward Committee Meetings	20-25 of every month	12	0	3,744	Yes	Every month
IDP Rep Forum	13/04/2023	35	15	116	Yes	It was agreed that all other matters will be referred to different forums such as IGR, internal municipal Departments and Sector Departments
Special Meeting: Ward 5	17/04/2023	9	15	257	Yes	
Mayoral Imbizo: Cluster 1	18/04/2023	9	26	257	Yes	
Mayoral Imbizo: Cluster 2	20/04/2023	7	20	337	Yes	
Mayoral Imbizo: Cluster 3	09/05/2023	11	20	204	Yes	
Mayoral Imbizo: Cluster 4	03/05/2023	11	16	352	Yes	
Mayoral Imbizo: Cluster 5	04/05/2023	18	18	157	Yes	
Special Meeting: Ward 1	11/05/2023	5	13	246	Yes	
Special Meeting: Wards 4, 6, 7	16/05/2023	7	18	142	Yes	

T 2.4.3

THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The Greater Taung Local Municipality established Ward Committees in all the 24 Wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as Imbizo's also provides a platform for effective interaction and accountability for Council and the community. Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Greater Taung Local Municipality on matters of service delivery.

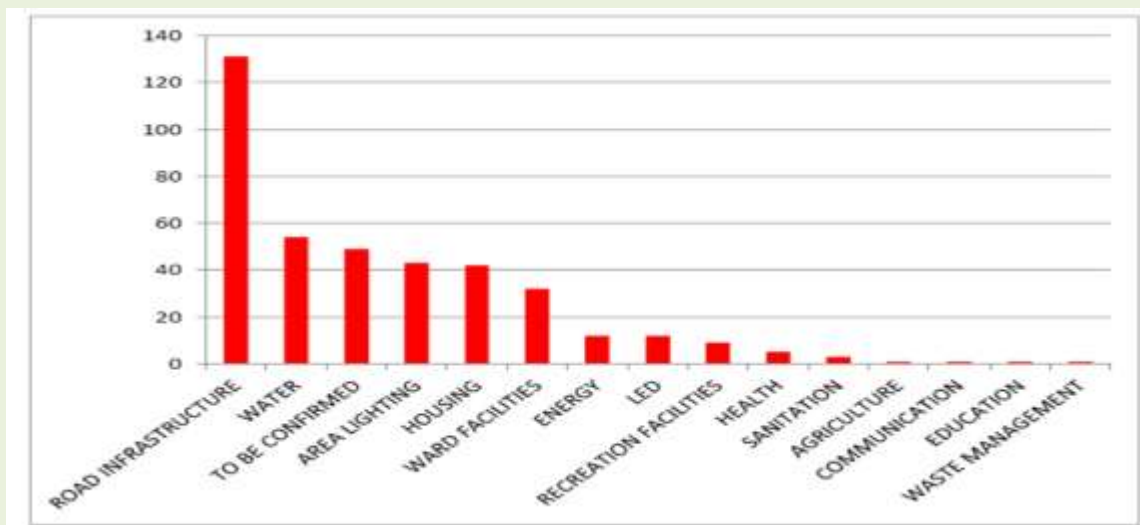
IDP Public Meetings are held annually in all twenty-four (24) wards of the municipal jurisdiction in order to engage the public on the integrated planning. Meetings are effective because the needs that are collated from those meetings inform the project section of the IDP and assist in prioritisation, planning and integration with the municipal budgeting process. In the previous year, in order to strengthen community engagements, ExCo members and Councillors were encouraged to hold area specific public engagements across the entire municipality.

CBP – analysis of priority needs identified per sector.

The Table and Graph below reflects the number of times that a sector was listed under the top three priorities. This gives an indication of the most important sectors or issues that need to be addressed in the IDP and SDBIPs and for which resources must be allocated to ensure that the most important priorities of the communities are addressed.

Chapter 2

The information as reflected on the consolidated CBP Analysis is crucial to inform the Project Phase and the planning of the Project Task Teams of Greater Taung Local Municipality, The Dr Ruth S Mompoti District Municipality, Parastatals and The Provincial Sector Departments to ensure resources are focused on the needs as identified by the communities on the following table:



T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

The Amended Fifth generation IDP (2021 – 2025) provide an opportunity to strengthen integrated planning, budgeting, and implementation across all spheres of government and the private sector in a meaningful way in pursuit of sustainable development. The objects as set out in Sections 152 and 153 of the Constitution, aims to create synergy between different municipal planning instruments and National / Provincial policy directives.

Greater Taung Municipal Council remained focused on how best to respond to its constitutional and developmental mandate through its overarching strategic development focus areas. The Municipal Key Performance Areas (KPAs) and Strategic Objectives directs future development, potential investment, and possible public/private partnership interventions. The Key Performance Areas and Strategic Objectives, guide service delivery as per municipality developed annual Service Delivery Budget Implementation Plan (SDBIP) and development. Section 28(i) of the Municipal Systems Act, No 32 of 2000 requires that a Municipal Council adopts a schedule of activities to guide the drafting and review of its Integrated Development Plan. The IDP process plan/time schedule articulates the progressive activities and processes which the Municipality will embark upon during the annual review of its 6th (Sixth) Generation Integrated Development Plan and implementation during the 2022/2023 period. The IDP process plan for the 2023/2024 IDP review was unanimously adopted by Council in August 2024

The development of the IDP is undertaken inclusive of non-statutory specific sector plans; i.e. the Municipal Spatial Development Framework, the Municipal Disaster Plan, the Municipal Economic Development Strategy and lastly the Municipal Financial Plan/Budget for a specific term or financial and outer years. The alignment of the IDP with the Spatial Development Framework (SDF), relates the spatial planning and development foreseen for the financial year in planning. The alignment of the IDP relates

Chapter 2

to aligning the IDP with the Provincial Growth and Development Strategy, the National Development Plan, and more importantly the Five National Key Performance Areas; Good Governance, Basic Services, Municipal Financial Viability, Municipal Transformation and Organizational Development and Local Economic Development.

IDP Participation and Alignment Criteria*	Yes / No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

In Greater Taung Local Municipality, the principles of good corporate governance as expounded in the King IV report are embraced and applied within the organisation. To the extent that these King IV principles are not directed by legislation (e.g. the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA), it is applied as far as possible in the context that these principles indicate the “right way to do things.” These principles relate to, amongst others, to ethical governance, implementation of controls to prevent fraud, corruption, and management of risk.

Corporate governance is the set of processes, practices, policies, laws, and stakeholders affecting the way an institution is directed, administered, or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed. Corporate governance does cover a broad spectrum of elements that need to be aligned and integrated to ensure the smooth effective, efficient, and economic functionality of municipalities.

In the instance of Greater Taung Local Municipality, it requires cooperation between the political and administrative structures as well as the buy-in and involvement of Traditional Leaders.

The past year was a challenging year for Greater Taung Local Municipality regarding Corporate Governance due to the institutional challenges that were experienced at high level management and relationships.

T 2.6.0

Chapter 2

2.6 RISK MANAGEMENT

OVERVIEW OF RISK MANAGEMENT

The realisation of the institutional strategic plans depends on the ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the institution to anticipate and respond to changes in the service delivery environment, as well as to take informed decisions under conditions of uncertainty.

In terms of section 62(1)(c)(i) " the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal controls.

The management of risk is the process by which the Accounting Officer, the CFO and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk Management plays a crucial role in identifying both risks and opportunities that are present and to take a strategic position in minimizing the said risks and maximizing present opportunities for the benefit of its citizens. The role of Risk Management in the municipality is to provide the expertise and support for institutionalizing Enterprise Risk Management and thereby embedding a risk intelligent culture. This is achieved through various methods including employee training on the principles and practices of risk management, coordinating efforts in determining the municipality's risk exposure and in the development of mitigating actions by management for addressing the identified risks. The municipality's Risk Management, Anti-fraud, and Anti-corruption Committee (RMAAC) is functional.

Before the beginning of the financial year the district shared risk unit conduct the risk assessment and on quarterly basis conduct the risk update to check mitigation progress on all identified risks.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices, section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. Greater Taung Local Municipality contributes to the principles of good governance which requires the conduct of business in an honest and transparent manner. Greater Taung Local Municipality confirms commitment in fighting fraudulent behaviour at all levels within the organisation.

In 2023/2024 financial year Greater Taung Local Municipality submitted the reviewed Local Government Fraud and Anti-corruption strategy and policy to Council which include:

- Whistle Blowing Policy

Chapter 2

- Ethics Policy
- Fraud and anti-corruption Policy
- Fraud Prevention Plan

Internal Audit Unit:

Greater Taung Local Municipality has the internal audit unit responsible to advise the Accounting Officer and report to the Audit Committee on the implementation of the internal audit plan and matters as stipulated in section 165 of the MFMA.

Audit Committee:

Greater Taung Local Municipality has established its own audit committee to advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters as stipulated in section 166 of the MFMA. In the year under review the audit committee was very functional as they regularly held their meetings in line with the approved audit committee meeting.

Human Resources Management:

Screening procedures are performed prior to the employment of officials. All employees signed the code of conduct on appointment. New employees are inducted to introduce them to the culture of the municipality. In the process the employees are provided with the policies and procedures of the municipality to encourage good business conduct in performing the duties.

Financial Control:

Greater Taung Local Municipality only incurs expenditure in terms of the approved budget and within limits of the amounts appropriated in votes. A delegation framework was reviewed and approved by council for adoption to maximize administrative and operational efficiency to provide adequate checks and balances in the municipality financial administration.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

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

Greater Taung Local Municipality approved a supply chain management policy that is fair, equitable, transparent, competitive, and cost effective. In case of an abuse of supply chain management system the accounting officer implement the procedures according to the supply chain management policy to combat fraud. The supply chain management policy is aimed primarily at promoting uniformity in SCM processes and also in the interpretation of government's preferential procurement legislation and policies, which should themselves be seen in the context of other related legislative and policy requirements.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The SCM Manager complies with the MFMA minimum competency levels. Approximately 90% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

Chapter 2

Councillors after being elected or appointed declare in writing to the municipal manager the financial interest held by that councillor.

Essentially, SCM refers to managing the demand of goods and services to their acquisition, managing the logistics processes and finally, after use, to their disposal. It encompasses the procurement, contract management, inventory and asset management, and obsolescence planning processes.

The procurement processes covers:

- Pre-solicitation (need analysis, specification, award criteria)
- Solicitation (bidding process)
- Negotiation (bidding process, drafting of contracts)
- Performance (change orders, review of completed work and sign-offs compliance assessments of deliverables, release of funding etc.)
- Administration, within the municipal prescripts and policies.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are held regularly, and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA.

The MFMA expects all municipalities to ensure that they develop and maintain a well-documented, operational procurement system, within a system which is fair equitable, competitive, cost effective and transparent. This process is and will always remain one of the highest exposures to fraud and corruption in any organization in the government. The process is, by necessity, highly regulated and overly complex including a wide array of legislative and procedural requirements and prescripts.

Deviation from the 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. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during 2023/2024					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes / No)	Dates of Public Participation	By-Laws Gazetted* (Yes / No)	Date of Publication
Stray animal by-law	None	N/A	N/A	N/A	N/A

T 2.9.1

BY-LAWS

Section 11 of the MSA gives municipal council the executive and legislative authority to pass and implement by-laws and policies. Once the by-laws are gazetted, people who are in contravention will be

Chapter 2

criminally prosecuted in a court of law and could be sentenced to pay a fine or even to direct imprisonment.

T 2.9.1.1

2.10 WEBSITES

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended. The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information.

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, annual budget, adjustment budget and budget related documents and policies.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Date Published
Current annual and adjustments budgets and all budget-related documents	Yes	July 2024
All current budget-related policies	Yes	July 2024
The previous annual report (2022/2023)	Yes	March 2023
The Annual Report (2023/2024) published / to be published	T.B.A	T.B.A
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2023/2024) and resulting scorecards	Yes	August 2024
All service delivery agreements (2023/2024)	No	December 2024
All supply chain management contracts above a prescribed value (give value) for 2023/2024	No	None
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 2023/2024	No	None
Contracts agreed in 2023/2024 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	None
Public-private partnership agreements referred to in section 120 made in 2023/2024	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2023/2024	No	None

T 2.10.1

MUNICIPAL WEBSITE CONTENT AND ACCESS

In 2023/2024 financial year around June Greater Taung Local Municipality website was upgraded and became live, the process of upgrading took long time than it was expected, and it is for this reason that table above mostly indicates no uploading of documents. Officials in IT and Communication Unit attended training on updating and uploading of the website and respective department are required to submit information and documents.

T 2.10.1.1

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

For the year under review, the municipality did not conduct the public satisfaction survey.

T 2.11.1

Satisfaction Surveys Undertaken during 2023/2024

Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:	Not conducted	N/A	0	N/A
(a) Municipality	None	N/A	0	N/A
(b) Municipal Service Delivery	None	N/A		N/A
(c) Mayor	None	N/A		N/A
Satisfaction with:	Not conducted	N/A	0	N/A
(a) Refuse Collection	None	0	0	N/A
(b) Road Maintenance	None	0	0	N/A
(c) Electricity Supply	None	0	0	N/A
(d) Water Supply	None	0	0	N/A
(e) Information supplied by municipality to the public	None	0	0	N/A
(f) Opportunities for consultation on municipal affairs	None	0	0	N/A

T 2.11.2

Concerning T 2.11.2:

In order for the municipality to conduct community satisfaction survey budget must be made available and in 2023/2024 financial year budget was not made available for the survey due to financial constraints.

T 2.11.2.1

SATISFACTION LEVELS

The municipality could not determine the satisfaction levels as the community satisfaction survey was not conducted during the year under review. In the new financial year budget inputs to conduct community satisfaction will be submitted by office of the municipal manager to Budget and Treasury Office to make provision.

T 2.11.2.2

Chapter 2

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

INTRODUCTION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review individual performance indicators to ensure efficiency, effectiveness, and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

Some of the legislative prescripts include Section 152 of the Constitution of the Republic (1996), section 152 local government to be “democratic and accountable government”. Section 195 (1) of the Constitution requires the following from local government, inter alia:

- the promotion of efficient, economic, and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In terms of section 46(1)(a) of the Municipal Systems Act a Municipality must prepare for each financial year a performance report reflecting the Municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs. Local government (municipality) is the sphere of government closest to the people, citizens elect them to represent them and are responsible to ensure that services are delivered to the community. One way in which municipalities can do this is to provide the service themselves through the use of their own resources - finance, equipment, and

Chapter 2

employees. A municipality may also outsource the provision of a service. In other words, it may choose to hire someone else to deliver the service, but it remains the responsibility of the municipality to choose the service provider and to make sure that they deliver the service properly.

Many municipalities, however, are unable to deliver services to residents. This might be because of lack of finances or lack of capacity to provide a good service at an affordable price.

Greater Taung Local Municipality is responsible for water and sanitation provision at Reivilo town and Boipelo township, and electricity at Reivilo town but as for the remainder of the area the Dr Ruth S Mompoti District Municipality is the service authority for water and sanitation. Eskom is providing electricity in all areas in the Municipality except Reivilo town where it is licensed as Electricity Service Provider. The Municipality still need to address basic services backlogs in all sectors. Good progress was made with regard to electricity and water provision, but sanitation provision still needs to be addressed in many areas which are using pit latrine toilets which pose a negative environmental impact. Roads also need to be addressed based on the CBP input that was gathered. This sector was prioritized as the most critical sector that needs attention.

Refuse removal is rendered by Greater Taung Local Municipality in the three towns, Taung CBD, Pudimoe and Reivilo. The municipality still need to address basic services backlogs in all sectors. Good progress was made with regard to electricity and water provision, but sanitation provision still needs to be addressed in many areas which are using pit latrines which pose a negative environmental impact.

Roads also need to be addressed based on the CBP input that was gathered. This sector was prioritized as the most critical sector that needs attention.

T 3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

One of the major goals of the South African Government is to ensure access to safe and reliable water services to all the communities. Notwithstanding the best possible raw water sources, adequate treatment infrastructure and optimal treatment process can achieve safe and reliable drinking water services to consumers and unexpected incidents can disrupt water supplies. Natural disasters such as floods and manmade incidents can significantly disrupt and impact on the quality of water services thus posing a significant health risk to consumers.

The Water Services Act (No.108 of 1997, section 5(4)) states that in emergency situations, a Water Service Authority (WSA) must take reasonable steps to provide basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005. To provide for the rights of access to basic water supply and basic sanitation; to provide for the setting of national standards and of norms and standards for tariffs; to provide for water services development plans; to provide a regulatory framework for water services institutions and water services intermediaries; to provide for the establishment and disestablishment of water boards and water services committees and their powers and duties; to provide for the monitoring of water services and intervention by the Minister or by the relevant Province; to provide for financial assistance to water services institutions; to provide for certain general powers of the Minister; to provide for the gathering of information in a national

Chapter 2

information system and the distribution of that information; to repeal certain laws; and to provide for matters connected therewith.

the district is responsible for the implementation of capital projects and the maintenance responsibility falls within the functions of Sedibeng. It should be noted that in certain instances the municipality has been providing water using its own tankers.

The Greater Taung Local Municipality's Water unit has made significant progress in the provision of water services, but some critical challenges remain, i.e. extensions and internal reticulation. Institutional arrangements and strategies have been put in place to overcome the challenges and to meet key policy as well as legislative requirements. Progress on the objectives as set out in DWA's critical policy document, the National Strategic Framework for Water Services. Through indigents register and policies, the municipality is able to provide basic services to the needy community.

The water unit is operating with two water trucks (one new truck allocated by DRRSM and the other is old and unreliable). Institutional arrangements and strategies have been put in place to overcome the challenges and to meet key policy as well as legislative requirements. Progress on the objectives as set out in DWA's critical policy document, the National Strategic Framework for Water Services. Through indigents register and policies, the municipality is able to provide basic services to the needy community.

T 3.1.1

WATER USE BY SECTOR

The above refer to only Reivilo Town where Greater Taung Local Municipality has the authority. Reliable, clean supply of drinking water to sustain our health is a high priority for the municipality. It also needs water for agriculture, recreation, and manufacturing purposes. Many of these uses put pressure on water resources, stresses that are likely to be exacerbated by climate change. In many areas, climate change is likely to increase water demand despite shrinking water supplies. This shifting balance would challenge water managers to simultaneously meet the needs of growing communities, sensitive ecosystems, farmers, and manufacturers.

In some areas, water shortages will be less of a problem than increases in runoff, flooding, etc. These effects can reduce the quality of water and can damage the infrastructure that we use to transport and deliver.

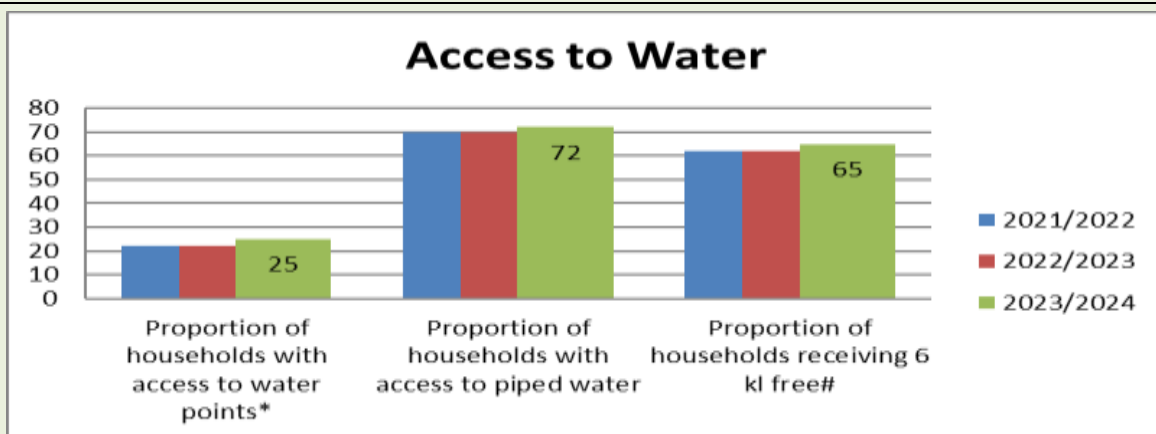
T 3.1.2

Chapter 2

Water Service Delivery Levels				
Description	2020/2021	2021/2022	2022/2023	Households 2023/2024
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	2,111	2,111	2,111	4,869
Piped water inside yard (but not in dwelling)	5,011	5,011	5,011	5,011
Using public tap (within 200m from dwelling)	24,868	24,868	24,868	24,868
Other water supply (within 200m)	8,644	8,644	8,644	8,644
<i>Minimum Service Level and Above sub-total</i>	41	41	41	43
Minimum Service Level and Above Percentage	89%	89%	89%	89%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	2,873	2,873	2,873	2,873
Other water supply (more than 200m from dwelling)	1,178	1,178	1,178	1,178
No water supply	1,169	1,169	1,169	1,169
Below Minimum Service Level sub-total	5,220	5,220	5,220	5,220
Below Minimum Service Level Percentage	11%	11%	11%	11%
Total number of households*	45,854	45,854	45,854	48,612
T 3.1.3				

Households - Water Service Delivery Levels below the minimum						
Description	2020/2021	2021/2022	2022/23	Households 2023/2024		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	43,990	43,990	43,990	0	0	43,990
Households below minimum service level	5,220	5,220	5,220	0	0	5,220
Proportion of households below minimum service level	11%	11%	11%	%	%	11%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0	0%
T 3.1.4						

Chapter 2



* Means access to 25 Liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute # 6,000 Liters of potable water supplied per formal connection per month

T 3.1.5

Employees: Water Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	17	20	15	5	25%
4 - 6	3	7	7	0	0%
7 - 9	3	2	2	0	0%
10 - 12	0	2	2	0	100%
13 - 15	1	0	0	0	0%
16 - 18	0	1	1	0	0%
19 - 20	1	1	0	1	100%
Total	25	33	27	6	18%

T 3.1.7

Financial Performance: Water and Sanitation Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.1.8

Chapter 2

Capital Expenditure 2023/2024: Water Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					
T 3.1.9					

WATER SERVICES PERFORMANCE OVERALL

The budget of R 2,950,000 was spent on the maintenance of water and sewer network and about 100% was spent against the budget. It should note that the unit went over its budget by approximately 10%.

The Municipality incurred no cost in relation to the capital expenditure for water services as the function largely lay with the District Municipality as Water Service Authority.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation is the hygienic means of promoting health through prevention of human contact with the hazards of wastes as well as the treatment and proper disposal of sewage wastewater. Hazards can be physical, microbiological, biological, or chemical agents of disease. Wastes that can cause health problems include human and animal faeces, solid wastes, domestic wastewater (sewage, sullage, and grey water), industrial wastes and agricultural wastes. Hygienic means of prevention can be by using engineering solutions (e.g. sewerage and wastewater treatment), simple technologies (e.g. latrines, septic tanks), or even by personal hygiene practices (e.g. simple hand washing with soap).

The strategy for the provision of basic sanitation:

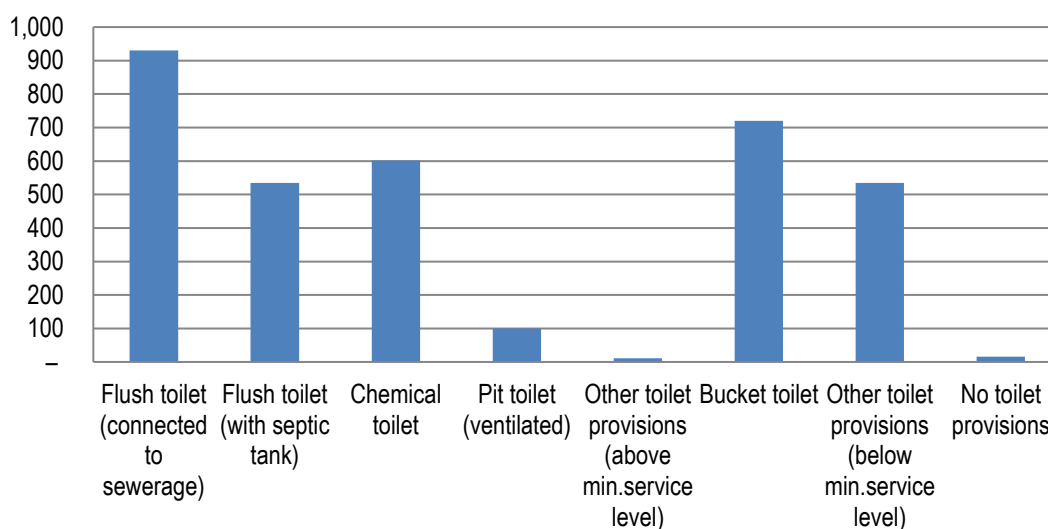
A basic sanitation facility is a sanitation facility which is safe, reliable, private, protected from the weather, ventilated, keeps smells to the minimum, is easy to keep clean and minimizes the risk of the spread of sanitation related diseases by facilitating the appropriate control of disease carrying flies and pests, and enables safe appropriate treatment and/or removal of human waste and black or grey water in a sound environmentally sound manner.

The Free Basic Sanitation strategy is aimed at ensuring that the sanitation backlog is eradicated and ensuring the government provide all people to have access to a functional sanitation facility.

T 3.2.1

Chapter 2

Sanitation/Sewerage (above minimum level): 2023/2024



T 3.2.2

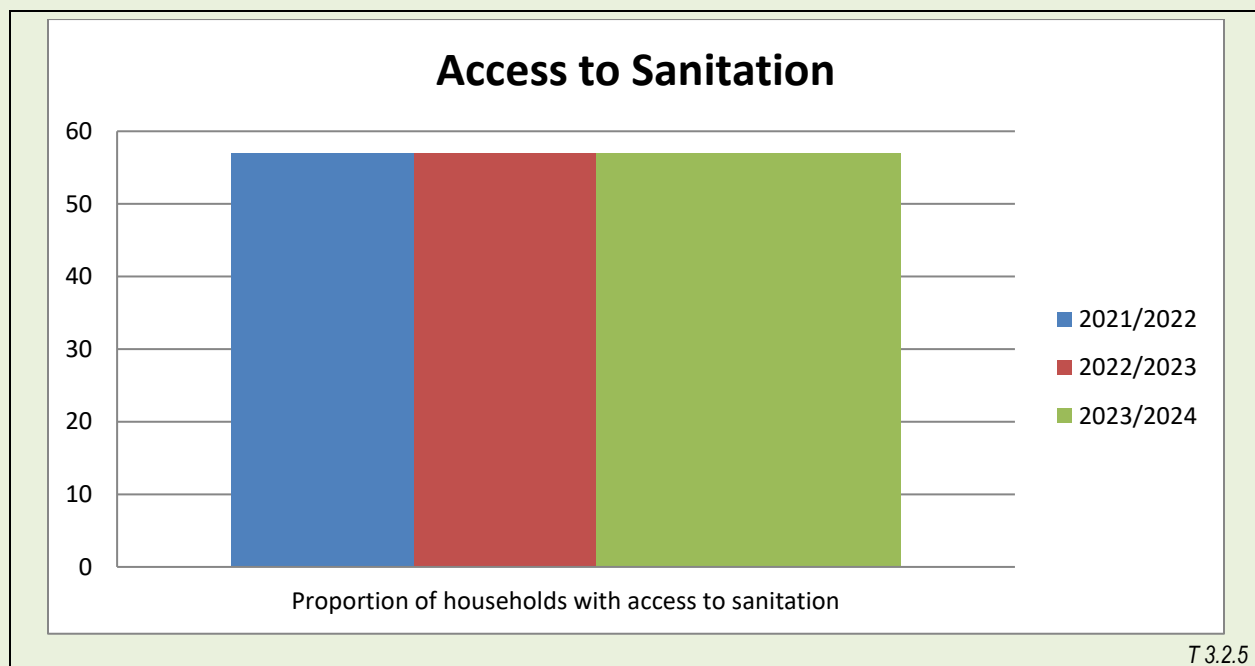
Sanitation Service Delivery Levels

Description	2020/2021	2021/2022	2022/2023	*Households 2023/2024
	Outcome No.	Outcome No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	14,941	14,941	14,941	14,941
Flush toilet (with septic tank)	452	452	452	452
Chemical toilet	910	910	910	910
Pit toilet (ventilated)	35,130	35,130	35,130	35,130
Other toilet provisions (above min.service level)	0	0	0	0
Minimum Service Level and Above sub-total	51,433	51,433	51,433	51,433
Minimum Service Level and Above Percentage	96.0%	96.0%	96.0%	96.0%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	1,178	1,178	1,178	1,178
Other toilet provisions (below min.service level)	589	589	589	589
No toilet provisions	803	803	803	803
Below Minimum Service Level sub-total	2,570	2,570	2,570	2,570
Below Minimum Service Level Percentage	4.7%	4.7%	4.7%	4.7%
Total households	54,003	54,003	54,003	54,003

T 3.2.3

Chapter 2

Households - Sanitation Service Delivery Levels below the minimum						
Description	2021/2022	2022/2023	2023/2024	Households		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	41,297	41,297	41,297	0	0	41,297
Households below minimum service level	20,235	20,235	20,235	0	0	20,235
Proportion of households below minimum service level	49%	49%	49%	0%	0%	49%
Informal Settlements						
Total households	4,270	4,270	4,270	0	0	4,270
Households below minimum service level	328	328	328	0	0	328
Proportion of households below minimum service level	8%	8%	8%	0%	0%	8%
T 3.2.4						



Employees: Sanitation Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
	Combined with T 3.1.7			
T 3.2.7				

Chapter 2

Financial Performance 2023/2024: Sanitation Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.2.8					

Capital Expenditure 2023/2024: Sanitation Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					
T 3.2.9					

SANITATION SERVICES PERFORMANCE OVERALL	
There is a need to improve systems for operations and maintenance that can ensure sustainable, reliable services and turnaround time to consumers. Currently the municipal capacity to reliable service is overburdened due to the resources that are over stretched. On average the unit can only service fifty-five septic tanks with two honey suckers while the third one is on repairs. A schedule of routine on check-up inspections of ponds in Reivilo, Taung central and Matlapaneng to avoid being reactive on the maintenance. All the mentioned ponds need to be rehabilitated, and the matter be taken up with the Water Service Authority being the district municipality. Greater Taung Local Municipality is rendering full sanitation services at Reivilo town and Boipelo township. There is a sewer network at Boipelo township. Most of the households in Reivilo town are not connected to sewer network and utilizing septic tank and the establishment of sewer network at Reivilo town is needed. Capital expenditure in relation to sanitation services had not been incurred by the municipality. A large part of the budget was directed to the maintenance of the sewer network.	
T 3.2.10	

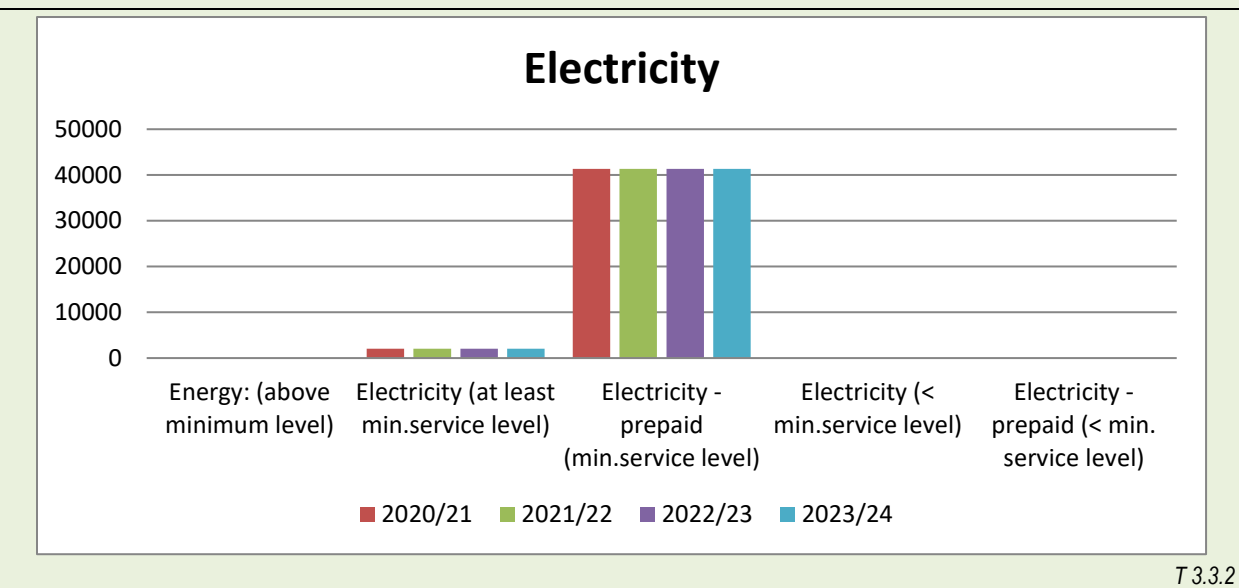
3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY
Electricity is one of the most sought-after basic services. Local government plays an important role in the provision of electricity, as an agent for Eskom. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic

Chapter 2

and social manner. Greater Taung Local Municipality provides electricity under licence only in Reivilo and is also responsible for the maintenance of the sub-station, transformers, and the reticulation network. At present there is no backlog in the provision of electricity to household. The amendments to the regulations clarify the regime applicable to municipalities when requesting determinations under Section 34 of the Electricity Amendment Act, this will ensure an orderly development that is in line with the applicable Integrated Resource Plan (IRP) and municipal Integrated Development Plans (IDPs). The amendments will ensure that requests are from municipalities in good financial standing, with feasible project proposals.

T 3.3.1



Electricity Service Delivery Levels				
Description	2020/2021	2021/2022	2022/2023	Households 2023/2024
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	2,035	2,035	2,035	2,035
Electricity - prepaid (min.service level)	41,330	41,330	41,330	41,330
Minimum Service Level and Above sub-total	43,365	43,365	43,365	43,365
Minimum Service Level and Above Percentage	99.9%	99.9%	99.9%	99.9%
Energy: (below minimum level)				
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	65	65	65	65
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0.1%	0.1%	0.1%	0.1%
Total number of households	43,430	43,430	43,430	43,430

T 3.3.3

Chapter 2

Electrification Projects

Number of households in the municipality	53,551
Number of households connected to grid	51,863
Number of households not connected to grid	1,688
Number of households provided with electricity by Eskom	51,546
Number of households in Reivilo provided by GTLM	317

Proposed, Approved and Implementation of electrification for 2023/2024

Village Name	Proposed no. of Houses	Approved No. of Houses	Status
Infills	1,000	500	100% Complete
Lokgabeng Extension Phase 3	100	130	100% Complete
Choseng Phase 2	80	24	100% Complete
Manthe	200	40	100% Complete
Modimong	70	168	100% Complete
Myra Phase 3		125	100% Complete
Pudimoe Extension		23	100% Complete
Mokgareng Extension 2		446	98% complete
Qale	25	12	100% complete
Lykso	180	0	0%
Maphoitsile	470	0	0%
Dikhuting	35	0	0%
Kokomeng Farm (Koppie Enkel)	1 (± 3km MV line and 16 KVA transformer)	0	0%

This service is rendered by a Service Provider and there for this table is not relevant to GTLM.

Employees: Electricity Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	2	2	0	0%
7 - 9	0	0	0	0%
10 - 12	1	1	0	0%
13 - 15	0	0	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
Total	3	3	0	0%

T 3.3.6

Chapter 2

ELECTRICITY SERVICES PERFORMANCE OVERALL

Greater Taung Local Municipality is rendering electricity services at Reivilo town only. Infrastructure at Reivilo is dilapidated and need to be upgraded. And is changing from conventional system to prepaid system at Reivilo town. The municipality has budgeted R5,800,000 for the maintenance of electrical network in Reivilo township and appointed service provider for a period of two years to deal with electrical maintenance in the said area.

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Solid waste- and landfill site management:

The Municipality provides a weekly scheduled refuse collection service to residents and businesses. A key responsibility of the municipality is to safely dispose of waste, and to ensure the general cleanliness in the town's streets including public spaces. The Municipality is also mandated to ensure and enable the prevention of waste and pollution, as well as the minimisation of waste, but this is the combined responsibility of all of us, including the private sector and residents.

The Municipality has an Integrated Waste Management Plan (IWMP) and was taken to Council for approval prior to it being adopted and implemented. The plan was also submitted, as required by the National Environmental Management: Waste Act (59 of 2008) as amended, to be endorsed in terms of section 11(a)(ii) by the current MEC for the North-West Province's Department of Economic Development, Environment, Conservation and Tourism (DEDECT).

The Unit has ensured that the waste landfill sites comply with the license conditions and other legislative requirements (including the Minimum Requirements for waste Disposal by Landfill). Landfill sites are serviced on a daily basis by clearing of waste and by compacting it to avoid the wind-blown litter. Due to lack of fund the sites cannot be rehabilitated and continually monitored (in terms of Sections 20 and 45 of the NEMWA).

The municipality conducts campaigns to raise awareness about the current state of the environment and community is encouraged to separate waste from the source within their households. It is more efficient for waste collection trucks to collect waste that has already been sorted rather than waste that has not been separated. There were programmes for waste minimisation and recycling, and these were implemented by municipality.

All the measures to treat, process and dispose of waste as provided in the NEMWA are addressed and implemented through local waste management plans and aligned by-laws. The Municipality do its utmost to inform and educate residents regarding littering using available waste information pamphlets. Street cleaning crews are operating in and around the CBD and entrance roads to the CBD at selected hours, in a week.

The Unit top 4 service delivery priorities are as follows:

- **Refuse removal:** Entails domestic and business refuse removal and clearing of drop off points/ hotspots as per refuse collection schedule.

Chapter 2

- **Illegal dumping:** Clearing of illegal hotspots which consists mainly of general waste and builder's rubble. Illegal dumping can be reduced through improved enforcement of waste management by-laws, provision of communal skip facilities and public awareness campaigns. There is a lack of capacity to monitor and prevent illegal dumping in the municipality.
- **Litter picking:** Littering occurs in all towns and villages in the municipality, but mainly in Taung and Pudimoe. There are sufficient waste collection facilities such as skips, refuse bins in public areas and awareness campaigns. Enforcement is required within areas where littering is common.
- **Community Waste Awareness Campaigns:** Awareness campaigns need to continue on a regular basis to encourage the community to make use of available bins and waste removal services; to stop littering and illegal dumping.

The Environmental Services Unit is understaffed. The organogram should be reviewed and new positions created to ensure an adequate waste collection service and management of the landfill sites. There is a lack of Environmental Management Inspector (EMI) or Waste Peace Officers to prevent illegal dumping, littering and to deal with environmental compliance and enforcement. Resource needs (vehicles, equipment, and manpower) addressed to ascertain effective and continual waste collection and disposal within the entire jurisdiction area. The Municipality is appealing to the communities to not dump illegal waste, which can be hazardous to their health. Municipality will need to intensify recycling initiatives to minimize the amount of waste being transported.

List of services provided by environmental services unit:

- clearing illegally disposed waste
- conserving resources and the environment
- ad hoc removal of garden refuse
- provision of refuse removal services at events
- reducing the impacts of waste on the health, well-being, and environment
- grass cutting, parks, cemeteries and open spaces, beautification
- environmental conservation: bush cutting and tree removal

The Waste Management Unit is understaffed. The organogram should be reviewed and new positions created to ensure an adequate waste collection service and management of the landfill sites. There is a lack of Environmental Management Inspector (EMI) or Waste Peace Officers to prevent illegal dumping, littering and to deal with environmental compliance and enforcement.

T 3.4.1

Solid Waste Service Delivery Levels				
Description	2020/2021	2021/2022	2022/2023	Households 2023/2024
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	3,596	3,596	3,596	3,596
Minimum Service Level and Above sub-total	3,596	3,596	3,596	3,596
Minimum Service Level and Above percentage	7.4%	7.4%	7.4%	7.4%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	108	108	108	108
Using communal refuse dump	372	372	372	372
Using own refuse dump	40,072	40,072	40,072	40,072

Chapter 2

Other rubbish disposal	305	305	305	305
No rubbish disposal	4,159	4,159	4,159	4,159
Below Minimum Service Level sub-total	45,016	45,016	45,016	45,016
Below Minimum Service Level percentage	92.6%	92.6%	92.6%	92.6%
Total number of households	48,612	48,612	48,612	48,612
T 3.4.2				

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2020/2021	2021/2022	2022/2023	Households		
	2020/2021	2021/2022	2022/2023	2023/2024		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Total households	48,612	48,612	48,612	0	0	48,612
Households below minimum service level	3,596	3,596	3,596	0	0	3,596
Proportion of households below minimum service level	7%	7%	7%	0%	0%	7%
T 3.4.3						

Employees: Solid Waste Management Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	40	32	8	20%
4 - 6	10	10	0	0%
7 - 9	1	1	0	0%
10 - 12	3	3	0	25%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	1	1	0	0%
Total	56	48	8	14%
T 3.4.5				

Employees: Waste Disposal Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Combined with T 3.4.5				
T 3.4.6				

Chapter 2

Financial Performance 2023/2024: Solid Waste Management Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.4.7					

Financial Performance 2023/2024: Waste Disposal and Other Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.4.8					

Capital Expenditure 2023/2024: Waste Management Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					
T 3.4.9					

WASTE MANGEMENT SERVICE PERFORMANCE OVERALL

Illegal dumping and littering are an environmental crime and still an ongoing problem within our municipality. The municipality do its utmost to inform and educate residents regarding illegal dumping and using available waste removal services, The cost involved in the removing and cleaning of illegal dumping is exorbitant and could be better utilised in delivering other desperately required services in the communities. Illegal waste dumping hotspots are continuously managed and serviced regularly to prevent nuisances from escalating. Apart, from opens spaces, there are specific areas within the municipal boundary where illegal dumping happens more often than others. People have the tendency of dumping on every corner although a collection service is being provided.

Chapter 2

The waste fleet was ageing, there had been budget cuts and there was a backlog in the replacement programme. As part of alternative waste management, separation of waste at source was currently being rolled out. There was large-scale illegal dumping from the private sector and there was no law enforcement to prevent this. SAPS needed to be more proactive in not only investigating this issue but actively trying to prevent this from happening.

The Status of Waste Management: Landfill sites. Waste Management Licenses (WMLs) are issued for:

- Taung landfill site licensed for closure and rehabilitation
- Reivilo landfill site licensed for closure and rehabilitation
- Pudimoe (Interim operation and illegal dumping (Abandoned) site licensed for closure and rehabilitation
- Operational: Pudimoe communal landfill site - (Vandalised and waste never disposed on site). Landfill site is licensed for further operation and development. The community has invaded the boundaries of the landfill site.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The Greater Taung Local Municipality's vision for BNG Housing development within its jurisdiction is the establishment of social and economically integrated in areas allowing convenient access to economic opportunities as well as to Health, education and social amenities in which communities will, on a progressive basis have access to:

- Permanent residential with secure Tenure
- Ensure internal and external privacy providing protection against the elements and provide portable water, adequate, sanitary facilities, and domestic energy.

Strategies:

- Eradication of mud houses
- Provision of housing to poverty-stricken households
- Provision of houses to woman headed households
- Provision for Rental housing stock/ social housing

The delivery of Low-cost Housing within the municipality is still the competence of Provincial Department of Human Settlements and National Department of Housing. The Role and the Responsibility of the Municipality on housing Delivery is, identification of Beneficiaries, Identification of Land for Housing Development, Allocation of Completed Houses to qualified and approved Beneficiaries, Identification, and processing of applications for Emergency Housing, Prepare and submission of Housing Business Plans for Annual allocations and negotiations with Traditional Authorities and Land Affairs for Land availability.

Achievements:

The municipality is in apposition to apply for level 1 and 2 Housing Accreditation, based on the capacity of the municipality to carry out additional programme responsibilities and to implement the municipality's Accreditation Business Plan.

Chapter 2

The two documents, Housing Sector Plan and Accreditation Business Plan still under review. The Municipality is ready for pre assessment. Workshop on the Municipal Accreditation Business Plan has been taken place to familiarize all senior officials, and Council members on the approved documents. The Municipality in conjunction with the Provincial Department of Human Settlements has established a Steering Committee that will ensure the successful roll out of the accreditation programme.

The Department of Human settlement appointed G5 Contractor to construct 1,000 units on various villages, namely: Lokaleng: 200, Dipitshing: 200, Pompong: 200, Leshobo: 200 and Ditompong: 200. The project is on-going at Lokaleng Village.

The other Contractor is appointed for Ditshilong 2, for 216 Villages. The contractor has done site Establishment and the project is on-going. National Department of Human Settlement appointed two contractors to construct 79 TRU's for the following wards, 3,10,19 and 22.

Planned:

The Municipality has planned for the following:

- 200 units at Manokwane Village
- 100 units Dryharts Village
- 300 units CRU's Taung Extension 6

Challenges:

- None-payments of contractors' delays progress on site.
- Blocked projects are still a challenge.
- Encountering political interference in the housing subsidy Administration process and implementation.
- Inadequate of land availability in the municipality for the implementation of other National Housing Programmes e.g. FILSP.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2020/2021	42,953	39,516	92%
2021/2022	42,953	39,516	92%
2022/2023	48,454	44,577	92%
2023/2024	53,551	51,199	95%

T 3.5.2

Chapter 2

Employees: Housing Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	0	0	0	0%
7 - 9	0	0	0	0%
10 - 12	3	3	0	0%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	4	4	0	0%

T 3.5.4

Financial Performance 2023/2024: Housing Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.5.5

Capital Expenditure 2023/2024: Housing Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					

T 3.5.6

THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

It must be noted that housing project procurement process is currently the competency of the Provincial Department of Human Settlements and as a result issues like budgets are centred at Provincial level. Due to housing backlog the municipal council took a resolution to apply for housing accreditation with the goal of providing housing to the people of Taung. The process has been unfolding very well as housing accreditation business plan was developed.

T 3.5.7

Chapter 2

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

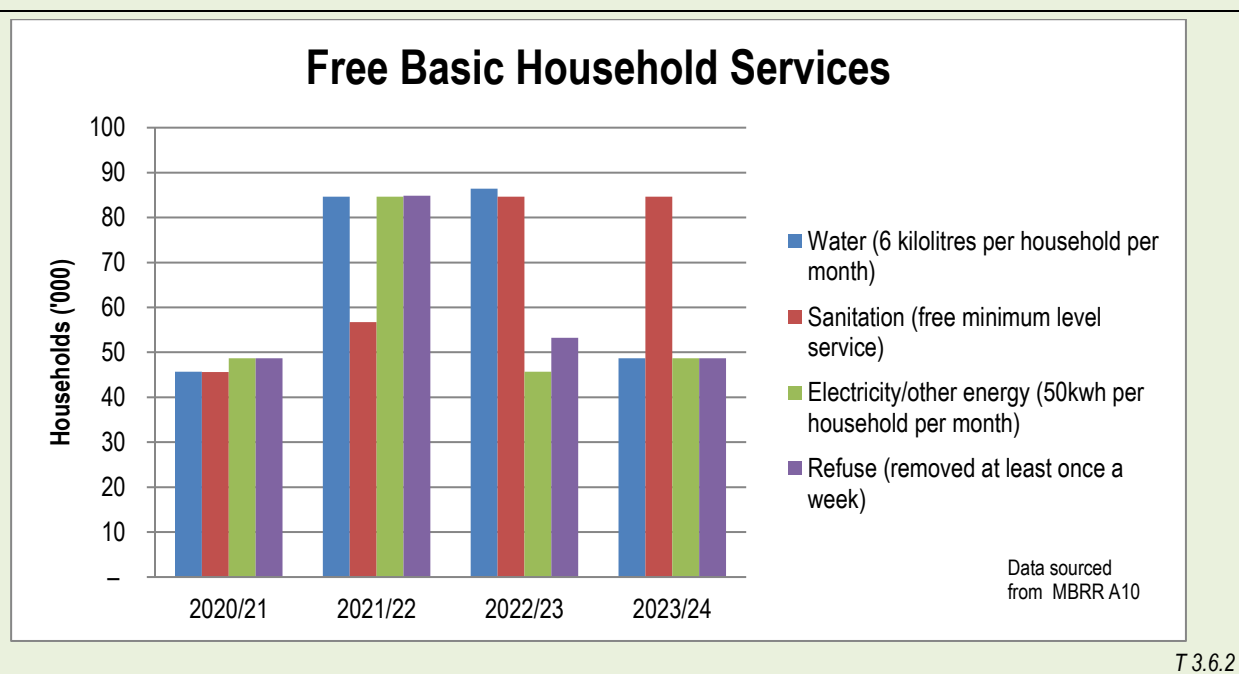
INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. A portion of this income (equitable share) is earmarked for indigent relief which is used to alleviate and address poverty.

Greater Taung Local Municipality being predominately rural, widely, and sparsely scattered, historically disadvantaged and having high unemployment is still behind with basic services. This situation of the municipality also contributes to high installation of new services and exhausting the limited funding. Also qualifying the majority of the needy community to afford installing services themselves or paying for rendering of those services, therefore necessitating the Free Basic Services' assistance and to ensure social benefit for indigents is provided to deserving household through indigent support programmes and free basic services and to improve debt collection and implement credit control measures.

Greater Taung Local Municipality is only facilitating the provision of water, sanitation, and electricity of which Eskom is implementing the electricity projects and Dr R. S. Mompoti District Municipality is an authoritarian of the rest.

T 3.6.1



T 3.6.2

Chapter 2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R5,420 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2023/2024	3,213	203	13	6.4%	162	5%	39	1.21%	191	5.94%
2022/2023	3,571	203	10	5%	203	100%	32	15%	203	100%
2021/2022	20,851	392	5	1.27%	143	6.24%	11,619	84%	143	5.71%
T 3.6.3										

Financial Performance 2023/2024: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2022/2023	2023/2024			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%
T 3.6.4					

FREE BASIC SERVICES AND INDIGENT SUPPORT

Greater Taung Local Municipality has a large number of indigent households. This gives an indication of the challenges that is faced by Greater Taung Local Municipality with regard to social services as well as generation to boost income and Socio-Economic Investment, therefore remedial actions must be taken to improve livelihood for the poor.

Revenue Unit held meetings with Councillors, relevant Directors and Stakeholders arranging the road shows and campaigns to improve indigent registration process. Awareness campaigns were conducted across most of the municipality wards with different stakeholders, to give people the basket and increase access of free basic services to the poor of the poorest. In 2021 we managed to register 10,000 people to our indigents register, though all of them are not benefiting due to different challenges but most do benefit. The challenges may be some of indigents do not collect their monthly electricity token and they submit incorrect and incomplete information.

Funds are available to subsidise indigents, the support given to them: they receive 50kw of electricity, 6kl of water, 50% subsidy on property rates, 100% refuse and 100% sanitation on a monthly basis.

The Greater Taung Local Municipality Indigent policy states that in order to qualify as an Indigent, the household income should be R5,420.00 / less (determined by Council from time to time) or unemployed and/or a pensioner, the more Indigents registered, the more equitable we acquire, the person whose name a property is registered on, the applicant may not be the owner of more than one immovable property and must be a full-time occupant of the residential property and must not own a business.

Chapter 2

Registered indigents and the members of the indigent household headed by that registered indigent must be prepared to participate in exit programme verified by Councillors, approved by Revenue Manager and co-ordinated by municipality collaboration with other government departments and private sectors. The FBS on electricity is budget for the Reivilo area as well as the residents serviced by Eskom.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

INTRODUCTION TO ROADS

The Greater Taung Local Municipality comprises of twenty-four (24) wards, two (2) small dorpiess, three townships and 107 rural villages. Streets within villages are in bad conditions and been prioritised as most needed in most wards. The municipality is augmenting the development of roads infrastructure by constructing 2.89km of block paved streets at Pudimoe and Reivilo using Own Funding and EPWP IG. The municipality is also blading streets to cemetery, tribal authorities, schools, and community halls as and when required to make streets rideable for ease access.

The municipality has consistently been gaining backlogs with regards to road and stormwater infrastructure development and maintenance. This financial year the municipality could only cater for 7.2km of access road and 2.6km of storm water infrastructure through Municipal Infrastructure Grant. The Department of Public Works also assist in some instances however, the backlogs are immense. Municipality has appointed Service Providers to source funding on its behalf to alleviate the infrastructure backlogs.

T 3.7.1

Gravel Road Infrastructure

				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded / maintained
2021/2022	2,155.0	0	6.4	400
2022/2023	2,148.7	0	7.4	400
2023/2024	2,141.3	0	8.9	200

T 3.7.2

Paved Road Infrastructure

					Kilometres
	Total block paved roads	New block paved roads	Existing tarred roads re-tarred	Existing tar roads re-sheeted	Surfaced roads maintained
2021/2022	79.8	3.0	0	0	25.0
2022/2023	82.8	7.4	0	0	25.0
2023/2024	90.2	8.9	0	0	25.0

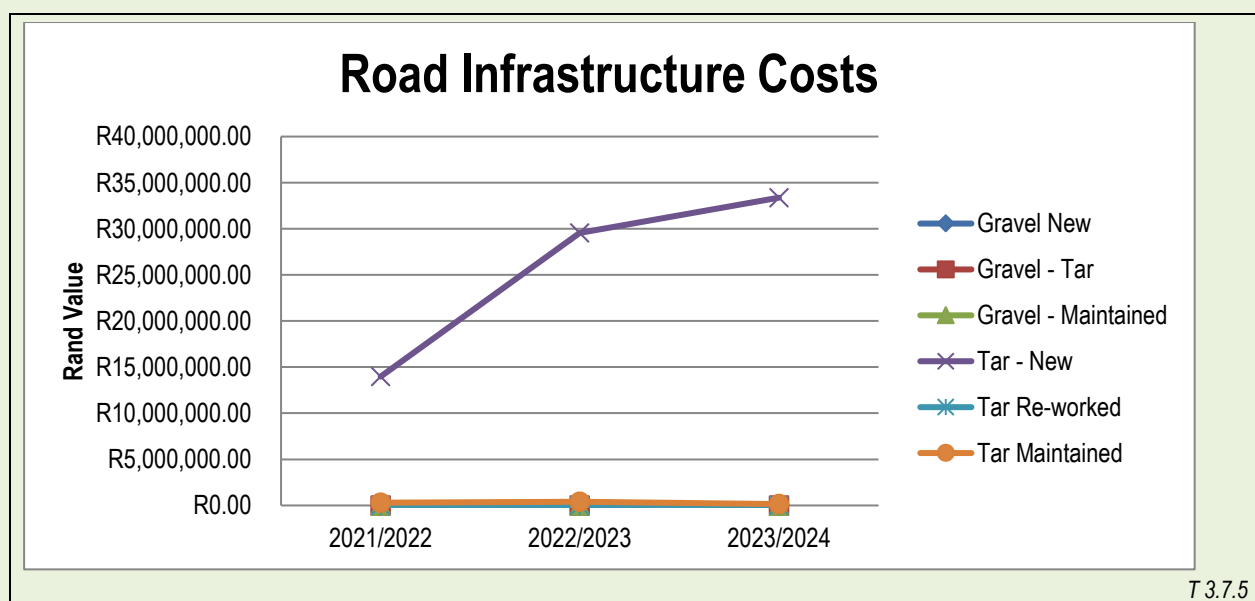
T 3.7.3

Chapter 2

Cost of Construction/Maintenance (graph excel 3.7.4)						
R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2021/2022	R0.00	R0.00	R0.00	R13,970,292.03	R0.00	R316,500
2022/2023	R0.00	R0.00	R0.00	R29,561,831.77	R0.00	R400,000
2023/2024	R0.00	R0.00	R0.00	R33,374,812.87	R0.00	R150,000
T 3.7.4						



Buxton village Access Road completed in 2023/2024. The road was satisfactorily completed.



Chapter 2

Employees: Roads and Storm Water Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	32	24	8	25%
4 - 6	8	8	0	0%
7 - 9	10	10	0	0%
10 - 12	2	2	0	0%
13 - 15	5	4	1	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
Total	57	48	9	16%

T 3.7.7

EMPLOYEE ROAD SERVICES

In terms of the municipal organogram the municipality has roads and storm water unit responsible for both functions as results above template will address employee information for roads and stormwater.

T 3.7.7

THE PERFORMANCE OF ROADS OVERALL

The four largest capital projects form part of the municipal IDP and have been in strategy positions e.g. access to government institutions, cemetery streets, tribal authorities, trading centres. The capital expenditure is catered for development of new infrastructure, operating expenditure is for maintenance of the existing infrastructure to extend its life span. The municipality has a backlog in terms of road construction, MIG, EPWP IG and Own Funding are alleviating the situation however it is insufficient.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The Greater Taung Local Municipality only renders a service for the renewal of vehicle licenses in Reivilo and does not operate any public transport facility and therefore no project is relevant to this section meaning that this section is not relevant to the municipality and there for it will apply to all the sub-sections that follow.

T 3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

This section and all the sub-sections were merged with Section 3.7 that deals with Road Infrastructure.

T 3.9.1

Chapter 2

PERFORMANCE HIGHLIGHTS 2023/2024

KPA 1: Basic Service Delivery and Infrastructure Development

- Constructed 24 high mast lights (Phase 7) in various wards and villages.
- Constructed 1 community hall in Mothanthanyaneng village.
- Constructed 7.2km access roads in Extension 7, Managaneng and Buxton.
- Constructed 2.89km paved roads in Reivilo and Pudimoe.
- Constructed 2.6km Kgatleng storm water channel.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning; and local economic development.

3.10 PLANNING

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipalities' planning strategies are always guided by the IDP and the SDF as an IDP component. The municipal SDF has for the past 5 years (2017 - 2022) envisioned efficient spatial restructuring supported by the following objectives: guiding land allocation and settlement development; promoting optimal spatial allocation of resources in development planning; sustainable development of the municipality's economic resources in pursuit of economic vitality and independence and providing a spatial basis for stakeholder cooperation as an important key to addressing spatial challenges.

As part of achievements, the Town Planning has managed to reinforce its relations with the Mokgopela Traditional Council by way of collaborating and engaging on the Mogopela / Pudimoe Priority Human Settlements and Housing Development Area (PHSHDA). Our challenges are still centred around minimal implementation of spatial tools that gives rise to the following - upspring of development not informed by the SDF; service delivery projects not properly coordinated spatially; minimal and/or lack of enforcement (COB area and areas allocated by Traditional Councils).

Our top three (3) service delivery priorities for the 2023/2024 year were:

1. Pudimoe Township Establishment (extension) - to expand the municipalities revenue base as the municipality depends on only 3 townships for revenue collection. All the necessary planning requirements close to completion (township register and EIA in their final stages); however, the issue of infrastructure services is still being resolved.
2. Title Deed registration in Boipelo - the process of transferring / correcting title registration / registration of 78 properties in Boipelo township.
3. Administration / receiving of land development applications - deciding on land use development application submitted to the Municipality as per the Spatial Planning and Land Use Management Act (16 of 2013). The establishment of the Municipal Planning Tribunal and the process and procedures in place have impacted on the deciding of applications submitted.

The implementation of the Spatial Planning and Land Use Management Act (Act 16 of 2013) has played a key role in improving performance and major efficiencies. As difficult as it is to enforce the municipal Land Use Scheme - we have collaborated with relevant stakeholders (e.g. Department of Public Works

Chapter 2

and Infrastructure) in addressing land use inconsistencies. However, improved management and/or administration of the CBD area is required in order to create a favourable central business area for businesses and community members.

Our planning strategies are set in the Municipal Spatial Development Framework (SDF) with the following main element – efficient spatial restructuring; supported by the following objectives: guiding land allocation and settlement development; promoting the optimal spatial allocation of resources in development planning; sustainable development of the municipality's economic resources in pursuit of economic vitality and independence; and providing a spatial basis for stakeholder cooperation.

The major challenge encountered would be resistance/ lack of cooperation from Traditional Authorities when addressing spatial issues (misinformed land allocations practices) and also lack of cooperation from Sector Departments (particularly Public Works) when it comes to coming up with a way forward on their properties in the municipal area. The main achievement (despite the challenges addressed) was the signing of MOU's/ Partnership Agreements between all 3 Traditional Authorities.

Planning and Development in the municipality is limited to three proclaimed areas (Reivilo and Boipelo; Pudimoe and Taung). The rest of the municipality is characterised by dispersed villages covering the Northern, Eastern and Southern parts of the municipality; and private farms covering the Western side of the municipality. Although, developments do take place in villages, there are planning processes that are overlooked. The biggest challenge, therefore, is the municipality not administering the entire municipal area as required by the Spatial Planning and Land Use Management Act, 2013.

The Spatial Planning and Land Use Management Act, 2013 has presented to the municipality the opportunity of administering the entire municipal area with tools such as the Spatial Development Framework; Environmental Development Framework and Land Use Scheme. However, this should be done in partnership with the three Traditional Councils (Ba-Ga Phuduhucwane, Ba-Ga Mothibi and Ba-Ga-Maidi).

Each of the tools mentioned play a key role in planning and development of the municipality. The Spatial Development Framework is developed to provide a representation of land development policies, strategies, and objectives of the municipality. Whereas the Land Use Scheme is developed to guide and regulate land uses within the municipality.

- Township Establishment
- Township Regeneration
- Deeds Registration
- Implementation of SPLUMA
- Development Applications
- Disposal of Immovable Assets

T 3.10.1

Chapter 2

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning, Sub-Division & Consolidation		Built Environment	
	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Planning application received	0	0	0	2	10	16
Determination made in year of receipt	0	0	0	0	10	2
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	2	0	14
T 3.10.2						

Employees: Land Use & Human Settlement Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	0	0	0	0%
10 - 12	4	2	2	0	0%
13 - 15	2	0	0	0	0%
16 - 18	2	2	2	0	0%
19 - 20	1	1	0	1	100%
Total	10	5	4	1	20%
T 3.10.4					

Financial Performance 2023/2024: Land Use & Human Settlement					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.10.5					

Chapter 2

Capital Expenditure 2023/2024: Planning Services					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	%	
No projects for this unit in the year under review					
					T 3.10.6

THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Achievements:

The unit receives land use applications which shows that there is compliance with our by-laws and Land Use scheme although most of them are in our proclaimed township (Pudimoe and Taung Ext 6) a few still comes from our communal land(villages) which are mainly consent for Telecommunication masts.

Challenges:

The municipality does not own a lot of land therefore land use development is limited although there is a lot of physical changes in traditionally owned land, they are not in compliance with our Wall-to-Wall Land Use Scheme.

Future plans:

Request land from our traditional authorities to develop more township and assist in meeting up with the demand of municipal residential stands and contributes to generating revenue for our municipality through rates and taxes.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

The Greater Taung Local Economic Development (LED) Strategy aims to provide a platform for economic development and collaboration between government, business, and the community. It is aligned to the National Local Economic Development Framework 2018 – 2028 and the subsequent draft National LED Implementation plan. The strategy demonstrates a firm commitment to alleviate poverty, attract investment, and create new jobs while taking advantage of local development opportunities.

The main focal areas of the municipality's economic environment are depicted in the LED strategy as follows.

Chapter 2



The municipality currently has a limited budget and will therefore not be in a position to implement programs for all the focal areas. Given the current financial state of the municipality, the LED unit has identified three of the five focus areas, that is, Agriculture, Small Business Development and Tourism for implementation in the financial year 2024/2025.

The municipality has contributed to Small Business Development through the allocation of equipment relevant to their respective line of business. As at the end of June, twenty (20) small businesses have benefited from the grant. In addition, we have ensured that small businesses are capacitated through information sharing workshops and trainings leading to access to funding from various stakeholders.

Local economic Development is implemented through a multi-stakeholder's approach, which requires the municipality to facilitate the process of creating a platform for participation. This has been done by hosting a functional LED Forum on a quarterly basis.

Tourism is public sector led or supported, and private sector driven. As a way of supporting the development of the tourism sector in our municipality, the municipality embarked on an awareness campaign on the Tourism attractions available within the boundaries of Greater Taung.

T 3.11.1

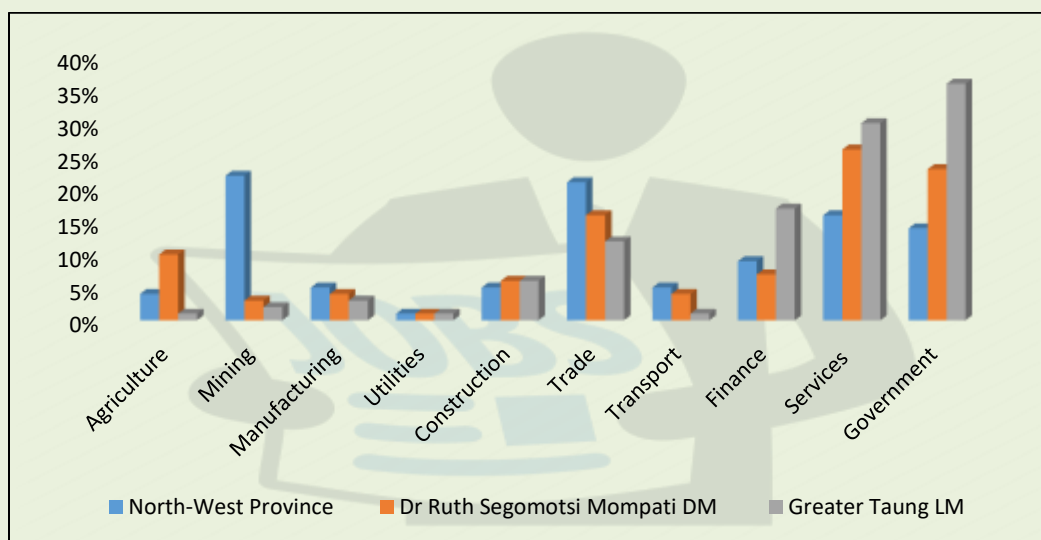
Economic Activity by Sector			
Sector	2021/2022	2022/2023	2023/2024
Agric, forestry and fishing	1.0%	1.0%	1.0%
Mining & quarrying	0.9%	0.9%	0.9%
Manufacturing	4.6%	4.6%	4.6%
Wholesale and retail trade	11.1%	11.1%	11.1%
Finance	10.0%	10.0%	10.0%
Govt, community a social service	70.9%	71.0%	71.0%
Infrastructure services	1.5%	1.4%	1.4%
Total	100.0%	100.0%	100.0%

T 3.11.2

Chapter 2

Economic Employment by Sector			
Sector	2021/2022	2022/2023	2023/2024
Agric, forestry and fishing	671	666	662
Mining & quarrying	604	600	596
Manufacturing	3,086	3,064	3,047
Wholesale and retail trade	7,446	7,394	7,353
Finance	6,708	6,661	6,624
Govt, community and social services	47,561	47,228	47,030
Infrastructure services	1,006	999	927
Total	67,082	66,612	66,240

T 3.11.3



LOCAL JOB OPPORTUNITIES

The Greater Taung Local Municipal LED strongly support the poverty alleviation projects in order to improve the community livelihood and create sustainable and decent jobs.

Economic growth in the municipality is basically stagnant with the exception of building of residential houses which is moderately active. Government, Community and Social Services is still the biggest employer and are there for also responsible for the biggest turnover. The Taung Skull Site at Buxton is currently drawing the most attention relevant to tourism opportunities in the area. Other tourism opportunities like for e.g. the Taung Dam still need a lot of groundwork to be done with the relevant Traditional and other Government Institutions.

The municipality need to give valuable support to the local SMMEs, especially the existing businesses, because they will create collectively the most jobs in the economy with the increasing number of the street traders, it is critical that we manage this sector efficiently through our monitoring and business support programmes. In the medium to long term, it is critical that we complete the integrated sustainable development plans so that we can budget adequately to support the various economic opportunity nodal developments.

The employment distribution in an economy refers to the proportional level of unemployment in each economic sector. This information allows for the identification of key sectors and labour absorptive

Chapter 2

industries as well as determining the need for employment diversification. illustrates the distribution of employment in the Greater Taung LM compared to the Dr Ruth S Mompoti District Municipality and the North West Province.

Employment in the Greater Taung LM is relatively concentrated, compared to the distribution of output. The key employment industries in the Greater Taung LM are Government (36%); Services (30%), Finance (17%) and Trade (12%). The high level of employment in these industries is consistent with other rural economies across South Africa. These opportunities are identified as having the potential to absorb local labour and thus will be emphasised throughout the Greater Taung LM LED Strategy.

T 3.11.4

Jobs Created during 2021/2022 – 2023/2024 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost / displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	No.
2021/2022	20	0	20	Municipal Projects
2022/2023	25	0	25	Municipal Projects
2023/2024	0	0	0	N/A

T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2021/2022	16	167
2022/2023	23	360
2023/2024	5	177

T 3.11.6

Employees: Local Economic Development Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	0	0	0	0%
7 - 9	0	0	0	0%
10 - 12	3	3	0	0%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
Total	4	4	0	0%

T 3.11.8

Chapter 2

Financial Performance 2023/2024: Local Economic Development Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Exp					
Net Operational Exp					
T 3.11.9					

Capital Expenditure 2023/2024: Economic Development Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for this unit in the year under review					
T 3.11.10					

LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The strength of the Greater Taung local economy is mainly concentrated in the Services, Agriculture, and Trade and Transport sectors. From a development perspective the Transport and Services sectors are regarded as demand driven. This means that growth in these sectors is a reaction to growth in the other sectors (i.e. demand driven) of the economy and will thus expand if the other sectors in the economy grows.

According to the LED strategy, the sectoral data revealed a competitive advantage in the Mining sector during 2004. Since then, the Pering mine has closed down. Other operational mining activities in the area are marble, gravel and diamonds. According to the Council for Geosciences (2006) a variety of mineral deposits can be found in the Municipality. Mining in Greater Taung is thus currently classified as small-scale but developing. The local Mining sector revealed good potential for expansion and the creation of more employment opportunities for local people.

The Trade and Agricultural sectors are also regarded as key sectors for development intervention. These sectors indicated strong development potential and are currently the main provider of formal employment opportunities in Greater Taung (excl. government services). It is however of concern that these sectors experienced slow or even negative production growth rates since 2011.

The potential analysis furthermore revealed the importance of the Tourism sector. This sector is currently regarded as a small with little development taking place (apart from a few guest houses). The area does however have growth potential in this sector especially around the Taung Dam and the Skull Fossil site. The importance of growth in the Tourism sector is not only limited to employment creation but also regarded as a central player in the marketing of Greater Taung as an attractive investment environment.

Chapter 2

PERFORMANCE HIGHLIGHTS 2023/2024

KPA3: Local Economic Development

- 123 jobs created through local procurement.
- 99 jobs created through EPWP.
- 78 jobs created through MLIP.
- 4 LED forum meetings held.
- 1 tourism event held.
- 336 SMME supported through skills development.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and community halls; cemeteries and crematoria.

3.12 LIBRARIES; COMMUNITY FACILITIES; (ETC)

INTRODUCTION TO LIBRARIES

Community libraries possess a unique value in a community in that they are free to all citizens of the municipality regardless of age, race, religion, gender, or social standing. They provide a gateway to knowledge, access to information for life long- learning, independent decision making and recreational activities for the whole community. The overarching goals of the library service are to assist the nation with its goal of eliminating illiteracy and to narrow the digital divide that accentuates disparities in development by providing access to information and knowledge.

The purpose of the library services is to advance service delivery in all community libraries, to improve existing libraries within the municipality and to transform urban and rural community library infrastructure, facilities, and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives. Municipality receives conditional grant allocation every year from the Provincial Department of Culture, Art, and Traditional Affairs for library infrastructure improvement.

Greater Taung Library and Information Service is preserving the past and securing the future through providing free access and guidance to information which fulfil the intellectual, educational, social, and recreational needs of the people of Greater Taung in order to improve their quality of life.

Community Libraries' intent is to function as development agents providing dynamic Library and Information Services to all the people of Greater Taung in their quest for lifelong learning, literacy, cultural expression, recreation, and economic development. Libraries in the municipality is managed and controlled under various legislation guides of whom the following two is the most important. The Constitution of the Republic of South Africa: According to schedule 5A Public Libraries are the competency of Provincial Government and for the fact that this is an unfunded mandate. This situation is addressed by receiving conditional grants and equitable share transfers from Provincial Government. South African Public Library and Information Services Bill (Draft). The draft bill will set uniform minimum norms and standards, principles for Library and Information Services, Institutional arrangements, Inter Governmental arrangements, and Assignment of functions.

Chapter 2

THE PERFORMANCE OF LIBRARIES

Objective 1. Access to library facilities:

During the year under review, the municipality submitted two Capital Library project proposals to ACSR for Manthe and Sekhing villages. The aim of the submission was to accomplish the mission of extending library services to far remote areas of the municipality.

Objective 2. Facilitating the development of literacy skills:

120 school going children from two primary schools and two high schools in Pudimoe cluster participated in our literacy programs which includes reading and spelling competitions. Prizes such as trophies, medals and smartphones were awarded to winners.

Library Grant received:

The municipality received R 716,000 (national grant) which was spent on salaries of three library assistants and R 335,000 (provincial grant) which was spent on library operations.

T 3.12.7

3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES AND CREMATORIALS

The municipality only provide services at the three Townships graveyards which are: Reivilo, Taung and Pudimoe. the municipality is also assisting with the cleaning of graveyards as and when requested in all communal graveyards within the jurisdiction of the municipality. The municipality is offering cemeteries services such as digging of graves, self-dug, issuing of grave numbers and cleaning of graveyards. All these services are administered for purposes of internal control through the administration process of bookings and payments.

With regard to crematorium, Greater Taung Municipality has never conducted any cremation services in its entirety and if such services are required, Dr Ruth S Mompoti District Municipality will be approached for assistance.

T 3.13.1

THE PERFORMANCE OF CEMETORIES AND CREMATORIALS OVERALL

The municipality provide administrative services and excavation of graves to communities for burials at municipal cemeteries which are: Pudimoe Township, Boipelo Township, Reivilo Town and Taung depot also maintenance as and when at the sites. The municipality gives service in the rural villages as may be requested from time to time with reference to fencing of graveyards.

T 3.13.2

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations, and repairs to all municipal facilities. During the period under review the municipality conducted routine maintenance function in Community Halls, Parks, Sports facilities, and municipal offices. The Municipality has 106 facilities (inclusive of municipal offices, community halls, sports facilities, and libraries). The Municipal Buildings maintenance plan has been

Chapter 2

developed for Municipal offices, including community and sports facilities, however the structural assessment for Community halls and facilities has been conducted on annual basis.

The childcare function is the responsibility of the Department of Social Development. However, the Municipality assists annually with school uniforms and food parcels for vulnerable children.

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and costal protection.

3.15 POLLUTION CONTROL

The Municipality has a constitutional mandate to ensure that it guarantees everyone the right to an environment that is not harmful to their health or wellbeing and to have the environment protected for the benefit of present and future generation through reasonable legislative and other measures that prevent pollution, ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The Municipality achieves this through:

- Waste Management.
- Biodiversity Management.
- Environmental Education and Awareness.
- Enforcement and compliance.

T 3.15.1

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

This function is not relevant to the Greater Taung Local Municipality.

T 3.16.1

COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

T 3.17

3.17 CLINICS

In terms of schedule 4b of the constitution of the republic of South Africa, the health function is allocated to department of health in the province and Greater Taung Local Municipality does not account for this function.

T 3.17.1

Chapter 2

3.18 AMBULANCE SERVICES

In terms of schedule 4b of the constitution of the republic of South Africa, the health function is allocated to department of health in the province and Greater Taung Local Municipality does not account for it.

T 3.18.1

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

In terms of the allocation of powers and function as allocated by the MEC in the province, the Dr Ruth S Mompoti District Municipality is performing the function of behalf of the municipality and few officials of the district are seconded to the municipality to execute the function.

T 3.19.1

COMPONENT G: SECURITY AND SAFETY

3.20 POLICE

This function is not relevant to the Greater Taung Local Municipality.

T 3.20.1

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Fighting Service is not a Local Municipal function. The District Municipality is also responsible for provision of firefighting service to Kagisano-Molopo, Mamusa and Greater Taung Local Municipalities in terms of Section 84 (1) j of the Municipal Systems Act 32 of 2002. The Act further describes the local function as:

- Preventing the outbreak or spread of a Fire Fighting or extinguishing a fire
- The protection of life or property against a fire or other threatening danger
- The rescue of life or property from a fire or other danger

T 3.21.1

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

This function is a shared service between the Greater Taung Local Municipality and The Dr Ruth S Mompoti District Municipality.

T 3.22.1

Chapter 2

COMPONENT H: SPORT AND RECREATION

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Municipality has several Municipal Amenities. These amenities are used for various events and activities ranging from sport, music, meetings/conference, burial activities, community activities and needs like church or wedding council activities. The municipality has developed the following Municipal Amenities:

- Community Halls - 31
- Sports Fields - 10
- Parks and Recreation - 2
- Municipal Offices - 4
- Houses - 42
- Thusong Centres - 5
- Libraries - 5
- Municipal Toilets at Reivilo Town - 1
- Reivilo Golf Club - 1
- Swimming Pool - 1
- Taxi Rank: maintenance only - 1
- Municipal open spaces - all municipal sites
- Cemeteries - 3

T 3.23.1

Employee: Parks and Amenities				
Job level	2023/2024			
	Posts No	Employees No	Vacancies (fulltime Equivalents) No	Vacancies (as a % of total posts)
0 - 3	28	24	4	14%
4 - 6	2	2	0	0%
7 - 9	0	0	0	0%
10 - 12	1	1	0	0%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	32	28	4	13%

T 3.23.3

THE PERFORMANCE OF PARKS AND RECREATION OVERALL

Parks and Recreation Division are dedicated to enhancing the quality of life of Greater Taung residence by providing recreational and leisure time opportunities. The division is also responsible for the planning,

Chapter 2

development and maintenance of the municipal parks, landscape maintenance and other public properties owned by the municipality.

Our Park division preserves and maintains the municipal investment in the community park, sport facilities and amenities. A key element in the Parks and amenities Division is periodic and preventive maintenance of these assets. The workforce is assigned regularly scheduled maintenance activities, in addition to managing the inevitable unforeseen or emergency repair.

These assignments ensure that all parks, sport field and amenities are inspected, maintained, repaired and in operable condition for the community to utilized. The parks and recreation Division is furthermore accountable for the design and construction of the parks and the restoration and renovation of some of the municipal mature parks and amenities. Additionally, the division works with PMU, Spatial Planning and Development staff on forecasting, comprehensive planning and for implementation of large-scale projects.

T 3.23.4

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that the municipality comprise of Councillors, Officials, and the Community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained, and included in the IDP for service delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address the service delivery matters the municipality must within limitation approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff, and this can only be achieved through the costed organogram that must be cost effective but also providing sufficient management and other position in order to be able to render effective and satisfactory delivery of services.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes Executive office (mayor; councillors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In accordance with chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 1996, the Executive and Legislative authority of a municipality is vested in its Municipal Council.

The Municipality is an ExCo type and comprises 24 Wards. It is led by a Council made up of 48 members, the Speaker, Mayor, and the Executive Committee. The Mayor is the Head of Executive Committee

Chapter 2

(ExCo) which comprises of 8 Councillors who head various departments and serve in portfolio committees. Section 152 of the Constitution spells out categorically clear, the objectives of Local Government and the powers and functions of municipalities are determined in section 156 of the Constitution.

The executive authority of the Council is vested with the Mayor who must however report to Council and is assisted by the members of the Executive Committee established by the Mayor and can take decision. However, there are certain matters on which the Mayor as the Head of the municipality cannot take decisions i.e. the approval of the Budget, IDP and By-Laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated to the Mayor by Council who will in turn also sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to Directors who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government:

- (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

T 3.24.1

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

This department deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all community proposals in terms of projects. The department must develop budget related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of the approved policy.

T 3.25.1

Chapter 2

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2022/2023		2023/2024			2024/2025	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R26,213,810	83%		R32,693,372	76%	0	0%
Electricity - B (Con)	N/A	N/A		0	0	0	0%
Electricity - C (Prepaid)	R3,591,701	68%		R4,489,761	75%	0	0%
Water - B	N/A	N/A		0	0	0	0%
Water - C	R1,198,520	38%		R1,964,993	35%	0	0%
Sanitation	R2,861,916	64%		R4,311,109	54%	0	0%
Refuse	R4,117,811			R6,189,610	66%	0	0%
<i>B- Basic; C= Consumption</i>							<i>T 3.25.2</i>

Concerning T 3.25.2

The low collection rate that is above 40% on property rates is due to the fact that the municipality is rural, and majority of people are unemployed and are indigent.

T 3.25.2.1

Employees: Financial Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	0	0	0	0%
4 - 6	3	0	0	0	0%
7 - 9	19	16	16	0	0%
10 - 12	6	12	12	0	0%
13 - 15	1	1	1	0	0%
16 - 18	4	5	4	1	20%
19 - 20	1	1	0	1	100%
Total	35	35	33	2	6%
<i>T 3.25.4</i>					

Chapter 2

Financial Performance 2023/2024: Financial Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	301,534,272	330,883,455	330,403,455	311,143,766	94%
Expenditure:					
Employees	115,032,617	134,368,451	133,143,661	115,032,617	86%
Repairs and Maintenance	22,696,387	21,264,550	21,264,550	27,149,633	124%
Other	182,091,107	206,628,106	196,628,817	182,091,107	88%
Total Operational Expenditure	319,820,111	362,261,107	359,974,663	392,663,466	109%
Net Operational Expenditure	319,820,111	362,261,107	359,974,663	392,663,466	109%
T 3.25.5					

THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The overall financial performance of the municipality has been a healthy one coupled with savings from various votes (low priorities) as opposed to poor expenditure. That is catering, S&T, etc. The municipality's overall budget has been funded for the past five years.

The municipality has been able to abide by the cost containment controls implemented by the National Treasury. The centralisation of SCM processes has also yielded positive results in ensuring that irregular expenditure is curbed and all SCM processes are followed when procuring goods and services. Employee costs are well within the budget. The municipality has been able to settle its creditors in time which is a positive.

The municipality is grant dependent and this has remained a pivotal hindrance to achieving our goal which is 100% implementation of all IDP projects. The low grant allocation coupled with low collection remains a thorny issue. However, the municipality is in a process of developing a revenue enhancement strategy that would seek to attract more funding and create new revenue base. Government debt has reduced as some of the departments have been able to pay their debts in 2023/2024. The magnitude of "the culture of non-payment" of services by the community is also an issue which should be addressed if indeed the municipality is to reduce reliance on grants and improve in rendering services. There has been a great improvement in the reconciliation of the valuation roll through data cleansing. Our debtors book credibility has also improved through the process of data cleansing.

All priorities have been budgeted for and are part of the IDP. The municipality needs to improve on the budget for maintenance, especially on electricity. Unfunded mandates like the repairs and maintenance on water infrastructure is a burden to the municipality and comes at a remarkably high cost. Water infrastructure within the municipal jurisdiction is the property of the district municipality and yet is maintained by us.

T 3.25.7

INTRODUCTION TO HUMAN RESOURCE SERVICES

Achievement:

Since the beginning of the year, there has been tremendous achievement in terms of Human Resources operations. All relevant human resource policies are in place. There is a fully functional Local Labour Forum and There is a bursary scheme in the form of “Study Assistance” which has helped employees to achieve their academic dreams, including utilisation of training resources which assisted immensely in developing employees.

Recruitment:

Human Resource played a vital role in ensuring that the Municipality achieves its IDP goals by employing new employees to ensure that services are provided to our communities as part of our commitments.

Employee wellness interventions:

Employee wellness programme was provided to Municipal employees who suffered physical, emotional, and financial disorders. Authorisation has been provided for all employees who requested assistant for employees Clinical Psychologist sessions.

Occupational Health and safety:

In terms of the OHS Act, the employer is obliged to ensure that health and safety measures are observed at all times and further that its activities are performed in a diligent manner that will not any one's health at risk. OHS Committee members were enrolled on First Aid Training.

Challenge:

No challenges were encountered in terms of Labour relations in the Municipality. However, one disciplinary hearing was initiated against one of the employees and the sanction was then made, the employee is still in employment.

Occupational Health and Safety:

Covid 19 was the challenge which affected the regulated working conditions whereby the working hours had to be flexible in order adhere to the introduced Disaster regulations.

Future plans:

A continuous workshop on labour matters is intended to be conducted for the employees in that they become aware or reminded of the code of conduct in the Municipality to minimise acts of misconduct.

HR Policies:

Council reviewed the following policies.

- Recruitment and Selection Policy
- Training Policy
- Transfer Policy
- Vehicle Allowance Policy
- Subsistence and Travelling Allowance Policy
- Cell Phone Policy
- Leave Policy
- Employee Assistance Policy

Chapter 2

Organisational Organogram:

In terms of Section 66 (1) of Municipal Systems Act, A Municipal Manager, within a policy framework determined by the policy framework determined by the Municipal Council and subject to any applicable legislation must develop a staff establishment to the Municipal Council for approval.

The structure was therefore submitted to Council together with the IDP for approval on the 31 May 2022.

There are five directorates established which are:

1. Office of Municipal Manager comprised of the following Units:

- 1.1 Performance Management
- 1.2 Communications and Marketing
- 1.3 Internal Audit

2. Community Services, the Department has just introduced the Traffic Services Unit:

- 2.1 Municipal Amenities
- 2.2 Libraries
- 2.3 Environmental and waste Management

3. Infrastructure which is comprised of the following Units:

- 3.1 Roads and Storm Water
- 3.2 Project Management
- 3.3 Water and Sanitation
- 3.4 Electricity

4. Corporate Services comprised of the following Units:

- 4.1 Human Resources Management
- 4.2 Legal
- 4.3 Administration and Council Support
- 4.4 Information Technology

5. Spatial planning and Human Settlements which is comprised of the following Units:

- 5.1 Human Settlement
- 5.2 Town planning
- 5.3 IDP
- 5.4 LED

The above-mentioned Directorates are headed by the Section 56 Managers and all positions are filled. The salary bill of the Municipality is currently standing at 49% of the equitable share allocated.

Recruitment:

The HR Unit has a responsibility of filling all vacant positions with a target of 10 per annum.

- 10 positions were therefore filled during the financial year
- 3 resignations
- 2 retirements and 2 deaths

T 3.26.1

Chapter 2

Employees: Human Resource Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	3	3	3	0	0
13 - 15	0	0	0	0	0
16 - 18	0	1	1	0	0
Total	5	6	6	0	0

T 3.26.4

Financial Performance 2023/2024: Corporate Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Information contained in the Annual Financial Statement				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.26.5

Capital Expenditure 2023/2024: Human Resource Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Physical Security Guards Services	36,000,000	40,000,000	44,809,937	112%	44,809,937

T 3.26.6

THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL	
The Human Resource Management has done well, we managed to fill all vacant positions except that of Fleet Manager, Assets Manager and LED Manager, which their recruitment is underway.	

T 3.26.7

Chapter 2

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT Unit is the backbone of communication in this institution but without proper resources it is difficult to reach maximum performance on in-house service delivery also externally. Efforts have been made to upgrade and update the ICT systems and so far, the municipality managed to make minor changes. The ICT services in the Greater Taung Local Municipality are mainly to ensure that new technology is introduced to the municipality and that the current systems are maintained and updated.

The overall ICT functions are as follows:

1. Internal LAN/WAN monitoring and management
2. Maintenance of ICT Hardware
3. Procurement of Hardware/Software
4. Systems administration and operations on servers (daily back-ups, replication to DRP server etc.);
5. Access control of users to systems;
6. Managing of the general ICT operations.

IT Infrastructure State:

All relevant ICT Infrastructures are in place which can accommodate the systems that need to be in place at local government level.

IT Risks/Security:

ICT Risks do form part of the municipality's Institutional Risk Assessment Process and Register which is being updated quarterly. The physical risks are limited to end-user level. The servers are kept in a secure room and Enviro Rack which at the time of procurement complied with ISO Standards.

Outsourced ICT Services:

Inzalo (Sebata) was appointed to roll out the MSCOA compliance project and only essential services still relevant to that project and the Exchange Server were kept.

Equipment and ICT related services are rendered by Agapet Technologies.

Telkom is responsible for telecommunications.

Vodacom provides data on contract.

Challenges:

The Unit also had to support all officials within the entire area of the municipality which is a challenge due to the vastness and rural nature of the area.

The mobility of the Unit due to available transport is a challenge also considering the minimal amount for refund of expenses on the use of own vehicles.

Dependency on external networks and the reliability thereof does have an impact on connectivity in some areas.

Future Plans:

To improve connectivity and telecommunications equipment.

Assist Corporate Services to roll out a document management system.

The rural nature of the municipality requires the municipality to explore opportunities with regard to the latest satellite technology to improve communications as well as utilizing the internet "cloud" to improve service delivery:

Chapter 2

The following are challenges that impedes maximum performance of IT unit:

- ICT Portfolio Committee
- Internet Service Provider
- Network monitoring tool
- Dedicated budget for ICT purposes
- Upgrade to current physical and logical network infrastructure
- Availability of transport to junior IT staff

T 3.27.1

Employees: ICT and Communications Services				
Job Level	2023/2024			
	Posts	Employees	Vacancies / (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	0	0	0	0%
10 - 12	3	3	0	33%
13 - 15	1	1	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
Total	5	5	0	0%

T 3.27.4

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Panel of Legal Advisors

Litigations:

As of now there is about 70% success rate, 25% of matters pending and beyond our control as well as 5% of matters that were unsuccessful.

Disciplinary Matters:

This important function is resident in the Labour Relations Section, but the Legal Unit cannot completely divorce itself from it since it has legal connotations. Cases of misconduct are as far as possible investigated and concluded within a reasonable period in accordance with the Disciplinary Procedure and Collective Agreement. For the current year, two disciplinary cases were concluded, and one is pending.

Contract Management:

The contract register that the Legal Unit keeps reflects on the contracts that Greater Taung Local Municipality has entered into with various service providers. The unit strives to keep as much as they possibly can to keep an authentic contract register that would as well be auditable. This, the unit does by way of vetting contracts before they are signed as well as witnessing the signing thereof. Only when satisfied that the contract is legally compliant, will the unit help such find its way to the contract register.

Chapter 2

Risk Management:

The Dr Ruth S Mompati District Municipality (DRRSMDM) is responsible for the function and PMS Manager is the risk champion and responsible for the coordination and facilitation of risk management in the municipality.

Procurement Service:

Supply Chain Management Unit is responsible for the procurement of goods and services in the municipality.

T 3.28.1

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

None. The Greater Taung Local Municipality does account to provision of Airports, Abattoirs, Municipal Courts, and Forestry as municipal enterprises.

T 3.29.0

Chapter 2

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD 2023/2024

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

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual perform ance			Revised Annual Target	Actual perform ance					
National KPA 1: Basic Service Delivery and Infrastructure Development: Technical Service Department												
Strategic Objectives: Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance												
TL01	Number of households in Reivilo provided with access to electricity by end June 2024	0	0	1	OpEx	250	299	OpEx	Achieved	None	None	Billing Report
TL02	Number of high mast lights (Phase 7) constructed in various villages by end March 2024	24	24	1, 2, 10, 24, 17, 20, 19, 8, 18	R 9,982,416	24	24	R 9,981,490.14	Achieved	None	None	Completion Certificate
TL03	Number of construction projects of Mothanthanyaneng Community Hall completed by end June 2024	1	85%	16	R 1,655,042	1	1	R 1,557,234.96	Achieved	None	None	Completion Certificate
TL04	Number of kilometres of access road constructions completed in Kgomotso by end June 2024	0	0	20	R 7,624,529	1.2km	0km	R 7,900,318.64	Progress is at 88%	The original budget for the project was reduced during the year	The target was reduced and revised, and it is included in the new financial year Plan	Completion Certificate
TL05	Number of kilometres of access road constructions completed in Molelema by end June 2024	0	0	15	R 8,500,000	1.5km	0km	R 9,016,858	Progress is at 90%	The original budget for the project was reduced during the year	The target was reduced and revised, and it is included in the	Completion Certificate

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
											new financial year Plan	
TL06	Number of kilometres of access road constructions completed in Extension 7 by end June 2024	0	0	8	R 10,774,712	1.2km	1.2km	R 9,668,943	Achieved	None	None	Completion Certificate
TL07	Number of kilometres of access road constructions completed in Maganeng by end June 2024	3km	67%	24	R 4,953,899	3km	3km	R 4,953,899	Achieved	None	None	Completion Certificate
TL08	Number of kilometres of access road constructions completed in Buxton by end June 2024	3km	87%	9	R 1,591,155	3km	3km	R 1,488,896	Achieved	None	None	Completion Certificate
TL09	Number of kilometres of paved roads constructed in Pudimoe by end June 2024	0	0	5	R 3,000,000	1	1	R 3,000,000	Achieved	None	None	Completion Certificate
TL10	Number of kilometres of paved roads constructed in Reivilo by end June 2024	0	0	1	OpEx	1.6km	1.6km	OpEx	Achieved	None	None	Completion Certificate
TL11	Number of kilometres of storm water constructions completed in Kgatleng by end June 2024	3km	67%	13	R 1,621,612	2.6km	2.6km	R 1,623,977	Achieved	None	None	Completion Certificate
TL12	Number of kilometres storm water channel constructed in Picong by end June 2024	0	0	16	R 3,415,587	1km	0	R 2,758,780	Target not achieved as planned however only 43% was completed	Lack of supervision by the main contractor, insufficient material	Strict supervision to be applied, sourcing of	Completion Certificate

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
										on site, poor planning of activities	materials must be improved. Working hours are increased to cover the lost time. Excavator has been brought in to assist	
TL13	Number of households in Reivilo and Boipelo provided with access to water by end June 2024	0	0	1	OpEx	497	686	OpEx	Achieved	None	None	Billing Report
TL14	Number of households in the proclaimed areas provided with access to sanitation by end June 2024	0	0	1	OpEx	2,434	2,260	OpEx	Not achieved	The number of households that are serviced is influenced by the number of indigent households that is assisted	Adjust annual target to correctly reflect the number of households provided	Billing Report
TL15	Number of households in proclaimed areas provided with access to weekly refuse removal by end June 2024	0	0	N/A	OpEx	2,507	2,407	OpEx	Not achieved	The number of households that are serviced is influenced by the number of indigent households that is assisted	Adjust annual target to correctly reflect the number of households provided	Billing Report
National Key Performance Area 1: Basic Service Delivery and Infrastructure Development – Spatial Planning and Human Settlement												
Strategic Objectives: To coordinate all disaster related incidents within the jurisdiction of the municipality												
TL16	Number of temporary shelters provided in various wards by end March 2024	120	140	All	R 3,000,000	50	50	R3,020,960	Achieved	None	None	Payment Certificate / Completion Certificate

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
National key Performance Area 2: Municipal Institutional Development and Transformation												
Strategic Objectives: Improve organisational cohesion and effectiveness												
TL17	Number of training programmes implemented for Municipal officials by end April 2024	10	17	N/A	R 720,000	10	11	R 685,266	Achieved	None	None	Proof of Registration / Attendance Register / Results
TL18	Number of training programmes implemented for Municipal Councillors by end April 2024	10	9	N/A		5	4		Not achieved	Inadequate budget	Increase budget in the new financial year	Proof of Registration / Attendance Register / Results
TL19	Percentage of the municipal budget actually spent on implementing its workplace skills plan measured as (Total Actual Training Expenditure/ Total Operational Budget) x100) by end June 2024	90%	87%	N/A		90%	89%		Achieved	None	None	Expenditure Report
TL20	Number of students financially supported by end March 2024	40	80	N/A	R 109,000	40	51	R 109,000	Achieved	None	None	Bursary letters
TL21	Number of people from EE target groups employed in the three highest levels of management in accordance with approved Municipal	3	2	N/A	OpEx	3	5	OpEx	Achieved	None	None	Appointment letters

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
	Employment Equity Plan by end March 2024											
National KPA 3: Local Economic Development												
Strategic Objectives: Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance												
TL22	Number of temporary jobs created through local procurement projects by end June 2024	100	238	N/A	OpEx	100	123	OpEx	Achieved	None	None	Quarterly MIG Project Report / Temporary Contracts
TL23	Number of Full Time Equivalents (calculated as (days worked by participants x number of participants / 230 working days per annum) created through EPWP by end June 2024	56	66	N/A	R 3,229,000	51	99	R 3,229,000	Achieved	None	None	Temporary Employment Contracts
TL24	Number of Full Time Equivalents (calculated as (days worked by participants x number of participants / 230 working days per annum) created through MLIP by end June 2024	50	103	N/A	R 1,598,508	40	78	R 1,598,508.31	Achieved	None	None	Temporary Employment Contracts

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
National KPA 4: Municipal Financial Viability and Management												
Strategic Objectives: To improve overall financial management in the municipality by developing and implementing appropriate Financial Management												
TL25	Number of 2022/2023 Annual Financial Statements submitted to AGSA by 31 August 2023	1	1	N/A	OpEx	1	1	OpEx	Achieved	None	None	Acknowledgement of Receipt
TL26	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash + investments / Monthly fixed operating expenditure) by end December 2023	1.5	3.4	N/A	OpEx	1.5	3	OpEx	Achieved	None	None	Annual Financial Statement
TL27	Debt to Revenue Short Term Lease + Long Term Lease / Total Operating Revenue - Operating Conditional Grant by end December 2023	0	0	N/A	OpEx	2.1	0	OpEx	Achieved	None	None	Annual Financial Statement
TL28	Number of 2023/2024 Adjustment Budgets submitted to Council for approval by end February 2024	1	1	N/A	OpEx	1	1	OpEx	Achieved	None	None	Council Minutes

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL29	Number of final 2024/25 Budgets submitted to Council by 31 May 2024	1	1	N/a	OpEx	1	1	OpEx	Achieved	None	None	Council minutes
TL30	Number of indigent households that received free basic electricity in GTLM by end June 2024	11,000	3,526	N/A	R 10,500,000	4,000	3,213	OpEx	Not achieved	Indigent households must re-apply every 3 years. All older than 3 years were terminated from the Register	Councillors to encourage the poor to apply for Indigent	Report
TL31	Number of indigent households that received free basic water in GTLM by end June 2024	10	13	N/A	R 5,865	10	13	OpEx	Achieved	None	None	Report
TL32	Number of indigent households that received free basic sanitation in GTLM by end June 2024	220	195	N/A	R 177,183	220	163	OpEx	Not achieved	Indigent households must re-apply every 3 years. All older than 3 years were terminated from the Register	Councillors to encourage the poor to apply for Indigent	Report
TL33	Number of indigent households that received free basic refuse removal in GTLM by end June 2024	220	207	N/A	R 475,565	220	192	OpEx	Not achieved	Indigent households must re-apply every 3 years. All older than 3 years were terminated from the Register	Councillors to encourage the poor to apply for Indigent	Report

Chapter 2

Ref No.	Key Performance Indicator/ Unit of Measurement	Previous Financial Years 2022/2023		Wards	Revised Annual Budget 2023/2024	Financial Year Under Review 2023/2024		Expenditure	Performance comments	Reason for under-performance/ deviation	Measures Taken/ to be taken to improve performance	Means of Verification / Portfolio of Evidence
		Target	Actual performance			Revised Annual Target	Actual performance					
TL34	Number of indigent households that received monthly rebates on property rates in GTLM by end June 2024	220	220	N/A	0	220	192	OpEx	Not achieved	Indigent households must re-apply every 3 years. All older than 3 years were terminated from the Register	Councillors to encourage the poor to apply for Indigent	Report
National KPA 5: Good Governance and Public Participation												
Strategic Objectives: Promote a culture of participatory and good governance												
TL35	Number of Final IDP Documents for (y+1) tabled to Council by the end May (y0) 2024	1	1	N/A	OpEx	1	1	OpEx	Achieved	None	None	Council Minutes
TL36	Number of 2022/2023 Annual Reports submitted to Council by end January 2024	1	1	N/A	OpEx	1	1	OpEx	Achieved	None	None	Council minutes
TL37	Number of 2023/2024 mid-term budget and performance assessment reports submitted to the Mayor by 25 January 2024	1	1	N/A	OpEx	1	1	OpEx	Achieved	None	None	Acknowledgement of Receipt

T 3.30

Chapter 2

Service Providers Strategic Performance

Section 76(b) of the MSA state that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

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

During the year under review the municipality did appoint service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and below is performance assessment of some of the service provider appointed to render service for the benefit of the local community on behalf of the Municipality. Project Management Unit regularly monitored all these projects.

9. Annual Performance Assessment of Service Providers 2023/2024 Financial Year											
Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Valuation Roll	Activa Valuation Services	Own Funds	2019/04/08	2025/06/30	Good	None	4	4	4	4	None
Short Term Insurance	BLAQM Holdings	Own Funds	2022/07/26	2025/07/26	Good	None	4	4	4	4	None
Temporary Shelters	EcoPanel (PTY) LTD	Own Funds	2022/10/03	2025/10/03	Good	None	4	4	4	4	None
Sewer network for 24 Months	Atang ECR Group	Own Funds	2023/04/01	2025/04/01	Good	None	4	4	4	4	None
Printing papers for 24 Months	Thahlhamo (PTY) LTD	Own Funds	2023/06/01	2025/06/01	Good	None	4	4	4	4	None
Cleaning materials for 24 Months	Aobakweng (PTY) LTD	Own Funds	2023/06/01	2025/06/01	Good	None	4	4	4	4	None

Chapter 2

9. Annual Performance Assessment of Service Providers 2023/2024 Financial Year											
Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Stationary for 24 Months	Remo Sikhwe Trading Enterprise	Own Funds	2023/06/01	2025/06/01	Good	None	4	4	4	4	None
Provision of Legal Services for 36 months	Modiboa Attorneys	Operational budget	2021/07/30	2024/07/30	None	Case only in 2 nd quarter	N/A	3	4	3	None
Provision of Legal Services for 36 months	Leepile Attorneys	Operational budget	2021/07/30	2024/07/30	None	No cases yet	N/A	N/A	N/A	N/A	None
Refuse bags for 24 months	Lebone Loago Projects and Logistics	Own Funds	2023/06/01	2025/06/01	Good	None	4	4	4	4	None
Physical Security Service for 36 months	Diphetogo Security	Own Funds	2023/09/01	2026/08/31	Good	None	3	3	3	3	Security Guards of company do not have tools of trade
Travel Agency for 36 months	Diaopela Trading	Own Funds	2023/09/01	2026/08/31	Good	None	4	4	4	4	None
Air-conditioner installation and maintenance for 24 months	Best Enough Trading and Projects	Own Funds	2023/09/01	2025/08/31	Good	None	4	4	4	4	None
Electrical materials for 24 months	Thatlhamo	Own Funds	2023/09/01	2025/08/31	Good	None	4	4	4	4	None
Maintenance of electrical	115 Solutions	MIG	2023/09/01	2026/08/31	Good	None	4	4	4	4	None

Chapter 2

9. Annual Performance Assessment of Service Providers 2023/2024 Financial Year											
Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Quarter 1	Quarter 2	Quarter 3	Quarter 4	
network for 36 months											
Protective Clothing for 24 months	Esale 1 Trading	Own Funds	2023/11/01	2025/10/30	Good	None	4	4	4	4	None
Photocopy machines for 36 months	Matlosana Books	Own Funds	2023/12/01	2026/11/01	Good	None	4	4	4	4	None
mScoa Complaint System for 36 months	MunSoft	Own Funds	2024/03/01	2027/03/01	Good	None	4	4	4	4	None
Compilation of AFS for 36 months	CorpMD Consulting	Own Funds	2023/07/01	2026/07/01	Good	None	4	4	4	4	None
Compilation of GRAP 12, 16, & 17 Assets Register	AOL Consulting	Own Funds	2023/07/01	2026/07/01	Good	None	4	4	4	4	None
High mast lights for 36 months	8 x Bidders	MIG	2023/07/01	2026/07/01	Good	None	4	4	4	4	None
Panel of consulting Engineers for Civil Works for 36 months	30 x Bidders	MIG	2024/06/24	2027/06/02	Good	None	4	4	4	4	None
Panel of Contractors for	33 x Bidders	MIG	2024/06/24	2027/06/02	Good	None	4	4	4	4	None

Chapter 2

9. Annual Performance Assessment of Service Providers 2023/2024 Financial Year											
Project Name	Name of Service Provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of service provider (Scale 1-5) 1: Poor, 2: Fair, 3: Average, 4: Good, 5: Excellent				Assessment Comments
							Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Civil Works for 36 months											
Auctioneer for auction of disposal of Assets for 36 months	Five Star Trading Enterprise CC T/A Auction 24	Own Funds	2024/06/29	2027/06/28	Good	None	4	4	4	4	None
Debt Collection	Du Plessis & Viviers	Own Funds	2007	Ongoing	Good	None	4	4	4	4	None
Debt Collection	Upsurge Construction and Projects	Own Funds	2021	2024	Good	None	4	4	4	4	None

Chapter 4

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

INTRODUCTION

This component represents the role that HRM&D plays in deciphering, defining, developing, and rewarding an organizational culture that is conducive to achieving business objectives. This includes:

- Culture transformation and change management;
- The development of individuals and teams with a systems view;
- Review and design of organizational structures.
- Training that related to job and personal growth equipping all employees with the necessary knowledge, skills, and competencies to perform their work effectively, in pursuit of the vision and mission of Council as well as the employee's vision.
- Enabling employees to deal effectively and pro-actively with change and to the challenges of dynamic work and external environment.
- Enabling employees to acquire development orientated professionalism and the appropriate competencies.
- Helping employees to address issues of diversity whilst promoting a common organization culture so as to or in doing support unity at the workplace.
- Assisting employees in developing a better understanding of the needs of the communities that they are serving, as well as the capability to respond to these needs.
- Creating an enabling environment for the training and development of present and future incumbents. Creating a pool of suitably qualified individuals to be identified and developed in terms of a succession planning program.
- By providing job security to competent individuals.
- By providing equitable access and participation in properly structured training and appraisal processes that will ensure that every employee's work performance is maximized, and, that his/her potential is fully developed.

T 4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2022/2023	2023/2024			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Waste Water (Sanitation)	33	33	27	6	18%
Electricity	3	3	3	0	0%
Housing	6	6	6	0	0%
Waste Water (Stormwater Drainage)	31	54	46	8	15%
Roads	3				
Technical	9	9	9	0	0%
PMU	5	4	3	1	25%
Local Economic Development	4	4	4	0	0%
Planning (Strategic & Regulatory)	2	4	3	1	25%
Community & Social Services	85	88	76	12	14%
Office of Municipal Manager	13	13	12	1	8%
Corporate Services	41	44	42	2	5%
Political Office	16	18	18	0	0%
Finance	36	35	33	2	6%
Totals	287	318	285	33	10%

T 4.1.1

Vacancy Rate: 2023/2024			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S56 Managers (excluding Finance Posts)	4	3	75%
Other S56 Managers (Finance posts)	1	1	100%
Senior management: Levels 13-16 (excluding Finance Posts)	22	0	0%
Senior management: Levels 13-16 (Finance posts)	6	1	17%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	54	0	0%
Highly skilled supervision: levels 9-12 (Finance posts)	13	1	8%
Total	102	7	7%

T 4.1.2

Chapter 4

Turn- over Rate			
Details	Total Appointment as of beginning of financial year No.	Termination during the financial year No.	Turn- over Rate. No.
2021/2022	30	5	17%
2022/2023	16	17	106%
2023/2024	16	26	163%
			T 4.1.3

VACANCIES AND TURNOVER

The position of the municipal manager became vacant on the 09th of November 2022 and immediately council appointed the Senior Manager responsible for Planning and Human Settlement as the acting Municipal Manager until the position was filled in November 2024. Furthermore, on the 01 February the position of the Senior Manager Community and Social Services became vacant, and the council of the municipality took resolution to appoint the Manager responsible for Performance Management System to act in the position until the position is filled. The position of senior manager community service was filled from the 01st of December 2024.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is achieved through proper human resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, 32 of 2000, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration. This is achieved through the Human Resource Policies contained in the municipality's Integrated Development Plan (IDP). Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management.

Policy Review and Development

The municipality as an evolving and developmental Local Government Institution, regularly reviews its policies, processes, and procedures to ensure all processes followed, implemented, and executed are open, transparent, and aligned to legislative requirements, not to unfairly discriminate against employees. Policy Review is part of Management's Performance Indicators and monitored through the Performance Management System.

Greater Taung has a functional Local Labour Forum which is utilised for the discussion of work-related matters, how to improve the working relationship between employment parties.

Training and Employment equity Committee also exists to address the issues of training and equity matters. Health and Safety Committee also addresses safety issues, risk assessment is conducted bi-annually to minimise risks, employees are being taken for medical surveillance, and protective clothing is provided to the employees.

Chapter 4

All these committees convene once in a quarter and make their reports to the portfolio Committee which further escalates them to Council for noting.

T 4.2.0

OCCUPATIONAL LEVELS	Male					Female				
	African	Colour	Indian	White	Total	African	Colour	Indian	White	Total
Senior Management	2	0	0	0	2	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	11	0	0	1	12	10	0	0	2	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	41	2	0	0	43	26	0	0	1	27
Semi-skilled and discretionary decision making	47	4	0	0	51	24	0	0	0	24
Unskilled and defined decision making	60	3	0	0	63	47	1	0	0	48
Total Employees/Posts	161	9	0	1	171	107	1	0	3	111
As % of the total Number of employees/posts	94%	5%	0.0%	0.5%		36.4%	1.1%	0.0%	1.1%	
Current Male to female ratio	Male					Female				
Total Number of Male & Female Employees	171					111				
Current % Male to Female Ratio	61%					39%				

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	N/A	03 December 2019
2	Cell phone Allowance Policy	100%	N/A	26 August 2022
3	Code of Conduct for employees	100%	N/A	Regulated, not to be adopted
4	Delegations, Authorisation & Responsibility			
5	Disciplinary Code and Procedures	100%	N/A	Bargaining Council Collective agreement
6	Employee Assistance / Wellness	100%	N/A	26 August 2022
7	Employment Equity	100%	N/A	03 December 2019

Chapter 4

8	Grievance Procedures	100%	N/A	Bargaining Council Collective agreement
9	Job Evaluation	100%	N/A	Bargaining Council Policy
10	Leave Policy	100%	N/A	03 December 2019
11	Recruitment, Selection and Appointments	100%	N/A	26 August 2022
12	Remuneration Scales and Allowances	100%	N/A	Collective agreement
13	Sexual Harassment	100%	N/A	To be reviewed
14	Skills Development	100%	N/A	26 August 2022
15	Vehicle Allowance Policy	100%	N/A	26 August 2022
16	Subsistence and travelling Allowance Policy	100%	N/A	26 August 2022
17	Transfer Policy	100%	N/A	26 August 2022
18	Acting Policy	100%	N/A	26 August 2022
T 4.2.1				

WORKFORCE POLICY DEVELOPMENT

The above policies on table are adopted by Council and more policies will be reviewed and also adopted by council. The supply chain policy and tariff policy are reviewed annually and adopted by Council. All Human Resource policies have been workshopped with all staff and the Local Labour forum has also approved the new draft policies for Council adoption.

T 4.2.1.1

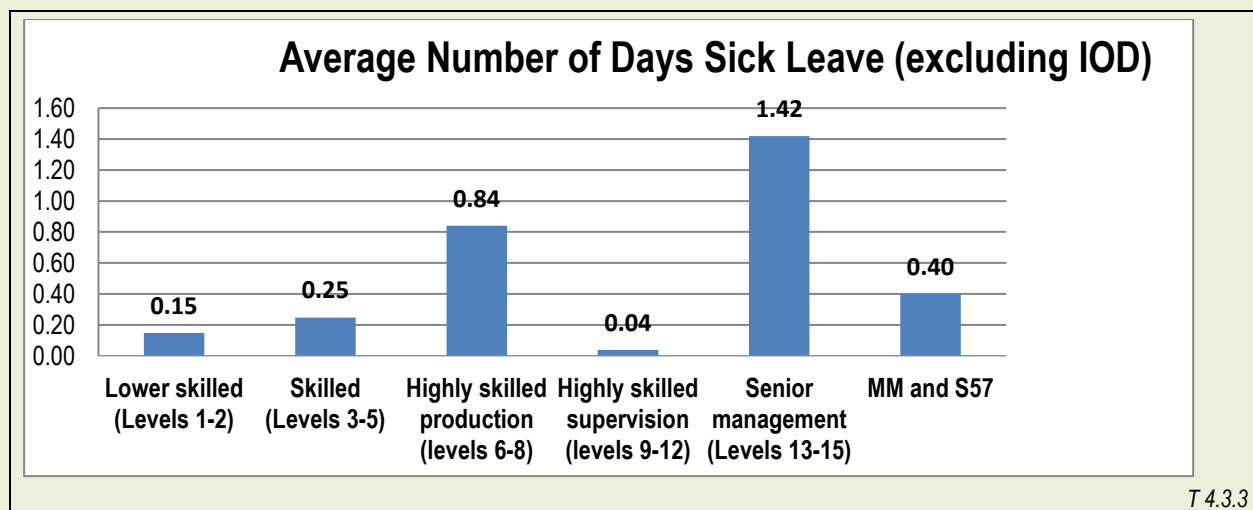
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0	0	R0.00
Temporary total disablement	0	0	0	0	R0.00
Permanent disablement	0	0	0	0	R0.00
Total	0	0	0	0	R0.00
T 4.3.1					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	24	90%	10	30	0,15
Skilled (Levels 3-5)	40	42%	98	22	0,25
Highly skilled production (levels 6-8)	136	58%	44	58	0,84
Highly skilled supervision (levels 9-12)	6	95%	2	26	0,04
Senior management (Levels 13-15)	230	66%	17	18	1,42
MM and S57	65	60%	6	8	0,40
Total	501	69%	177	162	3,09

T 4.3.2



T 4.3.3

INJURY AND SICK LEAVE

Injuries have been reduced to a bare minimum in the Municipality and when an employee gets injured, they are sending to a doctor paid by the Municipality. When an employee is on long instances of sick leave the Municipality takes that person to its own doctor to get an opinion on that person health and that information is kept on the file of the employee.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Electrician	Gross insubordination	06/10/2022	The employee is back in office	Finalised

T 4.3.5

Chapter 4

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None	N/A	N/A	N/A
T 4.3.6			

SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The rand value of the cases could not be verified as it was an internal process which in most cases does not bear costs.

T 4.3.7

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS

No performance rewards were paid out during the year under review.

T 4.4.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Human Resource Section is the custodian for capacity building of employees within the Municipality and contributes to the building and creation of a capable service delivery organization. The Skills Development Act No 97 of 1998 as Amended in 2008 sets clear guidelines and requirements for the organization to implement capacity building initiatives for employees.

In response to the quoted legislative framework and related regulations such as the National Skills Development Strategy (NSDSIII) and the Local Government Sector Education and Training Authority (LGSETA), the municipality acquitted itself well under the circumstances prevailing.

The Workplace Skills Plan (WSP) for 2023/2024 financial year with its attended Training Plan was submitted to the Sector Education and Training Authority for Local Government (LGSETA) by 30 April 2024 as per requirement.

Emphasis has been on encouraging Municipal compliance with the Skills Development legislation, we continue to encourage compliance but we also emphasise on quality, in 2006 LGSETA began to issue completeness checks to Municipalities, in 2008 a quality criterion was developed, in 2009 evaluating the WSP/ATR in detail started to check if the WSP/ATR submitted is of required standards, feedback emanating from the evaluation is also given to the Municipalities in order to ensure that the gaps identified are addressed in future WSP & ATR.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

The Skills Development Act (1998) and the Municipal Systems Act, (2000) require employees to supply employees with the necessary training in order to develop its human resource capacity. Section 55 (i)(f) state that as head of the administrator the Municipal Manager is responsible for the management, utilisation.

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2024	Number of skilled employees required and actual as at 30 June Year 2024											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2022/2023	Actual: End of 2023/2024	2023/2024 Target	Actual: End of 2022/2023	Actual: End of 2023/2024	2023/2024 Target	Actual: End of 2022/2023	Actual: End of 2023/2024	2023/2024 Target	Actual: End of 2022/2023	Actual: End of 2023/2024	2023/2024 Target
MM and s57	Female	0	0	0	0	1	0	0	0	1	1	1	1	1
	Male	2	0	0	0	1	0	0	0	0	0	1	0	0
Councillors, senior officials, and managers	Female	19	0	0	0	0	1	2	10	7	19	10	8	21
	Male	29	0	0	0	0	0	0	15	10	29	15	10	29
Technicians and associate professionals*	Female	9	0	0	0	0	1	2	0	2	5	0	3	7
	Male	9	0	0	1	1	0	2	0	0	2	1	0	4
Professionals	Female	41	0	0	2	9	5	10	3	11	10	12	15	20
	Male	26	0	0	2	10	3	5	0	8	10	10	11	15
Sub total	Female	69	0	0	2	10	7	14	13	19	35	23	26	49
	Male	66	0	0	3	12	4	7	15	18	41	28	22	48
Total		270	0	0	10	44	21	42	56	76	152	101	96	194

T 4.5.1

Chapter 4

4.5.2 MFMA Competencies

In terms of section 83(1) of the MFMA, the Accounting Officer, Senior Managers, the Chief Financial Officer, Non-financial Managers, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, NT, with the collaboration of various stakeholders and role players in the Local Government sphere, developed an outcome based NQF level 6 qualifications in municipal finance management. In terms of the Government Notice 493 of 15 June 2017, "(1) No Municipality or municipal entity may, with effect 1 January employ a person as a financial official if that person does not meet the competency level prescribed for the relevant position in terms of these Regulation".

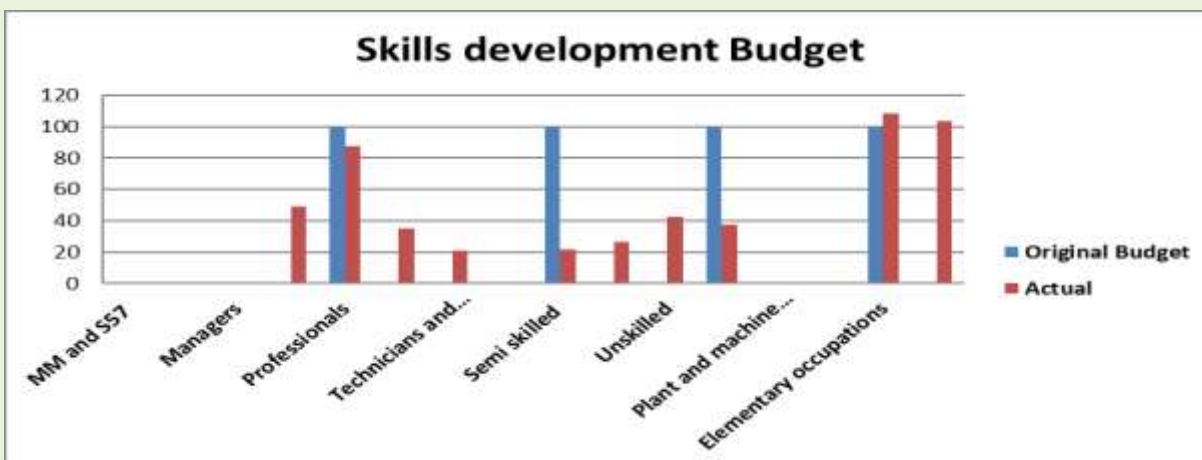
The table below provides details of the financial competency development progress as required by the regulation:

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	3	3	3
Any other financial officials	31	0	31	0	0	14
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	1	0	1
TOTAL	37	0	37	6	5	20

T 4.5.2

Chapter 4

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2023/2024							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	R0	R0	R0	R0	R10,600	R10,600	R10,600	R10,600
	Male	3	R0	R0	R0	R0	R0	R0	R0	R0
Legislators, senior officials, and managers	Female	19	R0	R0	R0	R0	R110,000	R93,970	R110,000	R93,970
	Male	29	R0	R0	R0	R0	R110 000	R34,270	R110,000	R34,270
Professionals	Female	41	R0	R0	R25,000	R25,000	R25,000	R20,000	R50,000	R45,000
	Male	26	R0	R0	R25,000	R25,000	R25,000	R180,090	R50,000	R205,090
Technicians and associate professionals	Female	9	R0	R0	R0	R0	R50,000	R50,000	R50,000	R50,000
	Male	9	R0	R0	R0	R0	R50,000	R50,000	R50,000	R50,000
Clerks	Female	9	R0	R0	R0	R0	R25,000	R24,260	R25,000	R24,260
	Male	1	R0	R0	R0	R0	R14,400	R0	R14,400	R0
Service and sales workers	Female	7	R0	R0	R0	R0	R50000	R0	R50,000	R0
	Male	3	R0	R0	R0	R0	R50,000	R0	R50,000	R0
Plant and machine operators and assemblers	Female	0	R0	R0	R0	R0	R25,000	R8,580	R25,000	R8,580
	Male	14	R0	R0	R0	R0	R25,000	R34,340	R25,000	R34,340
Elementary occupations	Female	103	R0	R0	R0	R0	R50,000	R19,780	R50,000	R19,780
	Male	90	R0	R0	R0	R0	R50,000	R19,996	R50,000	R19,996
Sub total	Female	189	R0	R0	R25,000	R25,000	R345,600	R227,190	R370,600	R252,190
	Male	175	R0	R0	R25,000	R25,000	R324,400	R318,696	R349,400	R343,696
Total		364	R0	R0	R50,000	R50,000	R670,000	R545,886	R720,000	R595,886
									%	*R720,000
T4.5.3										



Chapter 4

SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Training and skills development interventions are mainly aimed at increasing the knowledge, proficiency, ability, and skills of the municipality's Human Capital to improve bottom line performance. The Training Plan is informed by key strategic documents such as IDP and internal Skills Audit Results as well as the National Treasury Minimum Competency Regulations of 2007.

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the Chief Financial officer, nonfinancial managers, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

According to Section 83(1) of the Municipal Finance Management Act, The accounting officer, Senior managers (Section 56 Managers), The Chief Financial Officer, Financial Managers and Nonfinancial Managers must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. The National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

The expenditure on skills development increases annually due to employees embarking on various skills development interventions, the education at higher institution is becoming more expensive and that more training is legislated. The municipality spent R6,711,672 from FMG and other grants.

The Total Budget for the 2023/2024 budget is R330,403,455, The total expenditure is R392,663,466 of which R..... used for Employed and the R..... spent for Non-Employed which would be considered as unauthorised expenditure according to the Municipal Finance Management Act.

According to the Skills Development Levies Act the municipality is required to pay the 1% of its monthly remuneration in the form of a levy and it claims back the percentage in a form of a mandatory grant. The mandatory grant is paid quarterly to the municipality, and it should be noted that those funds should specifically be spent on capacitating employees as well as non-employees.

T 4.5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances, and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

The Municipality is in a rural area thus it is difficult to attract and retain qualified staff. Moreover, with the small income as most people in the municipal jurisdiction are indigents the salary bill ratio is high.

Thus, the Organisational structure must be carefully managed. It is against this that many posts have been frozen as not to put unnecessary financial pressure on the budget.

The Municipality had a high turnover due to stringent consequence management being applied but other than that staff turnover has been consistent.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

The graph here is not linked to any information in the annual report therefore it is difficult to have credible data that will produce Graph that is correct. However, employee expenditure for 2023/2024 financial was at R153,795,022 which is remarkably high and need to be attended to.

T 4.6.1

WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the Greater Taung Local Municipality. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtaining its objectives.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid.

The Municipality has workshopped a new Performance management policy, and will cascade it down after Council approval, thus that will ensure performance assessments and evaluate if value for money is achieved by officials.

T 4.6.1.1

Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior ICT Technician	1	12	14	Personal to holder principle applies.
Agricultural rural Dev Coordinator	1	11	12	Personal to holder principle applies
Chief Librarian	1	11	12	Personal to holder principle applies
Special project coordinator	1	9	10	Personal to holder principle applies
Assets Accountant	1	12	15	Personal to holder principle applies
Driver messenger	3	5	6	Personal to holder principle applies
Receptionist	4	5	7	Personal to holder principle applies
Horticulturist	1	10	9	Personal to holder principle applies
Foreman	4	9	10	Personal to holder principle applies

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None	N/A	N/A	N/A	N/A

T 4.6.4

UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE
No posts were upgraded during the year under review.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS
The Municipality requires employees and Councillors to disclose financial interest annually. These disclosure forms are recorded and kept at Supply chain, and all these disclosure forms were requested by the AG and submitted as such.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The purpose of the Statement of Financial Performance is to give an account of the results of the municipality's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure). A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities. The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

This financial overview presents the brief summary of the financial performance of the municipality for the financial year under review. The detailed financial performance, financial position and cash flow activities of the municipality are presented in the annual financial statements for the year ended 30 June 2024. The municipality has during the financial year, strived to comply with the requirements of the relevant legislative prescripts and the guidelines set by the National Treasury in as far as financial management is concerned.

The municipality managed the budget process effectively and adhered to the timeframes as set out by the Municipal Finance Management Act. The Budget Steering Committee was established, and meetings of the committee were effectively held. Other success factors for the financial year 2023/2024 are amongst others being able to monitor and report effectively on the budgets as well as the submission of the Annual Financial Statements on time.

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

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

The total budget for the 2023/2024 was R330,403,455 as per adjustment budget approved by council. A total of R19,128,352.72 was spent on the capital projects that were identified by the municipality with the main aim of enhancing service delivery.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements presented in this report are presented on the basis that the municipality is a going concern. The principles of GRAP have been taken into consideration when preparing these annual

Chapter 5

financial statements. The annual financial statements have been prepared by both the consultant appointed and finance personnel and later reviewed by the audit committee and a consultant.

Analysing the financial position of the municipality as outlined in the statement of financial position, in the annual financial statements, the municipality is still financially viable. The municipality has maintained a sustainable and sufficient asset base.

The total assets of the municipality are adequate to ensure that the liabilities of the municipality cared and covered should anything happen to the municipality's continuity. The asset base of the municipality which is above the liabilities of the municipality as well as other factors that are presented in the financial position of the municipality shows that the municipality is still solvent and therefore still financially healthy.

The statement of financial performance as included in the annual financial statements presented a positive net result. This means that the total revenues of the municipality were still more than the total expenditures at the end of the financial year ended 30 June 2024. The detailed statement of financial performance will be included in the financial statements. The highest cost driver for the municipality remains to be personnel costs.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The municipality's total expenditure was within the approved budget during the year under review but there was over expenditure on bulk purchase of electricity due to distribution losses.

T 5.1.3

5.2 GRANTS

OPERATING TRANSFERS AND GRANTS

Conditional grant such as MIG is the grants allocated to the municipality to implement the projects to deliver services to the community. The municipality did not receive any grants from other sources such as semi-state, private sector, or foreign government.

T 5.2.2

CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The Greater Taung Local Municipality always ensure that all conditional grant received by it are used for the same purpose. Financial reports also confirm and justify the appropriate use of conditional grant and we are doing so to comply with conditions attached to the grants.

T 5.2.4

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in the Greater Taung Local Municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the municipality's property, plant, and equipment and to make managers aware of their responsibilities in regard of property, plant, and equipment.

It also set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation and to prescribe the accounting treatment for property, plant and equipment in the municipality include the following the cost of assets and the calculating of depreciation and capitalising of PPE and to the classification if different types of Assets.

The municipality developed an infrastructure asset management plan as required by the municipality asset management policy and Local Government Capital Asset Management. Four Asset Management Plans were developed, namely:

1. Roads Network Asset Management Plan
2. Stormwater Network Asset Management Plan
3. Community Assets Management Plan
4. Electricity Network Asset Management Plan

These Asset Management Plans are one component of the municipality's overarching corporate strategy. It was developed to support the municipality's vision for its asset management practice and programs. It provides key asset attribute data, including current composition of the municipality's infrastructure portfolio. It summarizes the physical health of the capital assets, assess the municipality's current capital spending framework, and outlines financial strategies to achieve fiscal sustainability in the long-term while reducing and eventually eliminating funding gaps.

Roads Network Assets Management Plan:

This asset management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services generally over a 20-year planning period.

This plan covers the infrastructure assets that provide road network to Greater Taung Local Municipality. The Road network comprises:

- Taung Town-Roads with Stormwater
- Reivilo Town-Roads with Stormwater
- Boipelo-Roads with Stormwater
- Pudimoe-Roads with stormwater
- Villages-Roads only

Community Assets Management Plan:

This asset management plan details information about community assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services generally over a 20-year planning period.

Chapter 5

This plan covers the community assets that provide recreational services to Greater Taung Local Municipality.

The Community Assets Management Plan comprises:

- Community Halls
- Libraries

The forecast lifecycle costs necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operation, maintenance, renewal, acquisition, and disposal of assets over the 20-year planning period is R315 139 000. The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

The anticipated planned budget leaves a shortfall per year of the forecast lifecycle costs required to provide services in the AM Plan compared with planned budget currently included in the Long-Term Financial Plan.

The buildings were said to be 15 Community Halls, 5 cover grounds, 5 libraries, 5 Thusong Centres and other buildings such as rental housing and municipal offices. Such amounts cannot be considered adequate and consequently a more detailed needs requirements for construction, operations, maintenance, and eventual community assets renewals are necessary.

Electricity Network Assets Management Plan:

This plan covers the infrastructure assets that provide electricity network to Greater Taung Local Municipality. These assets include:

The Electricity Assets Management Plan network comprises:

- Provision of Standby Generator at Greater Taung Local Municipality Administrative Offices
- Provision of street lights-approximately 8.3 km distance
- Villages as Listed as Priority 1 in the IDP.
- Provision of Street Lights and High Mast for the Pudimoe residential area
- Assessment of the existing medium voltage electricity reticulation system
- Provision of Street Lights and area lighting systems in Reivilo Township.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

The anticipated planned budget leaves a shortfall of R 4,850,000 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with planned budget currently included in the Long-Term Financial Plan.

We plan to provide Electricity Network services for the following:

- Operation, maintenance, renewal and upgrade of CBD, Towns of Taung, Reivilo and Pudimoe and the Villages listed as Priority in the IDP.
- Construction of various Electricity networks in different prioritized villages within the 20-year planning period.

Storm water Network Assets Management Plan:

This plan covers the infrastructure assets that provide road network to Greater Taung Local Municipality. The Stormwater Assets Management Plan network comprises:

Chapter 5

- CBD
- Towns(Taung, Reivilo and Pudimoe)
- Villages as Listed as Priority 1 in the IDP.

Estimated available funding for this period is R 226,530,000 or R11,326,500 on average per year as per the long-term financial plan or budget forecast. This is 70% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

The anticipated planned budget leaves a shortfall of R 4,850,000 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with planned budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

We plan to provide Stormwater Network services for the following:

Operation, maintenance, renewal and upgrade of CBD, Towns of Taung, Reivilo and Pudimoe and the Villages listed as Priority in the IDP.

T 5.3.1

Treatment of the Three Largest Assets Acquired 2021/2022 – 2023/2024				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2020/2021	2021/2022	2022/2023	2023/2024
Capital Implications	Increases the number of assets in the asset register			
Policies in Place to Manage Asset	MIG			
Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2020/2021	2021/2022	2022/2023	2023/2024
	New Project	New Project		
Capital Implications	Increases the number of assets in the asset register			
Policies in Place to Manage Asset	MIG			
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2020/2021	2021/2022	2022/2023	2023/2024
	New Project	New Project		
Capital Implications	Increases the number of assets in the asset register			
Policies in Place to Manage Asset	MIG			

Chapter 5

ASSET MANAGEMENT

The development of asset management plans is an interactive process that starts with the identification of service delivery needs and ends with an approved “multiyear” budget linked to the SDBIP based upon the most cost-effective method of delivering that service.

Asset management plans also include asset maintenance plans to ensure provision in the budget for appropriate funding to guarantee that existing assets continue to perform at the required levels and standards of service. The asset management plans, for example, will inform the maintenance budget.

T 5.3.3

Repair and Maintenance Expenditure: 2023/2024

R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	21,264,550	21,964,550	27,149,633	124%

T 5.3.4

REPAIR AND MAINTENANCE EXPENDITURE

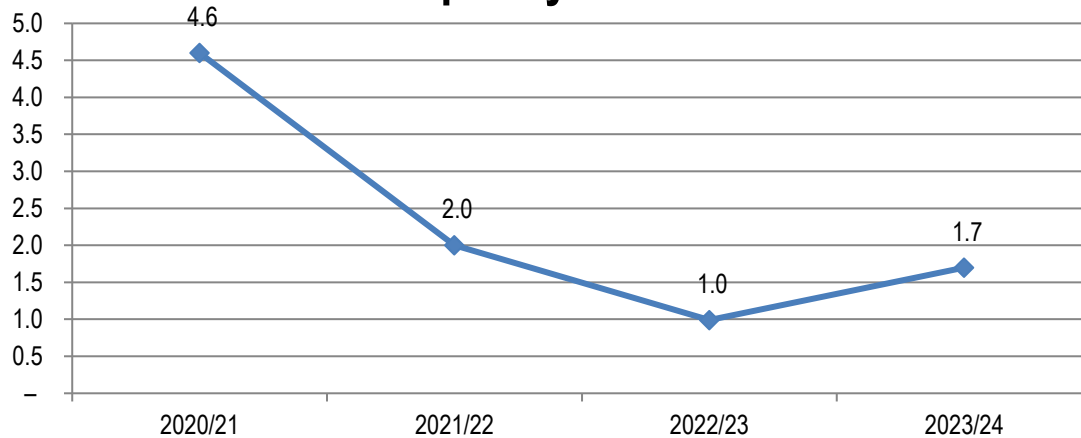
There is over expenditure on repairs and maintenance.

T 5.3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Ratio

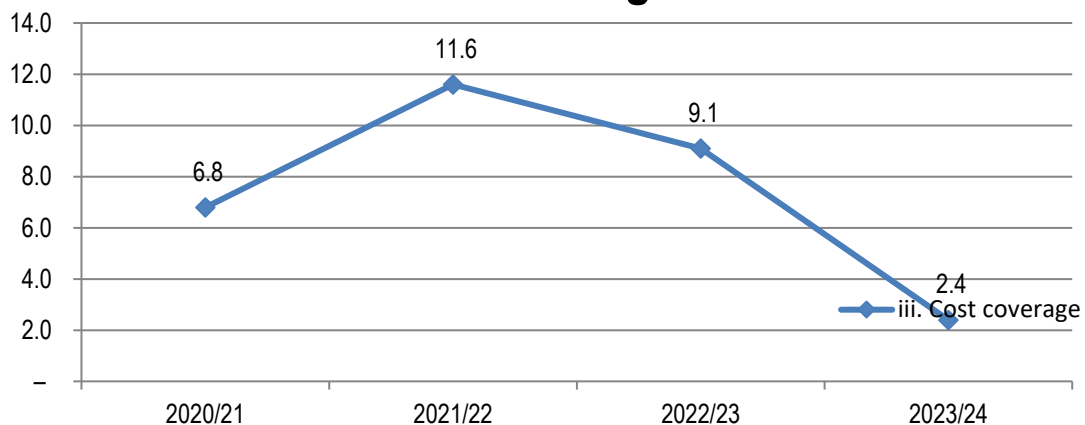


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

Cost Coverage



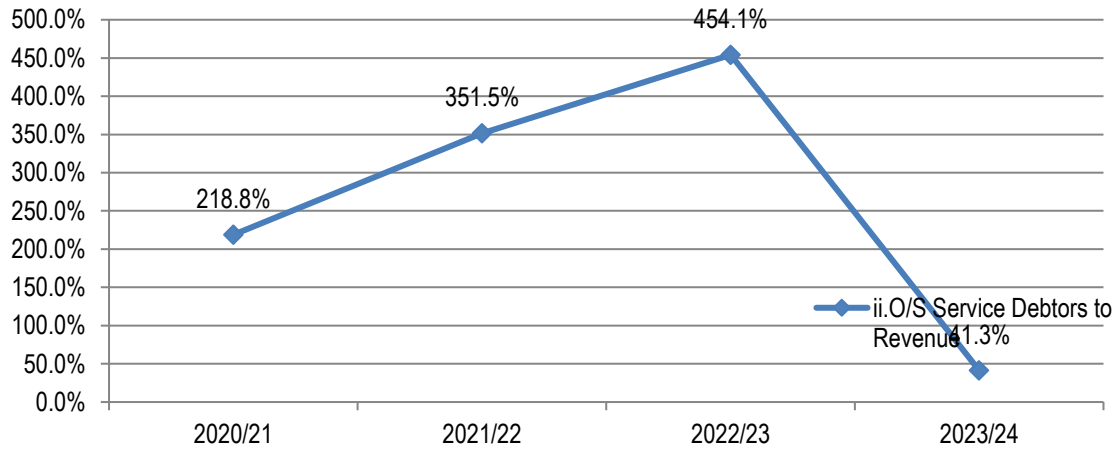
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

Chapter 5

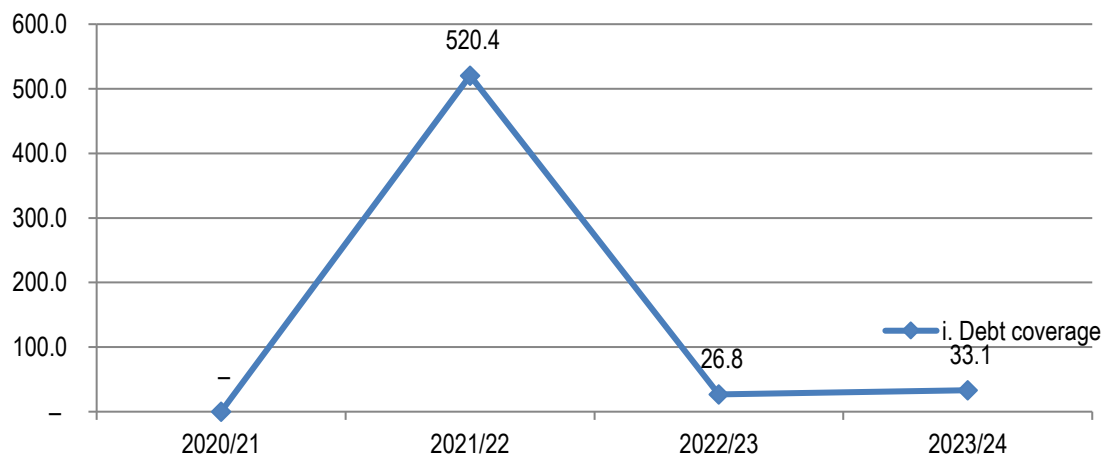
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T 5.4.3

Debt Coverage

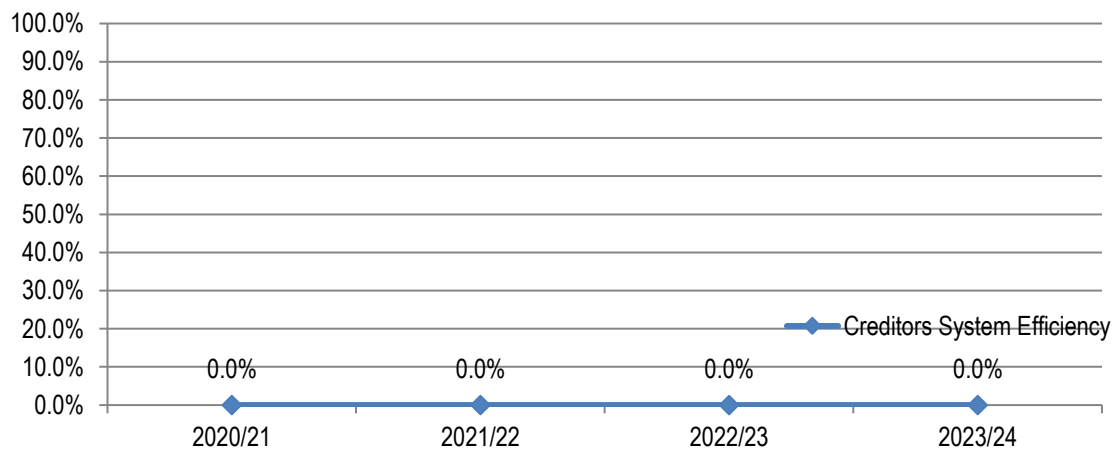


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality
Data used from MBRR SA8

T 5.4.4

Chapter 5

Creditors System Efficiency

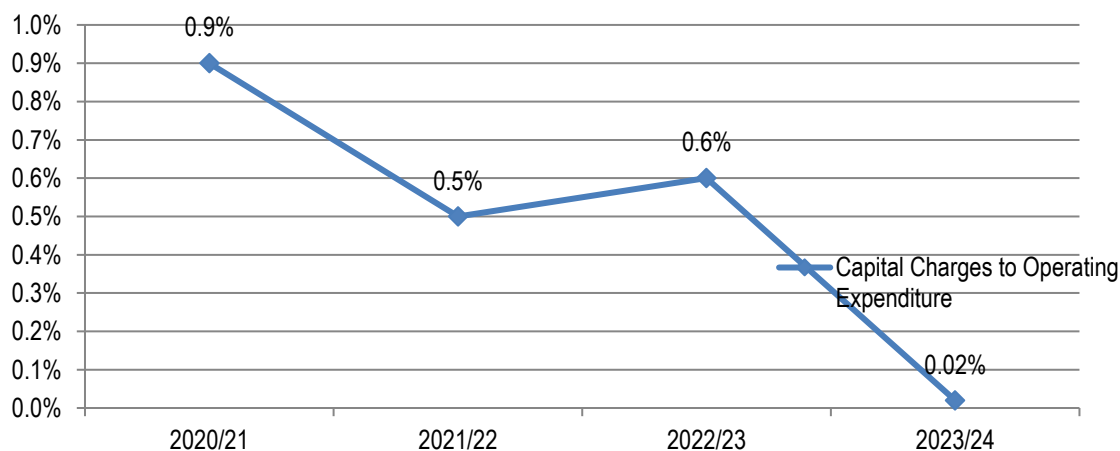


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure



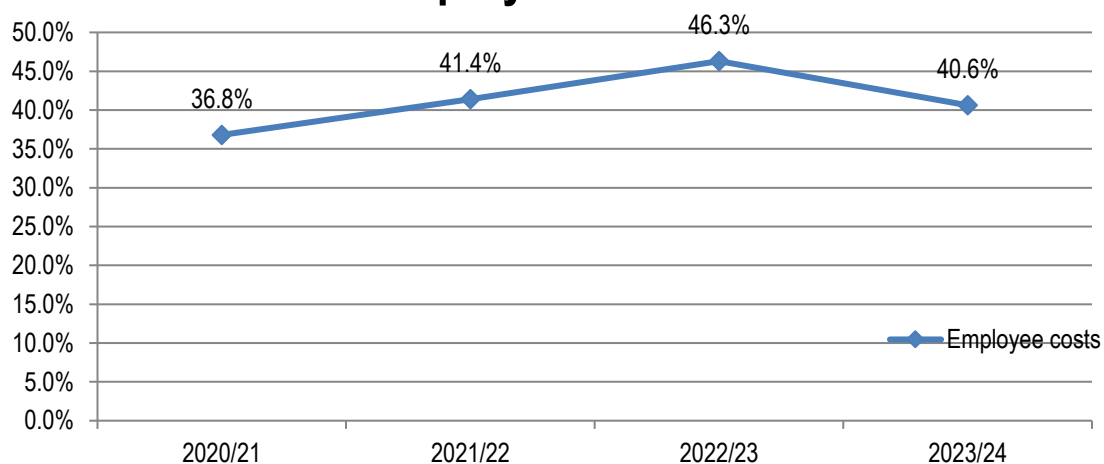
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Chapter 5

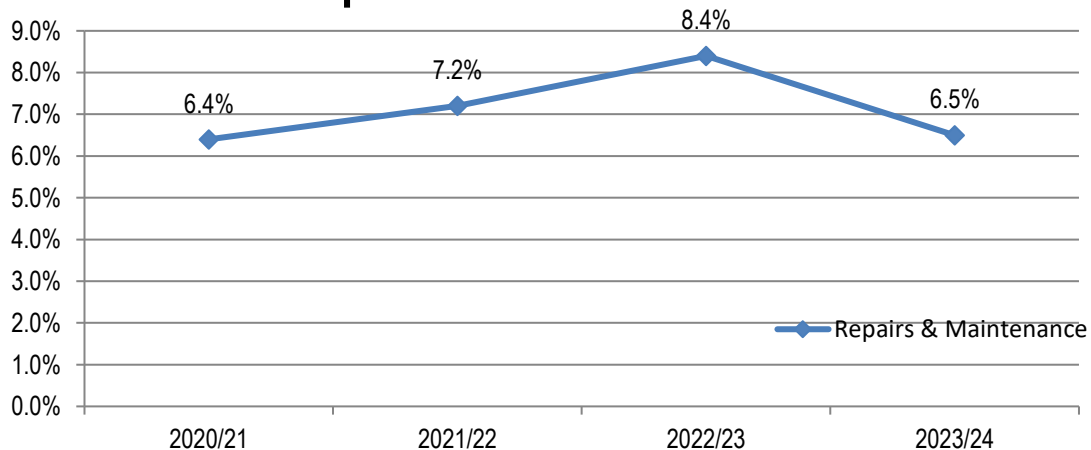
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.
Data used from MBRR SA8

T 5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

Chapter 5

FINANCIAL RATIOS

Liquidity Ratio:

This ratio depicts that the municipality's assets are more than the liabilities. However, the ratio also includes the amount of money still owed to the municipality by its debtors. Considering that most debtors have been owing for more than 12 months the ratio might be a bit overstated. Nonetheless the municipality will still be able to cover its operations even without settlement of those debts. Therefore, the ratio is favourable.

Cost Coverage:

The municipality's ability to pay for its operations is not questionable. Even though the number of months has reduced in the past three years, this is attributed to the fact that the municipality had to use some of its investments in 2022 to finance the capital projects. The annual budget has been funded for the past 5 years. However, care should be given in ensuring that the municipality continue to strengthen the controls in the spending patterns. Only those goods and services that are budgeted for should be prioritised.

The Total Outstanding Service Debtors:

Payment of municipal service has always been a crisis for many institutions. The collection rate of the municipality is way below the expected rate which continues to give a burden to the municipality in terms of funding operations. The municipality has continued to hand-over those debtors that are not settling their bills in time. Government debt is also a priority for the municipality and there have been arrangements in place to ensure 100% collection of such funds.

Creditors System Efficiency:

The municipality has been able to service most of its creditors in time.

Employee Costs:

This ratio has always been above the treasury norm.

Repairs and Maintenance:

Due to the lockdown the expenditure on repairs and maintenance has been rather low. However, most of the municipality's properties are fairly new and do not require maintenance hence the budget is lower against CapEx.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The municipality's spending on capital projects is in line with IDP which is also aligned to the annual budget. The municipality managed to approve a procurement plan that formed part of the municipal acquisition strategy. The value chain was proper that all projects were appointed in time. The bid committees were in place to ensure appropriate turn-around time w.r.t appointment of tenders. The lockdown was the only issue that led to slow movement in capital expenditure.

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE

T 5.5.1

5.6 SOURCES OF FINANCE

SOURCES OF FUNDING

Greater Taung Local Municipality is mostly reliant on government funding.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* EXCELL					
R' 000					
Name of Project	Current: 2023/2024			Variance: 2023/2024	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Construction of Molelema Access Road	R9,600,000	R11,212 325.66	R9,016,858.05	94%	80%
B - Construction of Kgomoitso Access Road	R9,600,000	R11,387,774.67	R7,900,318.62	82%	69%
C - Construction of Taung Extension 7 Access Road	R9,600,000	R10,774,712.54	R10,774,712.54	112%	100%
D - Construction of high mast lights in various wards	R9,982,416.15	R9,982,416.00	R9,981,490.15	99%	99%
E - Construction of Picong Stormwater channel	R7,000,000	R9,298,447.84	R2,758,780.71	39%	30%
* Projects with the highest capital expenditure in 2023/2024					
Name of Project - A	Construction of Molelema Access Road				
Objective of Project	Construction of a 2km interlocking paving road with the necessary stormwater, kerbing and main road markings and signs				
Delays	SMME disputes, inclement weather, delayed delivery of material from the supplier				
Future Challenges	Delayed completion of the project				
Anticipated citizen benefits	4,823				
Name of Project - B	Construction of Kgomoitso Access Road				
Objective of Project	Construction of a 2km interlocking paving road with the necessary stormwater, kerbing and main road markings and signs				
Delays	SMME disputes, inclement weather, poor cashflow management by the Contractor, delayed procurement of material				
Future Challenges	Delayed completion of the project				
Anticipated citizen benefits	3,591				
Name of Project - C	Construction of Taung Extension 7 Access Road				
Objective of Project	Construction of a 1.2km interlocking paving road with the necessary stormwater, kerbing and main road markings and signs				

Chapter 5

Delays	Community interference and inclement weather
Future Challenges	None
Anticipated citizen benefits	5,267
Name of Project - D	Construction of high mast lights in various wards
Objective of Project	Construction and supply of fittings, testing of electrical components of high-mast lights. Please note supply of electricity connection point is done by Eskom
Delays	Delays in Eskom energizing the lights
Future Challenges	Community vandalizing the lumens due to prolonged energizing of lights
Anticipated citizen benefits	70,063
Name of Project - E	Construction of Picong Stormwater channel
Objective of Project	Construction of a 2km long stormwater management system. It includes interlocking paved A trapezoidal stone-pitched open channel and culverts at crossings
Delays	Community scope dispute, labour disputes and inclement weather
Future Challenges	Delayed completion of the project
Anticipated citizen benefits	1,319
T 5.7.1	

CAPITAL PROJECTS

The municipality was allocated an MIG Budget of R56,510,000 for the financial year 2023/2024 FY. The national cost containment resulted in the budget being reduced to R52,730,000.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Roads are the most prioritise in municipal IDP, it clearly shows that we have a serious road infrastructure backlog. Municipality has a backlog of ±2,880.11km of roads infrastructure and need R2.9b to address this back. Municipality is currently developing roads infrastructure (7km per year) through MIG, Equitable Share and EPWP IG per year, a drop in an ocean when compared with the current backlog.

T 5.8.1

Service Backlogs as at 30 June 2024

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	42,980	%		36%
Sanitation	42,980	%		36%
Electricity	5,020	%		58%
Waste management	42,980	%		36%
Housing	42,980	%		36%
T 5.8.2				

Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2023/2024 on Service backlogs						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Infrastructure - Road transport						
Roads, Pavements & Bridges	R28,800,000	R33,374,812.87	R20,581,609.21	71%	62%	None
Storm water	R7,000,000	R9,298,447.84	R2,758,780.71	39%	30%	None
Infrastructure - Electricity						
Generation	R0	R0	R0	0%	0%	None
Transmission & Reticulation	R0	R0	R0	0%	0%	None
Street Lighting (High mast Lights)	R9,892,492.80	R9,892,492.80	R9,804,366.92	99%	99%	None
Infrastructure - Water						
Total				%	%	

T 5.8.3

BACKLOGS

The Graeter Taung Local Municipality's annual budget for infrastructure development is unable to address backlogs. MIG, EPWP IG and Own Funding have played a pivotal role in the assistance in addressing backlogs. Key functions that have been addressed were roads, stormwater management and area lighting. The municipality is availing own funds for development of roads infrastructure through EPWP to mitigate the challenge however its coffers are near depletion hence the budget has been reduced and additional own funded projects could not be implemented.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Overall, the municipality's financial viability assessment indicates that the municipality is in a healthy financial position. The municipality pays its creditors well within the required 30 days. The municipality is also able to easily cover all its creditors with the cash and cash equivalents available at year end. The cash and cash equivalents are high because of unused money that is invested on which interest is earned. The municipality's liquidity is healthy as the current assets greatly exceed the current liabilities. The current assets are boosted by the high amount of cash and cash equivalents as mentioned above, while the current liabilities are kept low by the fact that creditors are not long outstanding.

The only negative indication in the financial viability assessment is the debt collection period, which indicates that the municipality waits more than a year to collect money from its debtors. Although the ratio improved from the previous financial year, it is still a risk that the money is not received for services rendered. This risk is, now, mitigated by the fact that the municipality has high amounts of cash and cash

Chapter 5

equivalents available, and the high amount of equitable share received each year, and is therefore not likely to experience cashflow problems now.

T 5.9

5.9 CASH FLOW

CASH FLOW OUTCOMES

Cash Flow Statement are included in the audited Annual Financial Statement. No borrowings for the financial year under review.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Investments included in the audited Annual Financial Statement. No borrowings for the financial year under review.

T 5.10.1

BORROWING AND INVESTMENTS

No new loans were taken up in the financial year under review.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Greater Taung Local Municipality does not have any PPP in place.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply Chain Management Unit is established according to Section 111 of the MFMA that states that the municipality has to adopt and implement SCM Policy. Supply Chain Management System of the municipality provides a mechanism to ensure fair, equitable, transparent, competitive, and cost-effective procurement whilst promoting black economic empowerment.

Key Findings from previous Auditor General's Report:

1. Limitation of Scope: Contracts for general expenditure, contravention of section 62(1)(b) of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA).

Chapter 5

2. BID information submitted after closing date, contravention to SCM regulation 23.
3. Irregular expenditure: Prior year irregular expenditure incorrectly disclosed, contravention of GRAP 1 paragraph .17 and regulation 27(2)(f) and as prescribed in terms of the Preferential Procurement Policy Framework Act.
4. Tender incorrectly awarded - difference in functionality point, SCM regulation 28(1) and regulation 27(2)(f) and as prescribed in terms of the Preferential Procurement Policy Framework Act.

Remedial Actions:

1. Management have implemented an internal control that no payment will be made without an order. All payments except for personnels an order must be created before payment, internal memo regarding the process created.
2. The Supply Chain Management Unit has created a checklist for evaluation and adjudication committee to guide what should be submitted. And all payments regarding the tenders will be recorded on irregular expenditure. Also, services have been terminated for the specific tender.
3. Management have implemented an internal control that no payment will be made without an order. All payments except for personnels an order have to be created before payment. Attached internal memo regarding the process.
4. The Supply Chain Management Unit has created a checklist for evaluation and adjudication committee to guide on the evaluation and adjudication of documents. Amount for each year will be added on Irregular Expenditure.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Greater Taung Local Municipality applies GRAP in the compilation of its financial statements. Although every effort is made to comply fully to the GRAP standards applicable, documented issues exist specifically in applying GRAP 17 in relation to assets due to lack of available resources.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Greater Taung Local Municipality submitted the Annual Financial Statement on the 31st of August 2024 in line with section 126 of the Municipal Finance Management Act for auditing by Auditor General. The municipality will be audited from September until end November 2024 and receive the audit report from the auditor general in December.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2022/2023

6.1 AUDITOR GENERAL REPORTS 2022/2023 (PREVIOUS YEAR)

Status of audit report:	Qualified
Non-Compliance Issues	Remedial Action Taken
ISS.3-COMAF 4 UIFW Investigation The Accounting Officer and senior managers did not refer matters of Unauthorized, irregular, fruitless and wasteful expenditure to be investigated by MPAC	A full report in respect of UIFW was submitted to MPAC during the year under review for investigation and evidence to that effect is available and was furnished to the AG, However the accounting officer will again submit the same report to MPAC.
ISS.31Limitation of Scope: Contracts for general expenditure The following quotations / Bidding documents have not been submitted for the following suppliers for the following transaction	Management have implemented an internal control that no payment will be done without an order. All payments except for personnels an order have to be created before payment. Attached internal memo regarding the process.
ISS.41-COMAF 16 Issue: 41 - General Expenditure During the testing of general expenses for 2021/2022 financial year, the following transactions were not relating to the year of 2021/2022review	Management will ensure that cut off procedures/tests are performed on all expenditure items to confirm that accounting transactions are recorded in the correct accounting period.
ISS.15-COMAF 9 Contracted services - Differences between General Ledger and invoice amount During the audit of contracted services, a difference of R75 122,53 was noted , as stated above due to the difference between GL and the invoices. Details are as follows;	Management will ensure that cut off procedures/test are performed on all expenditure items to confirm that accounting transaction are recorded in the correct accounting.
ISS.46-COF 6AOPO_ SDBIP not having all required components per MFMA circular No13 _ Compliance Reference to the table of contents and the revised SDBIP various annexures, however the related information is not included within the revised SDBIP	Management will ensure that all components in line with circular 13 are included in the Top Layer SDBIP. Management will ensure that templates that are user friendly are developed and used internally to comply with other legislation.
ISS.10-COMAF 12BID information submitted after closing date During execution phase of the audit, we noted that the tender nr GTLM/INFR12/2022/2023 had a closing date of 27 September 2022. However, we noted the winning	Supply Chain Management Unit have created a checklist for evaluation and adjudication committee to guide what should be submitted. And all payments regarding the tenders will be recorded on irregular

Chapter 6

bidder's documentations were certified after the closing date of 27 September 2022 1. ID document - certified on 01 October 2022 2, Sworn affidavit for BBBEE - certified on 01 October 2022 This is an indication that the bid file of the supplier was submitted after the closing date. Therefore, the supplier should have been disqualified on bid compliance. Tshwaro construction During execution phase of the audit, we noted that the tender nr GTLM/INFR14/2022/2023 had a closing date of 29 September 2022. However, we noted the winning bidder's documentation was certified after the closing date of 29 September 2022. 1. Proof of residence SAPS affidavit - Certified on 19 October 2022	expenditure. Also, services have been terminated for the specific tender.
ISS.2-COMAF 3 Audit committee Review of the coverage and scope between external and internal audit to avoid duplication of work and promote possible cost savings from the alignment of the two functions.	Internal Audit to engage with external auditors when developing the 3-year rolling plan to avoid duplication of efforts
ISS.7-COMAF 2 Differences on comparatives – High level review of AFS During the high-level review of AFS submitted for audit on 31 August 2023, we noted the below differences on comparative figures:	No journals will be processed, only disclosure note 40 will be aligned to the balance on the face of the statement of financial performance
ISS.19-COMAF 7 Property, plant, and equipment - Prior period error 1. Difference between comparative amount and the amount as per prior year audited AFS does not agree to amount as per restatement in the prior period error note 40: 2. The amounts included in the narration for period error does not agree to the amount in the prior period error note: 3. There is no supporting documentation to the journals processed to adjust the comparative amount of 165 198.	Management requests to amend the narration in the AFS under note 40 for PPE
ISS.42 COMAF 18 The use of consultants There is no clause in the agreement with Munsoft Consultants that requires them to transfer skills to the entity's employees.	Management will ensure that the transfer of skill clause is included in all consulting services provided to the municipality going forward
ISS.6 COMAF 12 No performance assessment Management has not set up a functional structure to implement the process reviewing all managers and section 57 manager's performance contracts. Impact Non- compliance with (Municipal System Act) 32 of 2000	All outstanding Individual Performance Evaluation of section 56 Managers will be finalized by end March 2024. Mid-year Performance review for Managers and employees will be done before end March 2024
ISS.21 COMAF 8 Irregular expenditure: Prior year irregular expenditure incorrectly disclosed The following differences on irregular expenditure note 46 were identified between the auditor's recalculation of prior	The irregular expenditure register will be reviewed by CFO on a monthly basis.

Chapter 6

year amounts and the comparative amounts as per the current year financial statements:	Management will compare the irregular expenditure register total amount to the amount on the disclosure to the financial statements and ensure they agree. Management have implemented an internal control that no payment will be done without an order. All payments except for personnels an order have to be created before payment. Attached internal memo regarding the process
ISS.24 COMAF 9 Differences identified on vat receivable - prior period error [AR] During the testing of vat receivables as disclosed on prior period error note, we identified difference between the auditee calculations and auditor's recalculation.	Monthly VAT reconciliations will be performed, and differences will be addressed timeously. Regular reviews of the reconciliations will be performed by management.
ISS.8 COMAF 5 PPE - Differences on lead schedule – Unresolved During the testing of property, plant and equipment identified the following differences between the fixed asset register and the financial statements:	Correction on the impairment calculation will be processed as a prior period error. Regular calculations will be done and review performed by management.
ISS.43-COMAF 15 - APOPO Relevant service delivery indicators was not included within the SDBIP Contrary to the above we noticed that the following relevant service delivery indicators was not included within the SDBIP for Greater Taung Local Municipality for 2022/2023 1. The percentage/ number of households with access to basic level of water, sanitation, electricity, and solid waste removal; 2. the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan; Management did not ensure that all relevant indicators for services delivery are included within the SDBIP. Relevant indicators are not planned, managed, or reported on to ensure basic services that impacts the ordinary citizens are priorities and the correct level of services are delivered.	All General Key Performance Indicators as stipulated in the regulations will be included in the 2023/2024 revised top and technical SDBIP and will be sent to council for approval in February 2024
ISS.33-COMAF 12 Tender incorrectly awarded - difference in functionality point. a) During the audit of the tender (GTLM/INFR052022/2023) and inspection of the evaluation reports and bid documents submitted by Mgugwana Junior Multi JV, differences were noted between the functionality score awarded to the bidders as per the evaluation reports and the auditors recalculated scores. b) differences identified in the functionality scores has resulted in Mgugwana Junior Multi JV being incorrectly awarded the tender. see report for details Non-compliance with Paragraph 6(8) of the Preferential Procurement Regulations 2017 resulting in irregular expenditure of R9 650 000.00	Supply Chain Management Unit have created a checklist for evaluation and adjudication committee to guide on the evaluation and adjudication of documents. Amount for each year will be added on Irregular Expenditure.

Chapter 6

ISS.30-COMAF 10 Differences identified - Impairment on Receivables During testing of impairment for receivable exchange and no exchange transactions, we noted differences between the auditee's and auditor's recalculation. A summary of the difference is below; Please find attached an excel detailed working of the differences. Cause Management did not ensure appropriate review allowance for impairment by ensuring that the provision is calculated correctly. Impact The above-mentioned finding results in misstatements in receivable from exchange and non-exchange transactions.	"Correction on the impairment calculation will be processed as a prior period error. Regular calculations will be done, and review performed by management."
T 6.1.1	

COMPONENT B: AUDITOR-GENERAL OPINION 2023/2024 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2023/2024

Status of audit report:	Audit underway
Non-Compliance Issues	Remedial Action Taken
ISS44: COAF42 -Fully Depreciated Assets Contrary to the above, we have noted a total of 1 584 assets (Annexure A) which were fully depreciated at year end or scheduled to reach full depreciation immediately after year end. The noted assets have reached the end of their useful lives as depicted below – (see 2023/24 Audit Report for detail) The existence of these still in use fully depreciated/approaching full depreciation assets is signalling weaknesses in management's practices regarding the reassessment of useful lives. The misstatement resulting from the inappropriate reassessment of useful lives cannot be quantified. Potential weakness in the controls over the practices surrounding the reassessment of useful lives. This finding will result in:- • PPE being misstated. • possible qualification paragraph	Asset verification for all assets will be done, during the process of verification assessment of useful life and if disposal have to take place a report to council
ISS56: COAF49 - Compliance: Non- compliance with section 12(5) of the DORA Contrary to the above, we noted the following during the testing of conditional grants testing: - • Financial Management Grant (FMG) & Library grant – the municipality failed to submit performance evaluation report to the transferring officer and the relevant Provincial treasury.	Management will comply quarterly reports, to be signed by CFO and MM and send to Treasury

Chapter 6

• Municipal Infrastructure Grant (MIG) – The municipality failed to prepare performance evaluation report as required by section 12(5) of the DORA. The finding will result in non-compliance with the requirements of the Section 12(5) of the DORA.	
ISS06: COAF09 - Investigation of UIFW Expenditure Contrary to the above, based on work done on consequence management and enquiries with management, confirmed that no investigations were conducted in the 2023/24 financial year by MPAC for irregular, fruitless and wasteful expenditure to determine if any person is liable for the expenditure/transgression.	Municipality will follow the UIF&W Reduction Strategy Plan that was done by the Municipality and Provincial Treasury
ISS57: COMAF52 – Oversight Report on the 2022/23 Annual Report Contrary to the above, no evidence exists to confirm that council tabled the oversight report on the 2022/23 annual report. We confirmed through the inspection of council resolution 18-2023/24 that the 2022/23 annual report was tabled. Per the resolution, the oversight and public hearing of the report commenced immediately and a progress report on the oversight report was taken during the 20 March 2024 council meeting, but no other evidence is available to prove that the oversight report was tabled within 2 months of receiving the annual report.	MPAC to develop and action or schedule of meeting that will be used to perform its responsibility in terms oversight on financial and performance reporting
ISS30: COAF 39 - CORI : Completeness of indicators Contrary to the above during the testing of performance information, we noticed that the following relevant service delivery indicator was not included within the Top Layer SDBIP of Greater Taung Local Municipality for 2023/24 financial year although the Local Government: Municipal Planning and Performance Regulations requires for municipalities to have them. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan. This finding will result in:- • The SDBIP of the municipality not including all the relevant indicators • Non-compliance with the Local Government Municipal Planning and Performance Regulations.	As this indicator is already part of the Technical SDBIP, it would be moved to the Top-Layer SDBIP during revision of the SDBIP after budget adjustment
ISS41: Coaf 34 -No VAT schedule that agrees to AFS amount During the execution phase of auditing VAT receivable, we noted that the municipality lacks a detailed VAT schedule for individual transactions comprising the VAT receivable balance: (see 2023/24 Audit Report for detail)	Ongoing monitoring of VAT transactions, engage AG on the matter of VAT
ISS11: COAF 20 - Unauthorised expenditure - Prior Period Error Contrary to the above, we noted that the prior period error adjustments relating to unauthorised expenditure was not disclosed in the annual financial statement. The following misstatement was noted: (see 2023/24 Audit Report for detail)	The prior year adjustment will be made on the 2024/2025 F/Y. The adjusted AFS will be updated also as per the register. The interim AFS for 2024/2025 will be adjusted accordingly

Chapter 6

ISS24: COAF 18 - Irregular expenditure - Incorrect prior year adjustment Contrary to the above, we noted that the prior period error adjustments relating to irregular expenditure was not accurate and complete, as through inspection of the disclosure in the financial statement note 56 we confirmed that there were some irregular expenditure that was not accounted for. We noted the following difference between the irregular expenditure register and auditor's recalculation: (see 2023/24 Audit Report for detail) The SCM manager did not adequately review the adjustment of prior-year irregular expenditure listing and ensure that register was accurate, complete, and supported by reliable information. Irregular expenditure is understated with a factual amount of R5,890,124.07	Investigations are done. Prior year correction will be done. Adjust the register
ISS32: COAF 47 – Unauthorised expenditure understated Contrary to above, we noted the misstatement during the testing of unauthorised expenditure as follow: (see 2023/24 Audit Report for detail) This was due to inadequate reviews of the unauthorised expenditure calculation This results in a material understatement in unauthorised expenditure for current financial years	Management have done the re-calculation of the Unauthorised Expenditure for 2023/24 and adjustment will be made on the AFS as prior year

T 6.2.1

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2023/2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature and the council on Greater Taung Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Greater Taung Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Greater Taung Local Municipality as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion

VAT receivable

3. I was unable to obtain sufficient appropriate audit evidence for VAT receivable due to inadequate support provided for the prior year reconciling items. I was unable to confirm VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustment relating to the VAT receivable of R5 699 401(2023: R10 152 773) disclosed in note 11 to the financial statements was necessary.

Property, plant and equipment

4. The municipality did not properly reassess the useful lives of assets as required by GRAP 17, *Property, plant and equipment*. Consequently, property, plant and equipment with a gross carrying amount of R788 553 099 had assets with zero carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of property, plant and equipment as it was impractical to do so.



1

Chapter 6

Unauthorised expenditure

5. Unauthorised expenditure was not recorded in accordance with section 62(1)(d) of the MFMA. The municipality incorrectly calculated unauthorised expenditure in the current year by not considering votes, resulting in the current year unauthorised expenditure of R45 905 534 being understated by R5 643 254.
6. The corresponding figure of R250 878 340 disclosed in note 54 of the financial statements does not agree with the amount disclosed in the 2022-23 financial statements, resulting in the corresponding figure being understated by R11 211 996.

Irregular expenditure

7. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments in contravention of the supply chain management requirements which were not disclosed as irregular expenditure. As the municipality did not quantify the full extent of the irregular expenditure, it was impractical to determine the resultant misstatement of irregular expenditure of R383 571 018 (2023: R340 000 610) as disclosed in note 56 to the financial statements.

Context for opinion

8. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
9. 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.
10. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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



Chapter 6

the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 10, forms part of our auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following material performance indicators related to key performance areas presented in the annual performance report for the year ended 30 June 2024. I selected key performance areas that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
KPA 1: Basic service delivery and infrastructure development	[XX]	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance.
KPA 4: Municipal financial viability and management	[XX]	To improve overall financial management in the municipality by developing and implementing appropriate systems and controls.



Chapter 6

19. I evaluated the reported performance information for the selected KPAs against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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

22. The material findings on the reported performance information for the selected objectives are as follows:

KPA 4: Municipal financial viability and management

The percentage of a municipality's capital budget actually spent on capital projects

23. In terms of the Local Government: Municipal Planning and Performance Regulations, the municipality is responsible for ensuring that they have the relevant indicator of the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan. However, an indicator to measure performance on this responsibility was omitted from the approved planning documents. The reason for the omission was due to a clerical oversight. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in the municipal budget not being directed to capital projects and undermines transparency and accountability for delivery on mandate.



Chapter 6

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

26. The tables that follow provide information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

KPA 1: Basic service delivery and infrastructure development

Targets achieved: 81%		
Budget spent: 29%		
Key indicators not achieved	Planned target	Reported achievement
Number of kilometres of access road construction completed in Kgomotso by end of June 2024	1.2	0
Number of kilometres of access road construction completed in Molelema by end June 2024	1.5	0
Number of kilometres storm water channel constructed in Picong by end June 2024	1	0

KPA 4: Municipal Financial Viability and Management

Target achieved: 60%		
Budget spent: 26%		
Key indicators not achieved	Planned target	Reported achievement
Number of indigent households that received free basic electricity in GTLM by end June 2024	4 000	3 841
Number of indigent households that received free basic refuse removal in GTLM by end June 2024	220	192



Chapter 6

Number of indigent households that received monthly rebates on property rates in GTLM by end June 2024	220	192
Number of indigent households that received free basic sanitation in GTLM by end of June 2024	220	163

Material misstatement

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 1: basic service delivery and infrastructure development and KPA 4: municipal financial viability and management. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure and the account balance items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.
33. The council failed to adopt an oversight report containing council's comments on the 2022-23 annual report, as required by section 129(1) of the MFMA.



Chapter 6

Asset management

34. 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.

Consequence management

35. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
36. Irregular expenditure, as well as fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified, as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by payments for security services.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R495 736, as disclosed in note 55 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 interest on late payments.
39. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R45 905 534, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by expenditure incurred in excess of the votes.

Grant management

40. Performance in respect of programmes funded by the LGFMG was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

Strategic planning and performance management

41. The performance management system and related controls were inadequate to ensure that misstatements around performance planning, monitoring, measurement, review and reporting are not identified, as required by municipal planning and performance management regulation 7(1).

Other information in the annual report

42. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.



Chapter 6

43. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
44. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

46. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
47. The matters reported below are limited to the significant internal control deficiencies that resulted in qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
- Management did not implement a proper records management system to ensure that the annual financial statements, reported performance information is supported by valid, accurate and credible information.
 - The accounting officer did not review and monitor compliance with the requirement of section 32(2) of MFMA to ensure that all unauthorised, fruitless and wasteful expenditure are investigated to determine if there is a liable official.
 - Management did not implement adequate review processes on the reported performance information to ensure complete, reliable and credible reporting.
 - The accounting officer did not review and monitor compliance with the requirement of section 129(3) of the MFMA to ensure that the oversight report is tabled.
 - Management did not take reasonable steps to ensure adequate review of the annual financial statements to ensure they are free from misstatements.
 - Management did not exercise oversight responsibility regarding compliance with Section 62(1)(d) of the MFMA to ensure the municipality takes reasonable steps to prevent irregular, unauthorized expenditure and fruitless and wasteful expenditure.



Chapter 6

Auditor General

Rustenburg

30 November 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



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T 6.2.3

Chapter 6

AUDITOR-GENERAL'S OPINION 2023/2024

The municipality received a qualified audit opinion in the current financial year. The qualification consisted of 4 qualification paragraphs, namely VAT Receivable balance that has long been outstanding and not resolved, Audit Findings on Property Plant and Equipment, Unauthorised Expenditure, and Irregular expenditure that remains unresolved which were mainly caused by lack of adequate reviews on the annual financial statements and lack of consequence management to address unauthorised and irregular expenditure.

The qualification opinion is not a desirable one and we will continue working hard to change the narrative. There is also a need to continue with trainings to capacitate the current staff do be at the level that would see us reducing the use of consultants. Furthermore, the implementation and monitoring of a comprehensive Audit Action Plan, effective internal controls, and commitment from all relevant role players will be needed to improve the audit outcome of the municipality.

T 6.2.4

GLOSSARY

GLOSSARY

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

GLOSSARY

	• Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes, and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Number Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			No	%
Tumisang Gaoraelwe	FT	Mayor	11/ANC	7	5%
Grace Moipolai	FT	Speaker	PR/ANC	11	1%
Masego Mokua	FT	Chief whip	PR/ANC	12	0%
Itumeleng Maribe	FT	Infrastructure	20/ANC	11	1%
Nontetho Tafane	FT	Corporate Governance & Communication	PR/ANC	11	1%
Mosetsanagape Mosinkiemang	FT	Community Service	PR/ANC	12	0%
Thandiwe Sebe	FT	LED	PR/ANC	12	0%
Mika Moeti	FT	Finances	PR/F4SD	12	0%
Amogelang Matuane	FT	Spatial Planning & Human Settlements	PR/EFF	7	3%
Linda Mabengwane	FT	ICT	PR/EFF	7	5%
Tebogo Monchonyane	FT	Planning & Development	PR/AICM	10	2%
Caroline Olifant	PT	Planning & Development	01/ANC	10	2%
Tumo Tabe	PT	ICT	02/ANC	9	3%
Tebogo Gaorengwe	PT	Planning & Development	03/ANC	9	3%
Kagiso Pudule	PT	Planning & Development	04/ANC	12	0%
Onkarabile Tong	PT	Infrastructure	05/ANC	10	2%
Mmokwa Seakgamoriri	FT	MPAC	06/F4SD	11	1%
Mmoloki Mojaki	PT	Community Services	07/ANC	9	3%
Ntesang Montewa	PT	Infrastructure	08/ANC	12	0%
Monene Sekwenyane	PT	Corporate Governance & Communication	09/ANC	8	4%
Olebogeng Ipeleng	PT	Corporate, MPAC & Communication	10/ANC	9	3%
Lerato Babuseng	PT	Community Services	12/ANC	7	5%
Kealeboga Seboko	PT	Finance	13/ANC	8	4%
Mothusiotsele Mojanaga	PT	Spatial Planning & Human Settlement	14/ANC	9	3%
Seepapitso Seepamere	PT	LED	15/ANC	9	3%
Tefo Moraladi	PT	ICT	16/ANC	8	4%
Bontsi Chubane	PT	Infrastructure	17/ANC	11	1%

APPENDICES

Gladys Melamu	PT	ICT	18/ANC	7	5%
Michael Makwati	PT	Corporate Governance & Communication	19/ANC	9	3%
Tebogo Molale	PT	Spatial Planning & Human Settlement	21/ANC	12	0%
Ikgopoleng Lekoma	PT	Finance	22/ANC	9	3%
Boitshwarelo Pusho	PT	LED	23/ANC	12	0%
Kagelelo Moeng	PT	ICT	24/ANC	12	0%
Boniswa Nkewu	PT	LED	PR/EFF	8	4%
Loeto Modise	PT	ICT	PR/EFF	8	4%
Keitumetse Rooibatjie	PT	Finance	PR/EFF	5	7%
Gideon Lephoi	PT	Corporate Governance & Communication	PR/EFF	8	4%
Margaret Mmokwa	PT	Infrastructure	PR/EFF	8	4%
Oratile Segosapelo	PT	Planning & Development	PR/EFF	7	5%
Gladwin Kesemolotse	PT	Spatial Planning & Human Settlement	PR/EFF	7	5%
Vuyiseka Zonke	PT	Planning & Development	PR/EFF	9	3%
Bakang Mase	PT	Community Services	PR/EFF	9	3%
April Sephula	PT	Spatial Planning & Human Settlement	PR/AICM	8	4%
Salvation De Koker	PT	Corporate Governance & Communication	PR/AIC	7	5%
Mosadiotsile Morapedi-Letele	PT	Infrastructure	PR/PA	9	3%
Edward Boemo	PT	LED	PR/NFP	8	4%
Sam Nape	PT	Community Services	PR/DA	7	5%
Gaolatlhe Tshipo	PT	LED	PR/ACDP	9	3%
T A					

Executive Committee Meetings				
Executive Committee Members	Total No of Meetings held	Attendance	Non attendance	
			With apology	Without apology
Cllr Tumisang Gaoraclwe (Mayor)	10	8	2	0
Cllr Mosetsanagape Mosinkiemang	10	9	1	0
Cllr Thandiwe Sebe	10	9	1	0
Cllr Itumeleng Maribe	10	9	1	0
Cllr Nontetho Tafane	10	8	2	0
Cllr Tebogo Monchonyane	10	10	0	0
Cllr Linda Mabengwane	10	8	2	0
Cllr Mika Moeti	10	9	1	0
Cllr Amogelang Matuane	10	7	1	2

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	Income, Expenditure, Budget, and all other financial matters
Community Services Committee	Deals with all issues relating to community (refuse removal, Land fill sites, cemeteries, Libraries, and recreational facilities) and all LED matters
Infrastructure	Roads and Storm water, Sewerage, Sanitation, Electricity
Planning & Development Committee	Municipal Council Planning and Related matters
Corporate Service Committee	All HR matters, by-laws, policies, Council supports
ICT Committee	Responsible for all IT related matters
Human Settlement	To facilitate the development of sustainable and integrated human settlements in GTLM
T B	

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director / Manager (State title and name)
Municipal Manager	Mr. Andrew Makuapane
Chief Financial Officer	Ms. Neo Dibelane (Acting)
Corporate Services	Mr. Taelo Makgolo (Acting)
Land Use Planning and Human Settlements	Ms. Beauty Tlholagae (Acting)
Community Social Services	Mr. Tebogo Motase
Infrastructure	Mr. Matenyane Keohitsetse (Acting)
T C	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

New No	Function As Per Government Gazette No 6847 - 24 Dec 2010	Function Assigned	Done By GTLM
1	Air Pollution	LM/DM Function	No
2	Amusement Facilities	Local Function	No
3	Billboards & Display of Advertisements in Public Places	Local Function	Yes
4	Building Regulations	Local Function	Yes
5	Cemeteries, Funeral Parlours and Crematoria	Local Function	Yes
6	Child Care Facilities	Local Function	No
7	Cleansing	Local Function	Yes
8	Control of Public Nuisances	Local Function	Yes
9	Control of Undertakings that Sell Liquor to the Public	Local Function	No
10	Facilities for the Accommodation, Care and Burial of Animals	Local Function	No
11	Fencing and Fences	Local Function	No
12	Fire Fighting Service	LM/DM Function	No

APPENDICES

New No	Function As Per Government Gazette No 6847 - 24 Dec 2010	Function Assigned	Done By GTLM
13	Integrated (IDP) Municipal Planning	Local Function	Yes
14	Levying of fees for Services Provided by LM	Local Function	Yes
15	Levying of Rates on Property	Local Function	Yes
16	Levying of Surcharges on Fees for Services Provided for or on behalf of the LM	Local Function	Yes
17	Licensing and control of undertakings that sell food to the public	Local Function	No
18	Licensing of Dogs	Local Function	No
19	Local Amenities	Local Function	Yes
20	Local Roads and Streets	Local Function	Yes
21	Local Sport Facilities	Local Function	Yes
22	Local Markets	Local Function	Yes
23	Municipal Abattoirs	LM/DM Function	No
24	Municipal Airports	LM/DM Function	Yes
25	Municipal Health Service	LM/DM Function	No
26	Municipal Parks & Recreation	Local Function	Yes
27	Municipal Planning (Town Planning)	Local Function	Yes
28	Municipal Public Transport	LM/DM Function	No
29	Municipal Public Works relating to any Functions of the LM	LM/DM Function	No
30	Noise Pollution	LM/DM Function	No
31	Pontoons, Ferries, Jetties, Piers & Harbours	LM/DM Function	NA
32	Pounds	LM/DM Function	Yes
33	Promotion of Local Tourism for the Area	Local Function	Yes
34	Public Places	Local Function	Yes
35	Refuse Removal, Refuse Dumps and Solid Waste Disposal Sites	Local Function	Yes
36	Retail Potable Water Supply Systems and Domestic Wastewater and Sewerage Disposal Systems Serving the Area of the Municipality	Local Function	Yes
37	Retail Supply of Electricity and Gas	Local Function	Yes
38	Street Lighting	LM/DM Function	Yes
39	Street Trading	Local Function	Yes
40	Storm Water Management in Build Areas	Local Function	Yes
41	Trading Regulations	Local Function	Yes
42	Traffic and Parking	Local Function	No

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APPENDIX E – WARD REPORTING

No.	Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Caroline Olifant	Yes	12	12	4
2	Tumo Tabe	Yes	12	12	4
3	Tebogo Gaorengwe	Yes	12	12	4
4	Kagiso Pudule	Yes	12	12	4

APPENDICES

5	Onkarabile Tong	Yes	12	12	4
6	Mmokwa Seakgamoriri	Yes	12	12	4
7	Mmoloki Mojaki	Yes	12	12	4
8	Ntesang Montewa	Yes	12	12	4
9	Monene Sekwenyane	Yes	12	12	4
10	Olebogeng Ipeleng	Yes	12	12	4
11	Tumisang Gaoraelwe	Yes	12	12	4
12	Lerato Babuseng	Yes	12	12	4
13	Kealeboga Seboko	Yes	12	12	4
14	Mothusiotsele Mojanaga	Yes	12	12	4
15	Seepapitso Seepamere	Yes	12	12	4
16	Tefo Moraladi	Yes	12	12	4
17	Bontsi Chubane	Yes	12	12	4
18	Gladys Melamu	Yes	12	12	4
19	Michael Makwati	Yes	12	12	4
20	Itumeleng Maribe	Yes	12	12	4
21	Tebogo Molale	Yes	12	12	4
22	Ikgopoleng Lekoma	Yes	12	12	4
23	Boitshwarelo Pusho	Yes	12	12	4
24	Kagelele Moeng	Yes	12	12	4
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APPENDIX F – WARD INFORMATION

Full information provided in Appendix Q.

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	28,861	11,699	37,066	42,593	29,819
Households without minimum service delivery	13,732	30,894	5,527	42,593	12,774
Total Households*	42,593	42,593	42,593	42,593	42,593
					<i>T F.2</i>

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/24

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

INTRODUCTION

The Audit and Performance Committee (APC) was established as an independent Committee, in terms of Section 166 of the Municipal Finance Management Act No. 56 of 2003 ('MFMA').

We are pleased to present herewith our annual report for the financial year ended 30 June 2024.

INTERNAL AUDIT AND THE AUDIT AND PERFORMANCE COMMITTEE

Internal auditing, as an independent and objective assurance and consulting activity, provides value adding support to improve the operations within the Greater Taung Local Municipality (GTLM). It assists the GTLM to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal controls.

Internal Audit (IA) implemented its annual risk-based audit plan for the 2023/24 period as part of a three-year rolling plan, after consultation with management and approval by the APC. There were (14) assurance audits planned for the financial year under review. Eleven (11) of these audits were completed, which translates to a 79% completion rate for the approved 2023/24 Internal Audit annual plan. All audit engagements and other work of Internal Audit were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), as issued by the Institute of Internal Auditors.

AUDIT AND PERFORMANCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee, consisting of the members listed below, are expected to meet at least four times per annum as required by Section 166(4)(b) of the MFMA and its approved terms of reference, although additional meetings may be convened when necessary. All the members of the APC are independent of the Municipality and convened meetings during the 2023/24 financial year as follows:

Name of Member	Capacity / Position	Number of meetings attended
Mr. D. Matshoba	Chairperson	6
Mr. R. Rantao	Member	6
Ms. L. Ralikonyana	Member	4

AUDIT AND PERFORMANCE COMMITTEE RESPONSIBILITIES

The APC reports that it has fulfilled its responsibilities as stipulated in the MFMA read in conjunction with the Treasury Regulations.

The APC also reports that it has adopted appropriate formal terms of reference as its audit committee charter and conducted its affairs in compliance with the charter and has discharged all its responsibilities as contained therein.

The APC has:

- Reviewed the audit action plan developed by management to address prior year audit findings raised by Auditor General of South Africa ('AGSA').
- On a quarterly basis, monitored implementation of corrective actions on these findings.
- Performed its oversight responsibilities over the internal audit function and internal audit activities as well as monitor the performance of internal audit against the internal audit plan.
- Tabled its quarterly reports to the Municipality Council, reporting on matters attended to during the relevant quarter.
- Rendered ad-hoc assistance to the Municipal Public Accounts Committee (MPAC) on matters referred to MPAC by Council for investigation.

ASSESSING INTERNAL AUDIT EFFECTIVENESS

The Committee reviewed internal audit quality throughout the year with an emphasis on auditing governance, methodology, independence, scope of work and outputs. One of the yardsticks for measuring the effectiveness and performance of the Internal Audit function is to evaluate the performance of the individual internal audit projects against the risk-based internal audit annual operational plan.

During the 2023/24 financial year, Internal Audit Unit completed 11 out of 14 audits (representing 79% of the audits planned) planned. This underperformance is largely attributable to the human resources capacity constraints caused by the two vacant positions that remained unfilled throughout the financial year. The vacant positions in question are that of a Senior Internal Auditor and an Internal Auditor.

ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROL

In line with section 165 of the MFMA, Internal Audit provides the APC and management with reasonable assurance that the internal controls are adequate and effective. To monitor implementation of corrective actions, Internal Audit performed follow-up audits on the findings that were previously raised, and the APC considered all the reports issued by the various assurance providers e.g. Internal Audit, External auditors and the Risk Committee, and noted management's actions in addressing the identified control weaknesses.

The committee is concerned with the lack of implementation of the recommendations of both internal and external audit. From the various reports provided by Internal Auditors, as well as the audit report of the AGSA it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to compliance with laws and regulations.

Furthermore, the APC urged management to set a tone at the top regarding internal control matters as well as invoke consequence management where non-compliance is detected.

COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS

The APC has reviewed the in-year management and quarterly reports submitted in terms of the MFMA and also noted management's policies and procedures to ensure compliance with the applicable laws and regulations. Furthermore, the committee noted the external auditor's report highlighting that there were instances of non-compliance that were identified.

APPENDICES

The following still need attention:

- The quality and reliability of the financial statements
- VAT Receivables balance that has long been outstanding and not resolved
- Audit findings on Property Plant and Equipment
- Unauthorised Expenditure that remain unresolved
- Irregular Expenditure that remain unresolved

RISK MANAGEMENT

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, internal control, as well as the prevention and detection of fraud. Internal Audit was guided by the risk profile provided by management, as well as critical audit areas and management's inputs in the formulation of its three-year strategic and annual plans.

The risk register is updated quarterly to ensure that all the major risks, including emerging risks facing the municipality, are effectively managed with the help of the District Risk Management Shared Service who is a permanent invitee to the meetings of the APC where quarterly reports are presented. The APC reports on risk management matters to Council.

PERFORMANCE MANAGEMENT

The Committee has reviewed the in-year performance reports and performance results reported by management. The usefulness and reliability of the key performance indicators and the quality of information reported is still a challenge and needs improvement.

REVIEW OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the financial year ended 30 June 2024 were prepared and submitted for audit purposes on 31 August 2024. The role of the APC in relation to the review of the Annual Financial Statements was intensified due to the poor status of accounting records as identified throughout various quarterly reviews in the financial year.

AUDITOR GENERAL'S REPORT

The committee has reviewed the independence and objectivity of the external auditors and noted that there were no non-audit services rendered by them during the year. To ensure that there are no unresolved issues, the APC met with the AGSA to discuss its audit report. The APC also reviewed management's responses to the issues raised in the management report. Continuous oversight was exercised to ensure that the unresolved findings are adequately addressed.

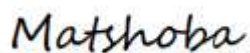
The Audit Committee agrees and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted as read in conjunction with the report of the Auditor-General.

APPRECIATION

The APC would like to express our appreciation to the municipal manager for his leadership and support. Deeply felt appreciation also goes to Internal Audit staff, AGSA, Risk Management, Council and senior management for their commitment, cooperation, and contributions to improve control and governance processes of the Municipality.

APPENDICES

The Committee acknowledges that much work still lies ahead, and the implementation and monitoring of a comprehensive Audit Action Plan, sound financial and performance management, effective internal controls, and commitment from all relevant role players will be needed to improve the audit outcome of the municipality.



DUNCAN MATSHOBA

CHAIRPERSON: AUDIT AND PERFORMANCE COMMITTEE

GREATER TAUNG LOCAL MUNICIPALITY

DATE: 08 JANUARY 2025

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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Contained in the audited Annual Financial Statement.

APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Contained in the audited Annual Financial Statement.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Contained in the audited Annual Financial Statement.

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Contained in the audited Annual Financial Statement.

APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME

Contained in the audited Annual Financial Statement.

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2023/24

Contained in the audited Annual Financial Statement.

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2023/2024

Capital Programme by Project by Ward: 2023/2024			R' 000
Capital Project	Ward(s) affected	Works completed (Yes / No)	
Electricity			
Construction of high mast lights in various wards	Wards 1, 2, 8, 10, 17, 18, 19, 20, 24	Yes	
Roads			
Construction of Kgomotso Access Road	Ward 20	No	
Construction of Molelema Access Road	Ward 15	No	
Construction of Extension 7 Access Road	Ward 8	Yes	
Construction of Maganeng Access Road	Ward 24	Yes	
Construction of Buxton Access Road	Ward 9	Yes	
Storm Water			
Construction of Kgatleng Storm Water Channel	Ward 13	Yes	
Construction of Picong Storm Water Channel	Ward 16	No	
Community Halls			
Construction of Mothanthanyaneng Community Hall	Ward 16	Yes	
			T O

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No information.

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

No information.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No information

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

No information.

VOLUME II: ANNUAL FINANCIAL STATEMENT



Greater Taung Local Municipality
Annual Financial Statements
for the year ended 30 June 2024
Auditor General South Africa

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity

Local Municipality

Nature of business and principal activities

Service delivery as stipulated in the constitution of the republic of South Africa Act No. 108 of 1996, paragraph 153

The following is included in the scope of operation

The municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes

Mayoral committee

Mayor

Speaker

Chief Whip

MPAC Chairperson

Councillors

Cllr. Gaoraelwe Tumisang Reginald

Cllr. Moipolai Keamogetse Grace

Cllr. Mokua Evan Maseko

Cllr. Mmoka Seakgamoriri Cornell

Cllr. Babuseng Patricia Lerato

Cllr. Boemo Mosimanegape Edward

Cllr. Chubane Bontsi Alpheus

Cllr. De Koker Kegomoditswe Salvation

Cllr. Gaorengwe Tebogo Capricon

Cllr. Ipeleng Olebogeng

Cllr. Kesemolotse E Gladwin

Cllr. Lekoma Ikgopoleng Joseph

Cllr. Lephoi Gedion Hwayi

Cllr. Mabengwane Linda Xavier (MMC IT)

Cllr. Matuane Jeanette Amogelang (MMC Spacial Planning)

Cllr. Mase Bakang Philip

Cllr. Maribe Itumeleng Nicholas (MMC Infrastructure)

Cllr. Modise Revonia Loeto

Cllr. Moeti Mika Bennet (MMC Finance)

Cllr. Moeng Kagelelo Partick

Cllr. Mojaki Mmoloki Salvation

Cllr. Monchonyane Ruphas Tebogo (MMC Planning and Development)

Cllr. Montewa Ntesang Maria

Cllr. Morapedi-Letele Mosadiotsile Sylvia

Cllr. Mosinkiemang Mosetsanagape Virginia (MMC Community Services)

Cllr. Moraledi Tefo Godfrey

Cllr. Mmoka Margaret

Cllr. Nape Legaudise Sam

Cllr. Nkewu Boniswa Marcia

Cllr. Makwati Montanong Micheal

Cllr. Olifant Caroline Keolebogile

Cllr. Pudule Alfred Kagiso

Cllr. Pusho Boitshwarelo

Cllr. Rooibatjie Keitumetse Confidence

Cllr. Seboko Kealeboga Lenin

Cllr. Segosapelo Oratile Isreal

Cllr. Molale Mosadiwamarope Tebogo Mellicent

Cllr. Tshipo Gaolatlhe Jeremia

Cllr. Tabe Tumo

Cllr. Molamu Gladys

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

	Cllr. Zonke Vuyiseka Cllr. Sephula April Cllr. Mojanaga Mothusiotsile Cllr. Tafane Nontetho (MMC Corporate Services) Cllr. Sekwenyane Monene Cllr. Sebe Thandiwe (MMC LED) Cllr. Seepamere Seepapitso Cllr. Tong Onkarabile
Grading of local authority	Grade 3 Local Municipality
Accounting Officer	Mr. MA Makuapane
Chief Finance Officer (CFO)	Ms. NG Dibelane (Acting)
Registered office	Municipal Offices Station Street Taung 8580
Postal address	Private Bag X 1048 Taung Station 8580
Bankers	ABSA Bank Nedbank First National Bank
Auditors	Auditor General South Africa Registered Auditors
Attorneys	Matshego Ramagaga Attorneys & Conveyancers Modiboa Attorneys Leepile Attorneys

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Index

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

	Page
Accounting Officer's Responsibilities and Approval	5
Accounting Officer's Report	6 - 7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Comparison of Budget and Actual Amounts	12 - 14
Accounting Policies	15 - 44
Notes to the Annual Financial Statements	45 - 97

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Index

Abbreviations used:

LG -SETA	Local Government Sector Education Training Authority
GL/TB	General Ledger / Trial Balance
GRAP	Generally Recognised Accounting Practice
ABSA	Amalgamated Banks of South Africa
MIG	Municipal Infrastructure Grant
GTLM	Greater Taung Local Municipality
EPWP	Expanded public Works Program
Cllr	Councillor
MBRR	Municipal Budget and Reporting Regulations
ASB	Accounting Standards Board
LG SETA	Local Government Sector Education and Training
MEC	Member of Executive Committee
EXCO	Executive Committee
LSA	Long Service Award
PEMAB	Post Employment Medical Aid Benefit
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MPAC	Municipal Public Account Committee
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
SARS	South African Revenue Services
COID	Compensation of Occupational Injuries and Diseases
IAS	International Accounting Standards
FNB	First National Bank
SALGA	South African Local Government Association
AGSA	Auditor General South Africa

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

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

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality 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 officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality 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 the municipality.

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

The annual financial statements set out on page 8, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

Mr MA Makuapane
Municipal Manager

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. Review of activities

Main business and operations

The municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes and operates principally in South Africa.

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

Net deficit of the municipality was R 29 913 735 (2023: deficit R 35 572 869).

2. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of R 743 586 678 and that the municipality's total assets exceed its liabilities by R 743 586 678.

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

3. Subsequent events

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

4. Accounting policies

The annual financial statements 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 officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality
Mr MA Makuapane	South African

6. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Council and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code is outlined below:

Internal audit

The municipality has an in-sourced its internal audit function in compliance with the Municipal Finance Management Act.

7. Auditors

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

The annual financial statements set out on page 8, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

Mr MA Makuapane
Municipal Manager

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	9	742 994	876 852
Receivables from non-exchange transactions	10&13	2 735 365	2 174 209
VAT receivable	11	5 699 401	10 152 773
Consumer debtors	12	4 321 614	3 845 659
Cash and cash equivalents	14	20 260 281	47 782 922
		33 759 655	64 832 415
Non-Current Assets			
Investment property	3	13 675 000	12 679 000
Property, plant and equipment	4	788 553 099	776 116 786
Intangible assets	5	988 403	1 856 622
		803 216 502	790 652 408
Total Assets		836 976 157	855 484 823
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	38 533 268	36 390 101
Consumer deposits	7	202 550	155 266
Employee benefit obligation	8	1 722 000	953 000
Unspent conditional grants and receipts	16	1 901 958	5 700 945
Provisions	17	3 557 441	-
		45 917 217	43 199 312
Non-Current Liabilities			
Employee benefit obligation	8	23 322 000	22 536 000
Provisions	17	24 150 262	16 258 006
		47 472 262	38 794 006
Total Liabilities		93 389 479	81 993 318
Net Assets		743 586 678	773 491 505
Reserves			
Water distribution reserve	15	-	186 964
Accumulated surplus		743 586 678	773 304 541
Total Net Assets		743 586 678	773 491 505

* See Note 48 & 47

Greater Taung Local Municipality Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	12 192 217	11 807 667
Rental of facilities and equipment	21	419 119	395 739
Agency services	22	104 882	185 229
Interest received service charges	19	2 691 105	2 829 143
Other income	26	1 141 121	1 085 540
Interest received - investments	27	6 703 832	6 576 947
Total revenue from exchange transactions		23 252 276	22 880 265
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	28	31 027 031	29 992 685
Other income LGSETA	23	241 155	225 525
Interest - Taxation revenue	25	1 171 090	1 113 385
Transfer revenue			
Government grants & subsidies	30	304 024 987	287 850 475
Donations received		-	1 950 000
Total revenue from non-exchange transactions		336 464 263	321 132 070
Total revenue	18	359 716 539	344 012 335
Expenditure			
Employee related costs	31	(130 976 612)	(127 333 165)
Remuneration of councillors	32	(22 818 411)	(20 507 691)
Depreciation and amortisation	33	(39 608 287)	(44 841 411)
Finance costs	34	(2 921 942)	(2 819 177)
Lease rentals on operating lease	24	(2 938 781)	(2 631 718)
Debt Impairment	36	(9 974 724)	(11 761 422)
Bulk purchases	38	(5 642 076)	(4 668 831)
Contracted services	39	(81 289 129)	(79 676 741)
Transfers and Subsidies	29	(285 400)	(330 000)
General Expenses	37	(95 977 339)	(87 965 653)
Total expenditure		(392 432 701)	(382 535 809)
Operating deficit	41	(32 716 162)	(38 523 474)
Loss on disposal of assets and liabilities		(99 191)	(128 855)
Fair value adjustments	42	996 000	112 000
Actuarial gains/losses	8	1 898 000	2 987 000
Inventories losses/write-downs		7 618	(19 540)
		2 802 427	2 950 605
Deficit for the year		(29 913 735)	(35 572 869)

* See Note 48 & 47

Greater Taung Local Municipality Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

	Water distribution reserve	Accumulated surplus / deficit	Total net assets
Figures in Rand			
Balance at 01 July 2022	42 729	808 876 472	808 919 201
Changes in net assets			
Current year movements	144 235	938	145 173
Net income (losses) recognised directly in net assets	144 235	938	145 173
Surplus for the year	-	(35 572 869)	(35 572 869)
Total recognised income and expenses for the year	144 235	(35 571 931)	(35 427 696)
Total changes	144 235	(35 571 931)	(35 427 696)
Opening balance as previously reported	186 964	773 378 786	773 565 750
Adjustments			
Prior year adjustments 48	(186 964)	121 627	(65 337)
Restated* Balance at 01 July 2023 as restated*	-	773 500 413	773 500 413
Changes in net assets			
Surplus for the year	-	(29 913 735)	(29 913 735)
Total changes	-	(29 913 735)	(29 913 735)
Balance at 30 June 2024	-	743 586 678	743 586 678
Note(s)	15		

* See Note 48 & 47

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Taxation		21 662 241	19 222 317
Sale of goods and services		15 653 370	16 044 978
Grants		300 226 081	291 583 000
Interest income - investments		6 703 832	6 576 947
		344 245 524	333 427 242
Payments			
Employee costs		(153 171 023)	(147 317 856)
Suppliers		(164 362 843)	(162 866 906)
Finance costs		(2 921 942)	(2 819 177)
		(320 455 808)	(313 003 939)
Net cash flows from operating activities	40	23 789 716	20 423 303
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(51 252 205)	(54 592 736)
Proceeds from sale of property, plant and equipment	4	(60 152)	3 546
Purchase of other intangible assets	5	-	(90 688)
Net cash flows from investing activities		(51 312 357)	(54 679 878)
Net increase/(decrease) in cash and cash equivalents		(27 522 641)	(34 256 575)
Cash and cash equivalents at the beginning of the year		47 782 922	82 039 497
Cash and cash equivalents at the end of the year	14	20 260 281	47 782 922

The accounting policies on pages 15 to 44 and the notes on pages 45 to 97 form an integral part of the annual financial statements.

* See Note 48 & 47

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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 Performance						
Revenue						
Revenue from exchange transactions						
Service charges	14 816 615	-	14 816 615	12 192 217	(2 624 398)	60
Rental of facilities and equipment	350 000	-	350 000	419 119	69 119	
Agency services	250 000	-	250 000	104 882	(145 118)	
Revenue from service concession arrangements	2 761 404	-	2 761 404	2 691 105	(70 299)	
Other income	1 125 474	-	1 125 474	1 141 121	15 647	
Interest received - investment	10 000 000	-	10 000 000	6 703 832	(3 296 168)	
Total revenue from exchange transactions	29 303 493	-	29 303 493	23 252 276	(6 051 217)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	44 172 136	-	44 172 136	31 027 031	(13 145 105)	60
Licences and Permits (Non-exchange)	147 525	-	147 525	241 155	93 630	
Interest - Taxation revenue	2 737 800	-	2 737 800	1 171 090	(1 566 710)	
Transfer revenue						
Government grants & subsidies	307 733 650	-	307 733 650	304 024 987	(3 708 663)	60
Total revenue from non-exchange transactions	354 791 111	-	354 791 111	336 464 263	(18 326 848)	
Total revenue	384 094 604	-	384 094 604	359 716 539	(24 378 065)	
Expenditure						
Personnel	(132 893 661)	-	(132 893 661)	(130 976 612)	1 917 049	60
Remuneration of councillors	(23 278 531)	-	(23 278 531)	(22 818 411)	460 120	60
Depreciation and amortisation	(36 354 413)	-	(36 354 413)	(39 608 287)	(3 253 874)	60
Finance costs	(634 969)	-	(634 969)	(2 921 942)	(2 286 973)	
Lease rentals on operating lease	(2 497 000)	-	(2 497 000)	(2 938 781)	(441 781)	
Debt Impairment	-	-	-	(9 974 724)	(9 974 724)	
Bulk purchases	(9 605 932)	-	(9 605 932)	(5 642 076)	3 963 856	
Contracted Services	(70 583 550)	-	(70 583 550)	(81 289 129)	(10 705 579)	60
Transfers and Subsidies	(510 000)	-	(510 000)	(285 400)	224 600	
General Expenses	(77 922 610)	-	(77 922 610)	(95 977 339)	(18 054 729)	60
Total expenditure	(354 280 666)	-	(354 280 666)	(392 432 701)	(38 152 035)	
Operating deficit	29 813 938	-	29 813 938	(32 716 162)	(62 530 100)	
Loss on disposal of assets and liabilities	(4 487 447)	(1 012 000)	(5 499 447)	(99 191)	5 400 256	60
Fair value adjustments	-	-	-	996 000	996 000	
Actuarial gains/losses	-	-	-	1 898 000	1 898 000	
Inventories losses/write-downs	-	-	-	7 618	7 618	
	(4 487 447)	(1 012 000)	(5 499 447)	2 802 427	8 301 874	
Deficit before taxation	25 326 491	(1 012 000)	24 314 491	(29 913 735)	(54 228 226)	

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	25 326 491	(1 012 000)	24 314 491	(29 913 735)	(54 228 226)	

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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	876 852	-	876 852	742 994	(133 858)	
Receivables from non-exchange transactions	(7 238 764)	-	(7 238 764)	2 735 365	9 974 129	60
VAT receivable	10 077 586	-	10 077 586	5 699 401	(4 378 185)	60
Consumer debtors	2 712 585	-	2 712 585	4 321 614	1 609 029	60
Cash and cash equivalents	58 531 171	-	58 531 171	20 260 281	(38 270 890)	60
	64 959 430	-	64 959 430	33 759 655	(31 199 775)	
Non-Current Assets						
Investment property	12 679 000	-	12 679 000	13 675 000	996 000	
Property, plant and equipment	800 265 811	-	800 265 811	788 553 099	(11 712 712)	60
Intangible assets	1 856 622	-	1 856 622	988 403	(868 219)	
	814 801 433	-	814 801 433	803 216 502	(11 584 931)	
Total Assets	879 760 863	-	879 760 863	836 976 157	(42 784 706)	
Liabilities						
Current Liabilities						
Payables from exchange transactions	36 301 043	-	36 301 043	38 533 268	2 232 225	
VAT payable	6 458 235	-	6 458 235	-	(6 458 235)	
Consumer deposits	155 266	-	155 266	202 550	47 284	
Employee benefit obligation	678 000	-	678 000	1 722 000	1 044 000	
Unspent conditional grants and receipts	2 431 028	-	2 431 028	1 901 958	(529 070)	60
Provisions	-	-	-	3 557 441	3 557 441	
	46 023 572	-	46 023 572	45 917 217	(106 355)	
Non-Current Liabilities						
Employee benefit obligation	22 811 000	-	22 811 000	23 322 000	511 000	60
Provisions	16 258 006	-	16 258 006	24 150 262	7 892 256	60
	39 069 006	-	39 069 006	47 472 262	8 403 256	
Total Liabilities	85 092 578	-	85 092 578	93 389 479	8 296 901	
Net Assets	794 668 285	-	794 668 285	743 586 678	(51 081 607)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	794 668 285	-	794 668 285	743 586 678	(51 081 607)	60

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparations

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.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 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.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

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

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

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

1.5 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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Investment property (continued)

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.

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.

1.6 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.

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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.6 Property, plant and equipment (continued)

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

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

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

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

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

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Buildings	Straight-line	5-100 years
Plant and machinery	Straight-line	2-15 years
Furniture and fixtures	Straight-line	7 years
Motor vehicles	Straight-line	3-20 years
Office equipment	Straight-line	3-5 years
IT equipment	Straight-line	3-5 years
Infrastructure	Straight-line	10-55 years
Community	Straight-line	5-100 years

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.

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 4).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.7 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.

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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
Patents, trademarks and other rights	Straight-line	1-indefinite

1.8 Financial instruments

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Financial instruments (continued)

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Financial instruments (continued)

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.10 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.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

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

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

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

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

1.11 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.

Subsequently inventories are measured at the lower of cost and net realisable value.

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.11 Inventories (continued)

- 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 first-in, first-out (FIFO) 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.

1.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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 used 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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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:

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

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

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

Value in use

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

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

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

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

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

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

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

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

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

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

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

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

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Useful life is either:

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

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Reversal of an impairment loss

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

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

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

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity 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 entity'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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.15 Employee benefits (continued)

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 entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures 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 recognises 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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount 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 obligation.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

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

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

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

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

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

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

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

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

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

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

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

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

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.15 Employee benefits (continued)

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

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

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

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

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

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

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

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

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect 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 post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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.

1.16 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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.16 Provisions and contingencies (continued)

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 surplus (deficit).

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.

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 an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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 45.

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;

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.16 Provisions and contingencies (continued)

- 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.

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.

1.17 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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.18 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.

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

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

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.18 Employee benefits (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a 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 arises 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.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Taxation revenue are not grossed up for the amount of tax expenditures.

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.

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

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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.20 Investment income

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

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.22 Accounting by principals and agents (continued)

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Comparative figures

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

1.24 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.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.26 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 is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.27 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.28 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.28 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.29 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 a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

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.

1.30 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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 person in their dealings with the municipality.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.30 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.31 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.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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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 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	13 675 000	-	13 675 000	12 679 000	-	12 679 000

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	12 679 000	996 000	13 675 000

Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	12 567 000	112 000	12 679 000

Pledged as security

No investment property was pledged as security for the period.

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.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	59 718 659	-	59 718 659	59 718 659	-	59 718 659
Buildings	75 065 203	(61 042 833)	14 022 370	74 001 097	(58 460 753)	15 540 344
Plant and machinery	31 731 524	(20 214 623)	11 516 901	29 267 017	(18 368 069)	10 898 948
Furniture and fixtures	10 229 219	(8 305 464)	1 923 755	9 591 455	(7 652 658)	1 938 797
Motor vehicles	35 877 363	(29 936 397)	5 940 966	36 168 852	(27 512 786)	8 656 066
IT equipment	7 088 900	(4 141 014)	2 947 886	6 297 882	(3 063 374)	3 234 508
Infrastructure	852 842 189	(347 884 027)	504 958 162	810 878 703	(326 448 754)	484 429 949
Community	309 734 964	(122 210 564)	187 524 400	304 230 852	(112 531 337)	191 699 515
Total	1 382 288 021	(593 734 922)	788 553 099	1 330 154 517	(554 037 731)	776 116 786

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Impairments	expensed projects	Other changes, movements	Depreciation	Total
Land	59 718 659	-	-	-	-	-	-	-	-	59 718 659
Buildings	15 540 344	-	-	319 561	-	-	-	73 248	(1 910 783)	14 022 370
Plant and machinery	10 898 948	2 464 555	-	-	-	-	-	-	(1 846 602)	11 516 901
Furniture and fixtures	1 938 797	637 763	-	-	-	-	-	3 617	(656 422)	1 923 755
Motor vehicles	8 656 066	-	-	-	-	-	-	-	(2 715 100)	5 940 966
IT equipment	3 234 508	846 250	(32 620)	-	-	-	-	13 068	(1 113 320)	2 947 886
Infrastructure	484 429 949	45 366 987	-	61 392 748	(65 165 121)	(140 720)	(97 872)	-	(20 827 809)	504 958 162
Community	191 699 515	1 936 650	(6 419)	5 806 891	(2 212 915)	-	(29 290)	-	(9 670 032)	187 524 400
	776 116 786	51 252 205	(39 039)	67 519 200	(67 378 036)	(140 720)	(127 162)	89 933	(38 740 068)	788 553 099

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers received	Transfers	Donations received	Other changes, movements	Depreciation	Total
Land	59 699 532	19 127	-	-	-	-	-	-	59 718 659
Buildings	16 305 334	1 305 442	(72 194)	1 286 691	(1 286 691)	-	-	(1 998 238)	15 540 344
Plant and machinery	10 936 460	2 492 639	-	-	-	-	314	(2 530 465)	10 898 948
Furniture and fixtures	2 884 011	404 445	-	-	-	-	-	(1 349 659)	1 938 797
Motor vehicles	12 481 620	-	(13 848)	-	-	1 950 000	(1)	(5 761 705)	8 656 066
IT equipment	2 777 924	1 464 875	(46 359)	-	-	-	63 615	(1 025 547)	3 234 508
Infrastructure	460 707 638	44 907 483	-	19 261 782	(19 261 782)	-	479 323	(21 664 495)	484 429 949
Community	197 346 244	3 998 725	-	22 530 360	(22 530 360)	-	1	(9 645 455)	191 699 515
	763 138 763	54 592 736	(132 401)	43 078 833	(43 078 833)	1 950 000	543 252	(43 975 564)	776 116 786

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

GTLN/IFRA12/2020/2021 Paving Pudimore

- 5 551 466

- 5 551 466

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Total
Opening balance	40 445 351	4 048 163	44 493 514
Additions/capital expenditure	45 366 637	1 936 650	47 303 287
Projects expensed	(97 872)	(29 290)	(127 162)
Projects impaired	(140 720)	-	(140 720)
Transferred to completed items	(61 392 748)	(5 806 891)	(67 199 639)
	24 180 648	148 632	24 329 280

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023		
4. Property, plant and equipment (continued)				
Reconciliation of Work-in-Progress 2023				
	Included within Infrastructure	Included within Community Buildings	Total	
Opening balance	18 448 357	18 802 812	-	37 251 169
Additions/capital expenditure	41 258 776	7 775 711	1 286 691	50 321 178
Transferred to completed items	(19 261 782)	(22 530 360)	(1 286 691)	(43 078 833)
	40 445 351	4 048 163	-	44 493 514

Expenditure incurred to repair and maintain property, plant and equipment

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

Contracted services	27 149 634	29 428 220
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A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

5. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5 302 039	(4 313 636)	988 403	5 302 039	(3 445 417)	1 856 622

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	1 856 622	(868 219)	988 403

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	2 631 781	90 688	(865 847)	1 856 622

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Payables from exchange transactions		
Trade payables	11 842 868	9 359 360
Payments received in advance	125 303	160 662
Bonus accrual	3 545 388	3 298 861
Retention liability	9 217 283	9 382 495
Accrued leave pay	13 112 302	12 686 829
Salary control account	34 021	809 535
Deposits received	656 103	655 458
Agency fees	-	36 901
	38 533 268	36 390 101
7. Consumer deposits		
Electricity	13 146	20 172
Builders deposits	107 112	75 092
Rental deposits	82 292	60 002
	202 550	155 266
8. Employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Medical aid fund liability	(19 328 000)	(18 284 000)
Long service award liability	(5 716 000)	(5 205 000)
	(25 044 000)	(23 489 000)
Non-current liabilities	(23 322 000)	(22 536 000)
Current liabilities	(1 722 000)	(953 000)
	(25 044 000)	(23 489 000)
The obligations do not have plan assets and are paid out of operational budgets when withdrawals occur		
Changes in the present value of the defined benefit obligation are as follows:		
Employee benefit obligation		
Opening balance	23 121 000	23 305 000
Net expense recognised in the statement of financial performance	(1 555 000)	(184 000)
	21 566 000	23 121 000
Net expense recognised in the statement of financial performance		
Current service cost - long service award	(514 000)	(515 000)
Current service cost - medical aid fund	(1 063 000)	(1 121 000)
Finance costs - long service award	(540 000)	(538 000)
Finance costs - medical aid fund	(2 289 000)	(2 110 000)
Actuarial gains or losses - long service award	(251 000)	179 000
Actuarial gains or losses - long service award	2 149 000	2 808 000
Benefits paid - long service awards	794 000	1 113 000
Benefits paid - medical aid fund	159 000	-
	(1 555 000)	(184 000)

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

8. Employee benefit obligations (continued)

Calculation of actuarial gains and losses

Actuarial (gains) losses – long service award	(251 000)	179 000
Actuarial (gains) losses – medical aid benefit	2 149 000	2 808 000
	1 898 000	2 987 000

Key assumptions used

Assumptions used at the reporting date:

Health care costs	7,81 %	8,17 %
Discount rates used	11,05 %	12,57 %
Maximum subsidies inflation	6,20 %	5,57 %

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	3 561 000	2 839 000

9. Inventories

Stores, material and fuel	363 105	504 581
Water for distribution	378 879	371 261
Unsold Properties Held for Resale	1 010	1 010
	742 994	876 852

Carrying value of inventories carried at fair value less costs to sell

Inventories recognised as an expense during the year	8 174 497	10 192 010
Inventories written off/(appreciation) during the year	(7 618)	19 540

Inventory pledged as security

None of the Municipality's inventory was pledged as security in the current and prior period.

Water for distribution

Opening balance	371 261	246 566
Valuation movement	7 618	124 695
Closing balance	378 879	371 261

10. Receivables from non-exchange transactions

Receivable from department of transport	243 903	-
Consumer debtors - Rates	2 491 462	2 174 209
	2 735 365	2 174 209

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
11. VAT receivable		
VAT	5 699 401	10 152 773

Statutory receivables general information.

Transactions arising from statute:

The municipality is required to levy or pay tax at a rate of 15% as per requirements of section 7 of the Value Added Tax Act No. 89 of 1991. VAT amount is based on the supply of good or service by the municipality in the course of furtherance of any enterprises conducted by the municipality.

Determination of the transaction amount:

The transaction amount is determined by application of 15% on all taxable supplies incurred by the municipality. The net amount between the amount actually received from sale of taxable goods or services and acquisition of taxable goods or services will be submitted to SARS as the amount receivable/payable. A receivable arises when VAT input amount paid to suppliers is more than VAT output amount received from customers.

Interest or other charges levied:

Interest on outstanding taxes/ refunds is charged at a rate of 11.75% (2023: 10.75%).

Basis used to assess and test whether statutory receivables is impaired:

Upon declaration, SARS is required by the Act to refund the municipality by the 25th of the following month subsequent to filling of the return. Historically, refunds have been made on time unless if there is an audit of verification process taking place. This guarantees recoverability of the amount declared to SARS and not impairment has been calculated.

Discount Rate applied to estimate future cash flows:

No discounting applied as this amount declared to SARS represents the present value of the future cash flows to be received from SARS.

Statutory debtors pledged as security:

None of the VAT receivables amount has been pledged as collateral security.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
12. Consumer debtors		
Gross balances		
Electricity	3 808 488	3 251 378
Water	7 872 050	7 552 399
Waste water	18 540 448	16 732 352
Refuse	20 687 774	19 073 315
Housing rental	2 144 595	1 881 965
Sundry debtors	4 538 744	4 917 639
	57 592 099	53 409 048
Less: Allowance for impairment		
Electricity	(3 140 570)	(2 677 608)
Water	(7 579 743)	(7 156 663)
Waste water	(17 282 620)	(15 706 894)
Refuse	(18 951 859)	(17 625 779)
Housing rental	(2 007 263)	(1 814 691)
Sundry debtors	(4 308 430)	(4 581 754)
	(53 270 485)	(49 563 389)
Net balance		
Electricity	667 918	573 770
Water	292 307	395 736
Waste water	1 257 828	1 025 458
Refuse	1 735 915	1 447 536
Housing rental	137 332	67 274
Sundry debtors	230 314	335 885
	4 321 614	3 845 659
Electricity		
Current (0 -30 days)	131 244	180 142
31 - 60 days	31 037	30 810
61 - 90 days	16 783	19 175
91 - 120 days	15 086	21 085
121 - 365 days	170 158	138 238
> 365 days	303 610	184 320
	667 918	573 770
Water		
Current (0 -30 days)	123 398	183 985
31 - 60 days	7 415	22 601
61 - 90 days	5 947	17 782
91 - 120 days	5 115	11 818
121 - 365 days	37 351	61 347
> 365 days	113 081	98 203
	292 307	395 736
Waste water		
Current (0 -30 days)	378 111	355 615
31 - 60 days	75 805	64 472
61 - 90 days	58 630	45 243
91 - 120 days	52 736	34 654
121 - 365 days	273 179	179 752
> 365 days	419 367	345 722
	1 257 828	1 025 458

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
12. Consumer debtors (continued)		
Refuse		
Current (0 -30 days)	537 671	513 658
31 - 60 days	189 752	131 402
61 - 90 days	84 292	112 832
91 - 120 days	82 342	109 403
121 - 365 days	350 893	222 918
> 365 days	490 965	357 323
	1 735 915	1 447 536
Housing rental		
Current (0 -30 days)	35 916	31 640
31 - 60 days	7 090	6 113
61 - 90 days	5 712	5 738
91 - 120 days	5 258	4 900
121 - 365 days	7 944	18 883
> 365 days	75 412	-
	137 332	67 274
Other		
Current (0 -30 days)	17 927	42 654
31 - 60 days	1 036	934
61 - 90 days	781	1 203
91 - 120 days	393	757
121 - 365 days	2 938	25 480
> 365 days	207 239	264 857
	230 314	335 885
Summary of debtors by customer classification		
Gross consumers by classification		
Agricultural	39 731	17 169
Business and commercial	6 104 804	5 295 295
State	9 043 968	8 112 992
Residential	41 665 369	39 523 982
Municipal employees	738 227	459 610
	57 592 099	53 409 048
Less: Allowance for impairment	(53 270 485)	(49 563 389)
	4 321 614	3 845 659
Less: Allowance for impairment		
Agricultural	(27 292)	(13 996)
Business and commercial	(5 636 834)	(4 936 030)
State	(7 524 858)	(6 332 537)
Residential	(39 521 632)	(37 825 923)
Municipal employees	(559 869)	(454 903)
	(53 270 485)	(49 563 389)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(49 563 703)	(44 629 686)
Contributions to allowance	(3 706 782)	(4 933 703)
	(53 270 485)	(49 563 389)

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
12. Consumer debtors (continued)		
Consumer debtors pledged as security		
No consumer debtors were pledged as security during the period.		
Credit quality of consumer debtors		
The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates:		
Consumer debtors past due but not impaired		
All consumer debtors past due and not settled in full have been considered for impairment in accordance with the municipality's impairment policy.		
Consumer debtors impaired		
As of 30 June 2024, consumer debtors of R 53 270 485 (2023: R 49 563 391) were impaired and provided for.		
The amount of the provision was R 53 319 113 as of 30 June 2024 (2023: R 49 563 390).		
The ageing of these loans is as follows:		
2 to 6 months	-	4 009 523
Over 6 months	53 270 485	45 553 867
The carrying amount of consumer debtors are denominated in the following currencies:		
Rand	4 321 614	3 845 659
The creation and release of allowance for impaired receivables have been included in operating expenses in the statement of financial performance (note 36). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.		
13. Receivables from non-exchange transactions		
Gross balances		
Consumer debtors - Rates	72 163 635	67 892 435
Less: Allowance for impairment		
Consumer debtors - Rates	(69 672 173)	(65 718 226)
Net balance		
Consumer debtors - Rates	2 491 462	2 174 209
Rates		
Current (0 -30 days)	788 820	759 822
31 - 60 days	130 823	433 364
61 - 90 days	104 824	415 643
91 - 120 days	84 130	401 080
121 - 365 days	528 698	164 300
> 365 days	854 167	-
	2 491 462	2 174 209

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
13. Receivables from non-exchange transactions (continued)		
Summary of debtors by customer classification		
Property rates		
Agricultural properties	18 194 241	741 126
Business and commercial properties	2 926 703	2 475 310
State owned properties	13 856 006	49 339 613
Residential properties	36 752 600	14 813 700
Vacant land	255 831	466 675
Municipal employees	178 255	56 011
	72 163 636	67 892 435
Less: Allowance for impairment	(69 672 173)	(65 718 226)
	2 491 463	2 174 209

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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13. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates are statutory receivables as defined by GRAP 108. Property rates arises from implementation of the requirements of Municipal Property Rates Act No. 6 of 2004.

Determination of transaction amount

Property rates values are determined by taking approved tariff rates and multiplying it by the market values of properties within municipal jurisdiction as detailed in the general valuation roll.

Interest or other charges levied/charged

Applicable interest rate is 10% in current year which is consistent with prior year.

Basis used to assess and test whether a statutory receivable is impaired

Statutory receivables are assessed for impairment annually using the collection rate method. This method involves calculating average collection rate per customer which is determined by taking collection rate for current and prior periods and divide by number of periods being considered. The estimated default rate (impairment rate) is equal to 100% less average collection rate.

Additional factors considered for testing impairment of statutory receivables:

- Customers' accounts where a formal arrangement has been made and no payment has been made in current and comparative year.
- Customers who fail to comply with agreed arrangement during current and prior year.
- Customers' accounts handed over to debt collectors and /or power of attorney.
- Customers' accounts owing for more than 30 days which is the credit period given by the municipality.
- Customers' accounts indicated as inactive on the ledger.
- Customers accounts presented to chief finance officer for consideration to write-off.
- Indigent customers where accounts are outstanding for more than 30 days.

The impairment indicators were determined management using professional judgment and experience obtained from the past practice and statistics in relation to municipal debt collection.

Discount rate applied to the estimated future cash flows

The municipality applies a rate of 10% to all statutory receivables accounts balances older than 30 days. This rate is deemed to be the market value as it takes the effect of inflation and other economic factors into account. For impairment calculations, there was no discounting of expected future costs performed because the receivables balance as per debtors age analysis represents the present value of expected future cash inflows. The receivables age analysis has already factored in the effect of time value of money.

Statutory receivables past due but not impaired

Based on the impairment methodology applied by the municipality, all statutory receivables older than 30 days (credit term) are considered for impairment.

Statutory receivables impaired

As of 30 June 2024, Statutory receivables of R69 672 173 (2023: R65 718 226) were impaired and provided for.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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13. Receivables from non-exchange transactions (continued)

The amount of the provision was R64 828 416 as of 30 June 2024 (2023: R65 718 226).

The ageing of these consumer debtors is as follows:

Over 6 months	69 672 173	65 718 226
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14. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 050 797	102 538
Short-term deposits	18 209 484	47 680 384
	20 260 281	47 782 922

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates, The ratings by Fitch for local default account balances:

Credit rating BB- (Stable Outlook)	20 260 281	47 782 922
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Cash and cash equivalents pledged as collateral

No cash and cash equivalents were pledged as security during the period.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

14. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
ABSA Cheque Account-2650560046	1 993 491	196 630	2 601 285	2 050 797	102 538	2 590 342
ABSA Fixed Deposit Account-2065098656	95 477	87 040	81 659	95 477	87 040	81 659
ABSA Fixed Deposit Account-2064601519	390 628	3 926 544	3 683 783	390 628	3 926 544	3 683 787
ABSA Fixed Deposit Account-2063813884	164 794	1 204 402	16 182 123	164 794	1 204 402	16 182 123
ABSA Fixed Deposit Account-2063507897	907 570	9 249 935	8 678 051	907 570	9 249 935	8 678 051
ABSA Fixed Deposit Account-2063813842	544 992	5 623 611	5 275 928	544 992	5 623 611	5 275 928
ABSA Fixed Deposit Account-2063484566	513 538	11 845 922	11 113 540	513 538	11 845 922	11 113 540
ABSA Fixed Deposit Account-2066023614 (9377261863)	138 688	357 021	20 058 734	138 688	357 021	20 058 734
ABSA Fixed Deposit Account-2065986332	1 967 470	2 983 457	2 799 003	1 967 470	2 983 457	2 799 003
Standard 32 Day Deposit Call Account-048560065004	1 187 286	1 091 160	1 017 652	1 187 286	1 091 160	1 017 652
FNB Fixed Deposit - 74857681785	4 435 808	4 106 228	3 848 386	4 435 808	4 106 228	3 848 386
Nedbank 365 Day Prime Select-03/7767500223/000135-153	984 281	901 848	839 866	984 281	901 848	839 866
Nedbank 365 Day Prime Select-03/7767500223/000133-151	3 054 567	2 798 747	2 606 395	3 054 467	2 798 747	2 606 395
Nedbank 365 Day Prime Select-03/7767500223/000134-152	3 404 324	3 119 212	2 904 836	3 404 324	3 119 212	2 904 836
Nedbank 365 Day Prime Select-03/7767500223/000132-150	170 174	155 922	145 206	170 174	155 922	145 206
Nedbank 365 Day Prime Select-03/7767500223/000131-149	125 636	115 114	107 202	125 636	115 114	107 202
Nedbank 365 Day Prime Select-03/7767500223/10030-148	101 200	92 725	86 352	101 200	92 725	86 352
Nedbank 365 Day Prime Select-03/7767500223/000001	23 151	21 586	20 430	23 151	21 586	20 430
Total	20 203 075	47 877 104	82 050 431	20 260 281	47 783 012	82 039 492

15. Water revaluation reserve

Opening balance	186 964	42 729
Movement during the year	-	144 235
Reclassification to accumulated surplus	(186 964)	-
	-	186 964

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
16. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Library grant	1 381 276	1 173 799
Municipal infrastructure grant	935	3 270 852
Expanded public works program	11 635	-
Financial management grant	2 412	750 594
Local government disaster funds	505 700	505 700
	1 901 958	5 700 945
Movement during the year		
Balance at the beginning of the year	5 700 945	1 941 420
Additions during the year	59 976 000	60 596 000
Income recognition during the year	(59 754 476)	(56 476 218)
Withheld by Treasury	(4 020 511)	(360 257)
	1 901 958	5 700 945

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 30 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

17. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Interest cost	Total
Environmental rehabilitation	16 258 006	10 080 094	1 369 603	27 707 703

Reconciliation of provisions - 2023

	Opening Balance	Additions	Total
Environmental rehabilitation	17 366 006	(1 108 000)	16 258 006
Non-current liabilities		24 150 262	16 258 006
Current liabilities		3 557 441	-
		27 707 703	16 258 006

Environmental rehabilitation provision

There are currently five landfill sites operated by the Greater Taung Local Municipality. The sites are located within the Greater Taung Local Municipal area namely Revilo landfill site, Taung landfill site, Pudimore landfill site, Pudimoe (interim operational) landfill site and the Pudimoe illegal Dumping site (Abandoned). It is required from the municipality to execute an environmental management program to restore the landfill site after its useful life.

Provision has been made for this cost based on the estimated present value of future cash flows arising from the rehabilitation cost expected as at the end of each landfill site's useful life.

The provision was computed by ESS Solutions, members of The Institute of Waste Management South Africa as at 30 June 2024.

Key assumptions used as follows:

Unit costs: Unit costs for each of the cost elements are obtained annually by means of a commercial quotation

CPI: The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 5.1704%

Discount rate: The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used.

The following assumptions relate to the discount rate

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.
- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.
- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
18. Revenue		
Service charges	12 192 217	11 807 667
Rental of facilities and equipment	419 119	395 739
Agency services	104 882	185 229
Other income	1 141 121	1 085 540
Interest received - investment	6 703 832	6 576 947
Property rates	31 027 031	29 992 685
Government grants & subsidies	304 024 987	287 850 475
Donations received	-	1 950 000
	355 613 189	339 844 282
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	12 192 217	11 807 667
Rental of facilities and equipment	419 119	395 739
Agency services	104 882	185 229
Other income	1 141 121	1 085 540
Interest received - investment	6 703 832	6 576 947
	20 561 171	20 051 122
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	31 027 031	29 992 685
Other income LGSETA	241 155	225 525
Transfer revenue		
Government grants & subsidies	304 024 987	287 850 475
Donations received	-	1 950 000
	335 293 173	320 018 685
19. Interest received service charges		
Interest received service charges		
Interest received on service charges	2 691 105	2 829 143
20. Service charges		
Sale of electricity	3 664 970	3 438 355
Sale of water	1 046 596	1 285 512
Solid waste	4 600 973	4 135 468
Sewerage and sanitation charges	2 879 678	2 948 332
	12 192 217	11 807 667
21. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities	419 119	395 739
22. Agency services		
Commission received	104 882	185 229
23. Other income		
LGSETA	241 155	225 525

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
23. Other income (continued)		
Donations received from LGSETA are for skills training of municipal officials		
24. Lease rentals on operating lease		
Plant and equipment		
Contractual amounts	2 842 526	2 254 118
Lease rentals on operating lease - Other		
Contractual amounts	96 255	377 600
	2 938 781	2 631 718
25. Interest from non-exchange receivables		
Interest - Property rates	1 171 090	1 113 385
26. Other income		
Administration fees	98 732	34 801
Sale of miscellaneous goods and services	910 685	681 765
Commission transaction handling fees	102 720	100 361
Inspection fees	14 145	12 670
Connection fees	14 839	21 892
Insurance refund	-	234 051
	1 141 121	1 085 540
27. Interest received - investments		
Interest revenue		
Bank	6 703 832	6 576 947

The amount included in Investment revenue arising from exchange transactions amounted to R 6 703 832 (2023: R6 576 947).

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
28. Property rates		
Rates received		
Residential	3 777 347	3 467 258
Commercial	3 331 921	4 369 697
State	23 336 071	22 050 963
Small holdings and farms	581 692	104 767
	31 027 031	29 992 685
Valuations		
Residential	487 346 555	480 356 555
Commercial	168 827 000	148 676 000
State	1 229 667 000	1 222 867 000
Municipal	56 484 000	61 985 000
Small holdings and farms	2 024 643 000	2 022 008 000
Public worship	11 445 000	12 605 000
Public service infrastructure	7 171 000	7 171 000
Multipurpose centre	3 730 000	4 130 000
Vacant land	9 876 000	11 301 000
	3 999 189 555	3 971 099 555

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2020 and runs until 30 July 2024. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis for all properties except farming and agriculture where they are levied on an annual basis with the final date for payment being the end of the month and year respectively. Interest of 10% per annum is levied on rates outstanding 30 days after due date.

29. Transfer and subsidies

Other subsidies		
Allocations in kind	285 400	330 000

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
30. Government grants & subsidies		
Operating grants		
Equitable share	244 270 511	231 374 257
Library grant	889 523	978 729
Financial management grant	3 097 588	2 349 406
Expanded public works programme grant	3 037 365	2 255 000
	251 294 987	236 957 392
Capital grants		
Municipal infrastructure grant	52 730 000	50 893 083
	304 024 987	287 850 475
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	52 730 000	50 893 083
Unconditional grants received	251 294 987	236 957 392
	304 024 987	287 850 475
Library grant		
Balance unspent at beginning of year	1 173 799	1 102 463
Current-year receipts	1 097 000	1 051 000
Conditions met - transferred to revenue	(889 523)	(978 729)
Other	-	(935)
	1 381 276	1 173 799
Conditions still to be met - remain liabilities (see note 16).		
Municipal infrastructure grant		
Balance unspent at beginning of year	3 270 852	3 270 852
Current-year receipts	52 730 000	50 893 083
Conditions met - transferred to revenue	(52 730 000)	(50 893 083)
Withheld by Treasury	(3 269 917)	-
	935	3 270 852
Conditions still to be met - remain liabilities (see note 16).		
Provide explanations of conditions still to be met and other relevant information.		
Expanded public works programme		
Current-year receipts	3 049 000	2 255 000
Conditions met - transferred to revenue	(3 037 365)	(2 255 000)
	11 635	-
Conditions still to be met - remain liabilities (see note 16).		

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
30. Government grants & subsidies (continued)		
Financial management grant		
Balance unspent at beginning of year	750 594	360 257
Current-year receipts	3 100 000	3 100 000
Conditions met - transferred to revenue	(3 097 588)	(2 349 406)
Amount withheld	(750 594)	(360 257)
	2 412	750 594

Conditions still to be met - remain liabilities (see note 16).

Local government disaster fund

Balance unspent at beginning of year	505 700	505 700
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Conditions still to be met - remain liabilities (see note 16).

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
31. Employee related costs		
Basic	83 385 809	76 954 902
Commissions	246 528	130
Bonus	5 573 787	5 293 259
Medical aid - company contributions	7 060 072	6 773 547
UIF	540 220	707 186
Bargaining council	49 900	37 968
Acting allowance	1 485 801	1 189 757
Leave pay provision charge	1 573 800	1 201 043
Pension	13 069 111	12 689 051
Travel, motor car, accommodation, subsistence and other allowances	5 583 852	6 056 236
Overtime payments	5 146 902	5 866 726
Long-service awards	377 386	695 038
Standby allowance	2 204 039	1 993 392
Housing benefits and allowances	186 061	180 314
Group life insurance	164 116	61 302
Cellphone allowance	488 604	290 021
	127 135 988	119 989 872
Remuneration of municipal manager		
Annual Remuneration	627 140	792 363
Car Allowance	136 350	166 000
Acting allowance	27 622	45 128
Contributions to UIF, Medical and Pension Funds	1 240	3 239
Cellphone allowance	12 000	5 000
Other allowances	-	385 365
Housing allowance	-	3 035
Skills levy	6 462	-
	810 814	1 400 130
Remuneration of chief finance officer		
Annual Remuneration	388 936	1 204 391
Travel allowance	120 793	185 257
Acting allowance	58 337	-
Contributions to UIF, Medical and Pension Funds	7 609	2 125
Cellphone	6 000	13 500
Other allowances	-	37 713
Leave pay	261 365	-
	843 040	1 442 986
Remuneration of social services director		
Annual Remuneration	525 578	638 090
Travel allowance	134 190	91 423
Contributions to UIF, Medical and Pension Funds	7 674	159 120
Cellphone	10 500	7 000
Other allowances	-	116 064
Acting allowance	30 307	-
	708 249	1 011 697
Remuneration of spacial planning director		
Annual Remuneration	263 070	823 875
Travel allowance	100 110	255 635

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
31. Employee related costs (continued)		
Leave pay	279 133	-
Contributions to UIF, Medical and Pension Funds	7 184	2 125
Overtime	-	13 500
Cellphone	6 161	75 679
Other allowances	-	22 547
Acting allowance	71 950	-
	727 608	1 193 361
Remuneration of corporate services director		
Annual Remuneration	446 680	926 904
Travel allowance	70 491	57 931
Cellphone allowance	6 000	-
Contributions to UIF, Medical and Pension Funds	5 669	2 125
Accommodation, travel and incidental costs	-	8 986
Other allowances	-	15 168
Acting allowance	45 824	-
	574 664	1 011 114
Remuneration of infrastructure director		
Annual Remuneration	-	1 038 089
Car Allowance	-	109 860
Performance Bonuses	-	81 966
Contributions to UIF, Medical and Pension Funds	1 525	2 125
Leave pay	65 341	-
Cellphone	-	13 500
Acting allowance	39 912	11 661
Other allowances	-	26 804
13 th Cheque	69 471	-
	176 249	1 284 005
32. Remuneration of councillors		
Mayor	1 024 818	945 105
Speaker	824 427	764 421
Councillors	13 523 243	11 483 750
Chief whip	787 567	763 058
MPAC Chair	786 637	332 212
Mayoral committee	5 871 719	6 219 145
	22 818 411	20 507 691
33. Depreciation and amortisation		
Property, plant and equipment	38 740 068	43 975 564
Intangible assets	868 219	865 847
	39 608 287	44 841 411
34. Finance costs		
Trade and other payables	92 942	171 177
Employee benefit obligation	2 829 000	2 648 000
	2 921 942	2 819 177

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
35. Auditors' remuneration		
Fees	5 332 598	5 205 057
36. Debt impairment		
Debt impairment	9 974 724	11 761 422
37. General expenses		
Advertising	3 416 091	4 018 099
Auditors remuneration	5 332 598	5 205 057
Bank charges	608 983	219 265
Consumables	8 174 497	10 396 434
Donations	23 127	524 460
Hire	35 400	1 598 945
Insurance	2 765 977	1 805 120
Community development and training	3 432 285	9 084 285
Conferences and seminars	-	147 258
IT expenses	15 977 966	10 742 444
Levies	1 235 713	1 274 654
Motor vehicle expenses	198 340	582 322
Fuel and oil	8 606 424	7 647 270
Printing and stationery	14 367	3 503
Protective clothing	932 145	1 034 404
Project maintenance costs	-	1 360
Subscriptions and membership fees	1 662 356	1 656 929
Telephone and fax	3 420 013	3 899 810
Travel - local	1 993 028	4 996 677
Title deed search fees	45 792	33 637
Electricity	20 380 150	16 694 069
Remuneration of ward committees	4 519 794	4 098 000
Landfill site provision expense	11 449 697	(1 108 000)
Workman's compensation fund	-	946 143
Bursaries (employees)	589 086	804 892
Learnerships and internships	1 080 988	1 658 616
Servitudes and land surveys	82 522	-
	95 977 339	87 965 653
38. Bulk purchases		
Electricity - Eskom	5 642 076	4 668 831

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
38. Bulk purchases (continued)		
Electricity losses		
	Number 2024	Number 2023
Units purchased	2 092 614	1 960 734
Units sold	(1 845 871)	(2 011 425)
Total loss	246 743	(50 691)
Comprising of:		
Technical losses	246 743	-
Percentage Loss:		
Technical losses	12 %	- %
Water losses		
Real losses: Leakage and overflows at storage tanks/ reservoirs	1 898 745	-
39. Contracted services		
Outsourced Services		
Burial Services	183 705	1 884
Business and Advisory	186 773	735 334
Catering Services	851 373	2 594 164
Security Services	44 969 158	37 016 151
Consultants and Professional Services		
Business and Advisory	3 889 315	6 955 116
Infrastructure and Planning	298 735	462 224
Legal Cost	2 758 058	2 044 496
Contractors		
Catering Services	354 728	20 852
Employee Wellness	297 650	950
Maintenance of Buildings and Facilities	182 985	161 522
Maintenance of Equipment	26 966 649	29 266 698
Sports and Recreation	350 000	417 350
	81 289 129	79 676 741

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
40. Cash generated from operations		
Deficit	(29 913 735)	(35 572 869)
Adjustments for:		
Depreciation and amortisation	39 608 287	44 841 411
Gain on sale of assets and liabilities	99 191	128 855
Fair value adjustments	(996 000)	(112 000)
Debt impairment	9 974 724	11 761 422
current service costs	1 555 000	3 288 000
Movements in provisions	11 449 697	(1 108 000)
Actuarial gains	(1 898 000)	(2 987 000)
Inventory losses or write-downs	7 618	(19 540)
Benefits paid	(953 000)	(1 113 000)
Finance costs - employee benefit obligation	(3 256 778)	(2 648 000)
Donations received	-	(1 950 000)
Interest on service charges	(3 862 195)	(3 942 528)
Other non-cash items	(41 864)	1 748 073
Changes in working capital:		
Inventories	133 858	(279 504)
Receivables from non-exchange transactions	(561 156)	(122 331)
Consumer debtors	(475 955)	750 966
Other receivable	-	22 495
Payables from exchange transactions	2 143 167	1 767 057
VAT	4 528 560	2 223 625
Unspent conditional grants and receipts	(3 798 987)	3 732 526
Consumer deposits	47 284	13 645
	23 789 716	20 423 303
41. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Plant and equipment		
• Contractual amounts	2 842 526	2 254 118
Lease rentals on operating lease - Other		
• Contractual amounts	96 255	377 600
	2 938 781	2 631 718
Loss on sale of property, plant and equipment	(99 191)	(128 855)
Amortisation on intangible assets	868 219	865 847
Depreciation on property, plant and equipment	38 740 068	43 975 564
Employee costs	153 795 023	147 840 856
42. Fair value adjustments		
Investment property (Fair value model)	996 000	112 000
43. Financial instruments disclosure		
Categories of financial instruments		
2024		
Financial assets		
	At amortised cost	Total

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
43. Financial instruments disclosure (continued)		
Receivables from non-exchange transactions	2 735 365	2 735 365
Consumer debtors	4 321 614	4 321 614
Cash and cash equivalents	20 260 281	20 260 281
	27 317 260	27 317 260

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	38 533 268	38 533 268

2023

Financial assets

	At amortised cost	Total
Receivables from non-exchange transactions	2 174 209	2 174 209
Consumer debtors	3 845 659	3 845 659
Cash and cash equivalents	47 782 922	47 782 922
	53 802 790	53 802 790

Financial liabilities

	At amortised cost	Total
Trade and other receivables from exchange transactions	36 390 101	36 390 101

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
44. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	13 074 163	9 787 160
Total capital commitments		
Already contracted for but not provided for	13 074 163	9 787 160
Authorised operational expenditure		
Already contracted for but not provided for		
• Contracted services	21 200 304	-
• Insurance services	985 205	-
	22 185 509	-
Total operational commitments		
Already contracted for but not provided for	22 185 509	-
Total commitments		
Total commitments		
Authorised capital expenditure	13 074 163	9 787 160
Authorised operational expenditure	22 185 509	-
	35 259 672	9 787 160

This committed expenditure will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

45. Contingencies

The municipality had the following cases with the following details:

Contingent liabilities

1. Greater Taung Local Municipality vs Department of Agriculture rural development and land reform	300 000	-
Litigation is in progress against the municipality, the estimated legal costs associated with the case amounts to R300 000		
2. Greater Taung Local Municipality vs Sgijimangebela engineering group	501 404	-
Litigation is in progress against the municipality by the plaintiff, Legal costs are estimated to be R200 000		
3. H Seleke (defendant) Vs Greater Taung Local Municipality (Plaintiff) Case No. CIV APP MG 04/2018.	150 000	150 000
Non compliance with building regulations by Seleke. ADR negotiations intending to settle the matter out of Court were not successful. Matter is enrolled in court and our Attorney of record have been instructed to proceed with application for order of demolition and costs. application for hearing date has been done. This matter is handled by BG Bojosinyane and Associates. The probability of losing the case is not known. The estimated legal costs amount to R150 000		
4. J. Lebona & Another V Greater Taung Local Municipality (Case No. 63/2021)	60 000	60 000
Illegal construction or erection of a building on erf No. 237 Molao Street, Pudimoe without having submitted building plans for purposes of their approval by the Municipality. On the 7 of July 2022 the court granted interim order. Mr and Mrs Lebona have failed to comply with the court order. An application for the re-enrolment of the matter was set down for hearing on the 27 October 2022. the matter was placed for hearing to obtain final judgment and order. This matter is handled by BG Bojosinyane and Associates. The probability of losing the case is unknown and estimated financial exposure is R 60,000.00		
5. GTLM vs North West Development Corporation and TA Melku (Case number C/ N M223/2020)	-	-
The case is illegal construction and erection of building on ERF number 334 within Taung CBD without having submitted building plans for the purpose of approval by the municipality		
6. Lebolicious logistics vs GTLM (C/N 112/2021)	105 195	105 195
Claim damages for the sum of R105 195 arising from a tender contract		
7. Augosi Vs GTLM	15 000	14 000
Augosi is claiming damages from the municipality for an accident involving a municipal vehicle. The chances of success are high as the collision was not at the negligence of the municipality. an estimate of the exposure is R15 000		
8. GTLM Vs Modisaotsile Morapedi Letele & all councilors of other political parties(plaintiff)	120 000	200 000
The municipality is appealing the dismissal of the reconsideration application in relation to the power of the Speaker in convening council meeting. The appeal has been granted and the record is to be served		
9. Bakang Ezekiel Sebelego Vs Greater Taung Local Municipality	15 000	14 000
The matter relates to a collision with a municipal vehicle. The pleadings are closed as at year-end and the municipality is waiting the plaintiff to set down. The estimated exposure is R15 000		
10. SMWU vs GTLM	50 000	-
As at year end SAMWU was reviewing the jurisdiction condonations on this case. The chances of success are high because the grounds of review were weak		
11. Masia- Nobula (plaintiff) Vs GTLM	600 000	-
This is an application for review of arbitration award by the Comissioner. Matter emanates from demotion of the respondent after being found guilty of misconduct. Matter is set down for hearing on the 8 August 2024		
	1 916 599	543 195

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
46. Related parties		
Relationships		
Accounting Officers	Refer to accounting officers' report	
Remuneration of senior management	Refer to note 31	
Related party balances		
Loan accounts - Owing (to) by related parties		
Councillors Ol Segosapelo	3 917	7 517
The balance relate to an amount for services owed by a councillor.		
Key management information		

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Remuneration of management

Management class: Councillors

2024

Name	Basic salary	Car allowance	Cellphone allowance	SDL	Total
Cllr.Babuseng PL	303 008	7 052	53 208	3 237	366 505
Cllr.Boemo ME	303 487	11 692	53 208	3 551	371 938
Cllr.Chubane BA	305 151	14 708	53 208	3 581	376 648
Cllr.DE Koker KS	231 038	73 451	53 208	3 346	361 043
Cllr.Gaoraelwe TR	790 439	171 253	53 208	9 917	1 024 817
Cllr.Gaorengwe TC	275 122	37 313	53 208	3 406	369 049
Cllr.Ipeleng O	237 077	75 855	53 208	3 227	369 367
Cllr.Kesemoletshe G	301 929	-	53 208	3 550	358 687
Cllr.Lekoma IJ	285 835	19 532	53 208	3 421	361 996
Cllr.Lephoi GH	231 003	74 150	53 208	3 550	361 911
Cllr.Mabengwane LX	715 557	-	53 208	7 483	776 248
Cllr.Matuane JA	668 976	59 448	53 208	7 181	788 813
Cllr.Mase BP	69 125	237 063	53 208	3 420	362 816
Cllr.Maribe IN	736 830	16 501	53 208	7 523	814 062
Cllr.Modise LRL	301 929	-	53 208	3 550	358 687
Cllr.Moeti MB	715 317	4 985	53 208	7 151	780 661
Cllr.Mokua EM	552 370	174 838	53 208	7 151	787 567
Cllr.Moipolai KG	763 259	-	53 208	7 961	824 428
Cllr.Moeng PK	231 778	71 123	53 208	3 411	359 520
Cllr.Mojaki MS	139 675	173 880	53 208	3 590	370 353
Cllr.Monchonyane RT	714 234	1 322	53 208	7 151	775 915
Cllr.Molale MMT	235 295	76 906	53 208	3 451	368 860
Cllr.Montewa NM	135 674	167 814	53 208	3 410	360 106
Cllr.Morapedi-Letele MS	306 387	522	53 208	3 550	363 667
Cllr.Mosinkiemang MV	658 287	76 638	53 208	7 513	795 646
Cllr.Moraladi TG	299 858	2 742	53 208	3 550	359 358
Cllr.Mmokwa M	134 365	172 621	53 208	3 380	363 574

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Cllr. Mmokwa RS	716 472	10 646	53 208	6 310	786 636
Cllr. Nape LS	231 860	75 504	53 208	3 430	364 002
Cllr. Nkewu BM	298 722	11 795	53 208	3 410	367 135
Cllr. Makwati MM	299 004	14 958	53 208	3 226	370 396
Cllr. Olifant CK	231 958	70 633	53 208	3 207	359 006
Cllr. Pudule AK	227 504	77 467	53 208	3 118	361 297
Cllr. Pusho B	299 796	13 048	53 208	3 560	369 612
Cllr. Roolbaatjie KC	301 929	-	53 208	3 551	358 688
Cllr. Seboko KL	303 445	3 427	53 208	3 570	363 650
Cllr. Segosapelo OI	299 927	2 000	53 208	3 461	358 596
Cllr. Tafane GN	714 864	3 522	53 208	7 483	779 077
Cllr. Seepamere S	231 940	72 877	53 208	3 550	361 575
Cllr. Sephula MA	301 929	-	53 208	3 350	358 487
Cllr. Sekwenyane MD	238 518	76 913	53 208	3 470	372 109
Cllr. Sebe TP	718 984	4 985	53 208	7 151	784 328
Cllr. Tabe TJ	301 376	1 566	53 208	3 346	359 496
Cllr. Tong OA	232 057	87 260	53 208	3 460	375 985
Cllr. Tshipo GJ	304 719	5 000	53 208	3 551	366 478
Cllr. Zonke V	221 583	84 237	53 208	3 551	362 579
Cllr. Mojanaga MD	134 193	169 930	53 208	3 297	360 628
Cllr. Molamu GS	302 767	483	53 208	3 222	359 680
Payroll adjustments	(13 271)	-	-	-	(13 271)
	17 543 281	2 507 660	2 553 984	213 486	22 818 411

2023

Name	Basic salary	Car allowance	Cellphone allowance	Total
Cllr. Babuseng MC	2 918	-	-	2 918
Cllr. Balebanye OJ	2 918	-	-	2 918
Cllr. Diphoko GS	2 918	-	-	2 918
Cllr. Leshoe MF	2 918	-	-	2 918
Cllr. Maila LE	2 918	-	-	2 918
Cllr. Malepe J	6 920	-	-	6 920
Cllr. Mamapula KL	2 918	-	-	2 918

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Cllr.Kgosimore RK	6 920	-	-	6 920
Cllr.Matshwe T	6 920	-	-	6 920
Cllr.Mocumi KB	2 918	-	-	2 918
Cllr.Mokgobo MR	2 918	-	-	2 918
Cllr.Mongale RA	6 920	-	-	6 920
Cllr.Morweng TS	2 918	-	-	2 918
Cllr.Mothibesi SD	2 918	-	-	2 918
Cllr.Motshabi MI	2 918	-	-	2 918
Cllr.Ncweng ME	2 918	-	-	2 918
Cllr.Ntasi NE	6 920	-	-	6 920
Cllr.Olifant MKI	2 918	-	-	2 918
Cllr.Pitso JT	2 918	-	-	2 918
Cllr.Ratake MJ	2 918	-	-	2 918
Cllr.Sebolai KL	2 918	-	-	2 918
Cllr.Sedupane BJ	3 819	-	-	3 819
Cllr.Seemelo HD	2 918	-	-	2 918
Cllr.Seisho KG	2 918	-	-	2 918
Cllr.Seleke RO	5 881	-	-	5 881
Cllr.Tladi EH	7 381	-	-	7 381
Cllr.Tlhaganyane T	2 918	-	-	2 918
Cllr.Tokwe LC	2 918	-	-	2 918
Cllr.Nomadolo HN	2 918	-	-	2 918
Cllr.Gaobusiwe GW	6 920	-	-	6 920
Cllr.Pico JM	2 918	-	-	2 918
Cllr.Gezone BG	6 920	-	-	6 920
Cllr.Lepedi MC	6 920	-	-	6 920
Cllr.Menyatso A	2 918	-	-	2 918
Cllr.Mongale OV	6 920	-	-	6 920
Cllr.Motlhabane NC	2 918	-	-	2 918
Cllr.Totong DG	9 230	-	-	9 230
Cllr.Babuseng PL	216 249	69 641	41 700	327 590
Cllr.Boemo ME	285 890	-	41 700	327 590
Cllr.Chubane BA	285 890	-	41 700	327 590
Cllr.DE Koker KS	288 808	-	41 700	330 508
Cllr.Gaoraelwe TR	906 323	-	41 700	948 023
Cllr.Gaorengwe TC	285 890	-	41 700	327 590
Cllr.Ipeleng O	216 249	69 641	41 700	327 590

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Cllr.Kesemoletshe G	285 890	-	41 700	327 590
Cllr.Lekoma IJ	216 249	69 641	41 700	327 590
Cllr.Lephoi GH	285 890	-	41 700	327 590
Cllr.Mabengwane LX	677 552	-	41 700	719 252
Cllr.Matuane JA	519 429	165 043	41 700	726 172
Cllr.Mase BP	239 123	46 767	41 700	327 590
Cllr.Maribe IN	680 470	-	41 700	722 170
Cllr.Modise LRL	285 890	-	41 700	327 590
Cllr.Moeti MB	515 427	165 043	41 700	722 170
Cllr.Mokua EM	525 960	151 592	41 700	719 252
Cllr.Moipolai KG	725 639	-	41 700	767 339
Cllr.Moeng PK	227 601	58 289	41 700	327 590
Cllr.Mojaki MS	285 890	-	41 700	327 590
Cllr.Monchonyane RT	512 509	165 043	41 700	719 252
Cllr.Molale MMT	216 249	69 641	41 700	327 590
Cllr.Montewa NM	216 249	69 641	41 700	327 590
Cllr.Morapedi-Letele MS	285 890	-	41 700	327 590
Cllr.Mosinkiemang MV	680 470	-	41 700	722 170
Cllr.Moraladi TG	285 890	-	41 700	327 590
Cllr.Mmokwa M	288 808	-	41 700	330 508
Cllr.MMokwa SC	501 519	161 728	41 700	704 947
Cllr.Nape LS	216 249	69 641	41 700	327 590
Cllr.Nkewu BM	250 814	35 075	41 700	327 589
Cllr.Makwati MM	274 198	11 692	41 700	327 590
Cllr.Olifant CK	219 167	69 641	41 700	330 508
Cllr.Pudule AK	285 890	-	41 700	327 590
Cllr.Pusho B	285 890	-	41 700	327 590
Cllr.Rooibaattjie KC	285 890	-	41 700	327 590
Cllr. Seboko KL	285 890	-	41 700	327 590
Cllr.Segosapelo OI	221 925	63 965	41 700	327 590
Cllr. Tafane GN	677 552	-	41 700	719 252
Cllr.Seepamere S	285 890	-	41 700	327 590
Cllr.Sephula MA	285 890	-	41 700	327 590
Cllr.Sekwenyane MD	216 249	69 641	41 700	327 590
Cllr.Sebe TP	515 427	165 043	41 700	722 170
Cllr.Tabe TJ	285 890	-	41 700	327 590
Cllr.Tong OA	216 249	69 641	41 700	327 590

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

46. Related parties (continued)

Cllr.Tshipo GJ	288 808	-	41 700	330 508
Cllr.Zonke V	239 123	46 767	41 700	327 590
Cllr.Mojanaga MD	262 506	23 384	41 700	327 590
Cllr.Molamu GS	285 890	-	41 700	327 590
Payroll adjustments	(368 012)	-	-	(368 012)
	16 619 891	1 886 200	2 001 600	20 507 691

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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47. Prior period errors

Sale of goods and services

Sale of goods and services disclosed on the face of the Income Statement in the prior year has been reclassified as Other income. This is was done since the sale of goods relates to sundry services such as tender document fees, photocopying, approval of building plans which is allowed for aggregation under GRAP 1 Presentation of Financial Statements. The amount of the reclassification was R681 674

Contracted services and VAT receivable

Some contracted services expenditure was captured inclusive of VAT thereby overstating the expense in the prior year and understating the VAT receivable. The error was corrected retrospectively, the amount of the correction was R75 188, correction regarding reversal of impairment of VAT incorrectly processed in the prior year amounted to 6 458 238

Employee costs, remuneration of councillors and general expenses

Various reclassifications were made between these votes to correct misposts in the prior year. The net effect of the reclassifications was 91 791

Receivables from exchange transactions & Consumer debtors

In the prior year Consumer debtors were disclosed as receivables from exchange transactions, These were reclassified and are now disclosed as Consumer debtors on the statement of financial position. The reclassification was done to more accurately disclose consumer debtors according to GRAP 3 and GRAP 23

Payables from exchange transactions & VAT

VAT was disaggregated in error and disclosed under payables, consumer debtor and as a separate line item on the face of the statement of financial position in error. A reclassification of R149 103 and a correction of error of R6 608 617 from impairment was made in the prior year to accurately disclose VAT as a single line item despite it being either input or output.

Property plant and equipment

Property plant and equipment was adjusted after physical count and assessment of condition of assets. The amount of the adjustment was R127 296

Accumulated surplus

The correction of various errors resulted in accumulated surplus balance increasing with R3 212 344

Unspent conditional grants and government grants revenue

The municipality did not have unspent conditional grants at the end of the previous year but incorrectly disclosed unspent grants. The amounts were then forfeited by treasury and an adjustment was made to reflect the correct position in the prior year.

Irregular expenditure disclosures

An amount of R33 092 647 relating to irregular expenditure of the 2023 financial year was discovered during the audit of that expenditure item. Management further investigated all payments of that year. An adjustment to irregular expenditure for the prior year disclosure was effected in the current year and irregular expenditure increased with R33 092 647.

The correction of the error(s) results in adjustments as detailed in Prior year adjustments note 48

48. 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:

Statement of financial position

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

48. Prior-year adjustments (continued)

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions/ Consumer debtors		8 397 007	-	(4 551 348)	3 845 659
VAT receivable		3 470 245	6 533 425	149 103	10 152 773
Payables from exchange transactions		(40 793 288)	940	4 402 245	(36 390 103)
Property plant and equipment		776 244 082	(127 296)	-	776 116 786
Unspent conditional grant		(2 431 028)	(3 269 917)	-	(5 700 945)
Accumulated surplus		(770 167 385)	(3 212 344)	-	(773 379 729)
		(25 280 367)	(75 192)	-	(25 355 559)

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Sale of goods and services		681 764	-	(681 764)	-
Other income - LGSETA		225 525	-	-	225 525
Contracted services		(79 751 929)	75 188	-	(79 676 741)
Other income		403 776	-	681 764	1 085 540
Government grants		291 120 393	(3 269 917)	-	287 850 476
Employee related costs		(127 012 380)	-	(320 785)	(127 333 165)
Remuneration of councillors		(20 920 268)	-	412 576	(20 507 692)
General expenses		(87 873 868)	-	(91 791)	(87 965 659)
Surplus for the year		(23 126 987)	(3 194 729)	-	(26 321 716)

49. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are disclosed in notes 47 & 48.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

50. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	38 533 268	-	-	-
Consumer deposits	202 550	-	-	-
Employee benefit obligation	1 722 000	-	-	23 322 000
Unspent conditional grants	1 901 958	-	-	-
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	36 390 101	-	-	-
• Consumer deposits	155 265	-	-	-
• Employee benefit obligation	953 000	-	-	22 536 000
• Unspent conditional grants	5 700 945	-	-	-

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument	2024	2023
Consumer debtors	4 321 614	3 845 659
Receivables from non-exchange transactions	2 735 365	2 174 209
Cash and cash equivalents	20 260 281	47 782 922

Market risk

Interest rate risk

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

51. Going concern

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

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

52. Events after the reporting date

The municipality's council approved an auction event to sell off some items of movable property plant and equipment after the reporting date of 30 June 2024:

- Nature of the event: These are excess movable assets that the municipality no longer uses.
- The auction will result in a decrease in the carrying amounts of property plant and equipment currently reported as at 30 June 2024.

53. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Unauthorised expenditure	296 783 874	250 878 340
Irregular expenditure	383 571 018	340 000 610
Fruitless and wasteful expenditure	3 276 409	2 780 673
Closing balance	683 631 301	593 659 623

54. Unauthorised expenditure

Opening balance as previously reported	250 878 340	219 228 317
Add: Unauthorised expenditure - current	45 905 534	31 650 023
Closing balance	296 783 874	250 878 340

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	16 042 897	17 954 539
Cash	29 862 638	1 683 378
	45 905 535	19 637 917

Analysed as follows: non-cash

Depreciation and amortisation	3 682 009	3 828 555
Finance charges	2 286 973	2 216 167
Loss on disposal of property, plant and equipment	99 191	128 855
Provision of impairment	9 974 724	11 761 422
Water losses	-	19 540
	16 042 897	17 954 539

Analysed as follows: cash

Contracted services	10 372 653	-
General expenditure	19 048 203	-
Employee related costs	-	1 434 382
Transfers and subsidies	-	248 996
Lease rental	441 781	-
	29 862 637	1 683 378

Unauthorised expenditure: Budget overspending – per municipal department:

Community and social services	902 503	15 178 224
Planning and development	-	671 492
Economic and environmental services	2 101 928	-
Infrastructure	-	15 800 307
Trading services	21 118 631	-
Municipal governance and finance	21 782 471	-
	45 905 533	31 650 023

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
55. Fruitless and wasteful expenditure		
Opening balance as previously reported	2 780 673	2 648 841
Add: Fruitless and wasteful expenditure identified - current	495 736	131 832
Closing balance	3 276 409	2 780 673

Fruitless and wasteful expenditure is presented inclusive of VAT

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

55. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings		
Interest charged - Eskom	None	97 403	60 669
Accidents	Under investigation	12 115	46 153
Accommodation	None	20 400	8 000
Interest ABSA	None	365 818	17 010
		495 736	131 832

56. Irregular expenditure

Opening balance as previously reported	340 000 610	322 801 479
Correction of prior period error	33 092 647	-
Opening balance as restated	373 093 257	322 801 479
Add: Irregular Expenditure - current	10 477 761	17 199 131
Closing balance	383 571 018	340 000 610

Irregular expenditure is presented inclusive of VAT

Irregular expenditure presented above arise from non-compliance with SCM policies and laws and regulations. Non of the irregular expenditure has been written off, condoned or recovered.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

56. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
SCM processes not followed	The incidences have been reported to portfolio committee meetings and no disciplinary action or criminal proceedings have been taken yet	7 016 977	15 816 735
Contract expired	The incidences have been reported to portfolio committee meetings and no disciplinary action or criminal proceedings have been taken yet	3 460 446	1 382 396
		10 477 423	17 199 131

Cases under investigation

2018/2019	13 512 054	13 512 054
2019/2020	94 511 149	94 511 149
2020/2021	31 225 876	31 225 876
2021/2022	14 827 861	14 827 861
	154 076 940	154 076 940

All reports have been submitted to MPAC for investigation. All irregular expenditure for 2023/2024 financial year have been submitted to Portfolio committee and council

57. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	575 551	37 551
Amount paid - current year	(575 551)	(37 551)
	-	-

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
57. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees		
Opening balance	(19 140)	(19 140)
Current year subscription / fee	4 941 520	5 205 057
Amount paid - current year	(4 941 520)	(5 205 057)
	(19 140)	(19 140)

PAYE and UIF

Current year subscription / fee	32 395 529	20 406 003
Amount paid - current year	(32 395 529)	(20 406 003)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	44 249 722	17 927 741
Amount paid - current year	(44 249 722)	(17 927 741)
	-	-

VAT

VAT receivable	5 699 401	10 152 773
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr. Segosapelo	1 612	5 904	7 516

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

58. 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.

The municipality incurred costs without following all requirements stipulated in the supply chain management policy. A detailed register of these costs together with supporting documentation can be accessed at the municipal premises on request. Deviations from supply chain where due to exceptional cases where in some instances it was payment of tuition fees and membership fees for employees and in other cases the payee is the only supplier of the goods and services. The following deviations occurred and were reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Deviations from supply chain

Exceptional cases	810 650	656 249
Sole supplier	169 324	-
	979 974	656 249

59. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas: community and public safety, economic and environmental services, municipal governance and finance and trading services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates in the North West Province of South Africa. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the municipality were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Community halls, parks, libraries, housing, recreational parks, sports grounds stadiums, licencing services, cemeteries and street cleaning.
Economic and environmental services	Roads, project management, town planning, building regulations and enforcement
Municipal governance and finance	Administrative and corporate support, asset management, municipal finance, fleet management, human resources, information technology, marketing mayour and council, municipal manager and property services
Trading services	Electricity, sewerage, solid waste disposal, solid waste removal, water distribution, water storage, and storm water management

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

59. Budget differences (continued)

Segment surplus or deficit, assets and liabilities

2024

	Community and public safety	Economic and environmental services	Municipal governance and finance	Trading services	Total
Revenue					
Revenue from non-exchange transactions	889 523	8 608 719	9 103 206	317 862 815	336 464 263
Revenue from exchange transactions	487 384	62 235	9 470 662	13 231 996	23 252 277
Actuarial gains and losses	-	-	1 898 000	-	1 898 000
Fair value adjustments	-	-	996 000	-	996 000
Total segment revenue	1 376 907	8 670 954	21 467 868	331 094 811	362 610 540
Entity's revenue					362 610 540
Expenditure					
Bulk Purchases	-	-	-	5 642 076	5 642 076
Contracted services	1 034 357	27 749 717	50 023 643	2 481 410	81 289 127
Depreciation and amortisation	7 535 199	15 168 719	8 293 694	8 610 675	39 608 287
Employee related costs	92 913 254	5 379 860	17 442 296	15 241 203	130 976 613
Finance costs	-	2 829 000	92 942	-	2 921 942
Operating lease	-	-	2 938 781	-	2 938 781
General expenses	2 121 508	259 475	87 100 247	6 496 108	95 977 338
Remuneration of councillors	-	-	22 818 411	-	22 818 411
Transfers and subsidies	-	-	285 400	-	285 400
Water losses	-	-	-	(7 618)	(7 618)
Loss on disposal of assets and liabilities	36 358	28 846	32 620	1 367	99 191
Debt impairment	-	-	9 974 724	-	9 974 724
Total segment expenditure	103 640 676	51 415 617	199 002 758	38 465 221	392 524 272
Total segmental surplus/(deficit)	(102 263 769)	(42 744 663)	(177 534 890)	292 629 590	(29 913 732)

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

	Community and public safety	Economic and environmental services	Municipal governance and finance	Trading services	Total
59. Budget differences (continued)					
Assets					
Current assets	(605 245 620)	576 504	647 365 251	(8 996 525)	33 699 610
Non current assets	201 823 007	(157 200 237)	775 235 815	(16 598 892)	803 259 693
Total segment assets	(403 422 613)	(156 623 733)	1 422 601 066	(25 595 417)	836 959 303
Total assets as per Statement of financial Position					836 959 303
Liabilities					
Current liabilities	(143 801 751)	228 443 032	(135 640 768)	5 082 270	(45 917 217)
Non-current liabilities	-	-	(31 214 256)	(16 258 006)	(47 472 262)
Total segment liabilities	(143 801 751)	228 443 032	(166 855 024)	(11 175 736)	(93 389 479)
Total liabilities as per Statement of financial Position					(93 389 479)
2023					
Revenue					
Revenue from non-exchange transactions	978 729	7 151 362	1 338 910	309 713 069	319 182 070
Revenue from exchange transactions	515 102	41 904	9 432 255	14 841 003	24 830 264
Fair value adjustments	-	-	112 000	-	112 000
Actuarial gains and losses	-	-	2 987 000	-	2 987 000
Total segment revenue	1 493 831	7 193 266	13 870 165	324 554 072	347 111 334
Entity's revenue					347 111 334

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

59. Budget differences (continued)

Expenditure

Bulk purchases	-	-	-	4 668 831	4 668 831
Contracted services	2 755 686	1 593 981	45 250 168	30 001 718	79 601 553
Depreciation and amortisation	7 614 809	16 151 536	12 641 239	8 433 827	44 841 411
Employee related costs	83 902 494	6 755 338	17 489 808	19 185 524	127 333 164
Finance costs	-	538 000	171 177	2 110 000	2 819 177
General expenses	1 533 996	555 166	78 961 368	6 915 124	87 965 654
Remuneration of councillors	-	-	20 507 691	-	20 507 691
Transfers and subsidies	-	-	330 000	-	330 000
Impairments	-	-	11 761 422	-	11 761 422
Lease rentals	-	-	2 631 717	-	2 631 717
Loss on disposals	-	68 648	46 359	13 848	128 855
Water losses	-	-	-	19 540	19 540
Total segment expenditure	95 806 985	25 662 669	189 790 949	71 348 412	382 609 015
Total segmental surplus/(deficit)	(94 313 154)	(18 469 403)	(175 920 784)	253 205 660	(35 497 681)

Assets

Current assets	(548 767 030)	203 579	572 795 037	40 676 016	64 907 602
Non-current assets	208 129 644	(152 671 841)	766 795 582	(31 664 903)	790 588 482
Total segment assets	(340 637 386)	(152 468 262)	1 339 590 619	9 011 113	855 496 084
Total assets as per Statement of financial Position					855 496 084

Liabilities

Current liabilities	(173 966 486)	247 244 334	(114 370 222)	(2 106 937)	(43 199 311)
Non-current liabilities	-	-	(38 794 006)	-	(38 794 006)
Total segment liabilities	(173 966 486)	247 244 334	(153 164 228)	(2 106 937)	(81 993 317)
Total liabilities as per Statement of financial Position					(81 993 317)

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

60. Budget differences
Material differences between budget and actual amounts

Greater Taung Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

60. Budget differences (continued)

Service charges

The major difference with service charges is an overbudget on electricity, other services actual revenue was in line with budgeted revenue. The municipality anticipated higher increases to be approved by NERSA and a higher number of new connections and higher usage which didn't materialise on actual results. Electricity is overbudgeted by approximately R2,5 million.

Investment income

The budgeted interest was higher than the actual interest by approximately R3,7 million. When the budget was being prepared, the municipality had investments of approximately R82 million that were reinvested. Due to the need to fund operations some investments were withdrawn before their term and potential interest lost resulting in the difference between budget and actual.

Property rates and interest on non-exchange revenue

The municipality anticipated that there would be more properties added onto the supplementary valuation roll for the year and anticipated higher property rates and interest thereof. The supplementary roll when implemented did not have major additions to property values and this led to budgeted rates being higher than actual rates with approximately R15 million.

Grants and subsidies

The difference between budget and actual where budget is more than actual by approximately R3 million is that Treasury initially allocated R53 million for MIG in the DORA, the amount was later reduced by R3 million, the municipality did not adjust the budget with this reduction.

Remuneration of personnel and councillors

The actual amount is lower than the budgeted amount by approximately R3,6 million. This is so because a number of Sec57 posts and other posts still remain vacant leading to the underspending.

Bulk purchases

The overbudgeting of approximately R3,4 million on bulk electricity is in line with the over budget for electricity sales under service charges.

Contracted services

There is overspending on contracted services of approximately R9 million. This is driven mainly by expenditure on maintenance of municipal assets. The repair and maintenance is largely beyond municipal control as service delivery depends on maintaining municipal fleet as and when the need arises.

Depreciation; gains & losses on asset valuations

Budgeting on these expenditure is inherently difficult to accurately predict. The actual amounts are based mostly on the work of outside professional service providers and data only available after the budget period is over.

Receivables from non-exchange revenue

These are property rates and the difference arises from the actual valuation roll in use versus the anticipated valuation roll used when budgeting.

VAT

The differences between actual and budgeted amounts arise of legacy reasons, where in the past VAT balances have not been stated correctly, the municipality engaged VAT experts to resolve the VAT legacy issues.

Cash and cash equivalents

The difference between actual and budget was largely due to early withdrawal of investments.

Property plant and equipment

The difference in PPE in percentage terms is considered immaterial based on the magnitude of the account balance. The final asset register is compiled by service providers and reflects condition of PPE at reporting date, which condition may not be apparent during budgeting process.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

61. Accounting by principals and agents

The entity is a party to a principal-agent arrangement.

Details of the arrangement(s) are as follows:

The municipality is party (as an agent) to an agreement between the itself and the Department of roads and transport where it collects revenue from licensing and permitting on behalf of the department. The municipality is entitled to 20% of the revenue collected.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

No resources of the principal has been put under the custodianship of the agent.

Revenue recognised

The municipality recognised revenue of R104 889 (2023: 185 229) for its services rendered as an agent of the Department road transport.

Amounts Receivable

As at year end the principal owed the agent R243 903 (2023: R0)

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

There are no cost implications to the municipality as an agent should the principal terminate the arrangement.